



CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, October 22, 2019

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)**

City Council Regular Session:

6:00 P.M.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

PLEDGE OF ALLEGIANCE: Mayor Moreno

ROLL CALL: Mayor Moreno
Mayor Pro Tem Bourbeau
Council Member Fonzi
Council Member Funk
Council Member Newsom

APPROVAL OF AGENDA: Roll Call

Recommendation: Council:

1. Approve this agenda; and
2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

PRESENTATIONS:

1. Proclamation proclaiming October 2019 Domestic Violence Awareness Month
2. Employee Recognition

A. CONSENT CALENDAR: (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the Consent Calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken.)

1. City Council Draft Action Minutes – October 8, 2019

- Recommendation: Council approve the October 8, 2019 Draft City Council Meeting Minutes. [City Clerk]

2. September 2019 Accounts Payable and Payroll

- Fiscal Impact: \$2,513,683.87
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for September 2019. [Administrative Services]

3. Amendment to Atascadero Municipal Code Section 4-2.1301 – Time Limit Parking

- Fiscal Impact: None.
- Recommendation: Council adopt on second reading, by title only, Draft Ordinance amending Title 4, Chapter 2, Article 13, Section 4-2.1301 of the Atascadero Municipal Code regarding time limit parking areas. [Police Department]

4. Resolution to Authorize Application for Prop 68 Parks and Recreation Grant Per Capita Program Funds

- Fiscal Impact: The City of Atascadero is eligible to receive a minimum of \$200,000 and can apply for multiple projects. If awarded, this grant will have a positive fiscal impact, as it will allow for much needed park enhancements to take place.
- Recommendation: Council approve Draft Resolution authorizing an application for Proposition 68 California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Per Capita Program Funds to the California Department of Parks and Recreation. [City Manager]

UPDATES FROM THE CITY MANAGER: (The City Manager will give an oral report on any current issues of concern to the City Council.)

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or cityclerk@atascadero.org.)

B. PUBLIC HEARINGS: None.

C. MANAGEMENT REPORTS:

1. Discussion of Mobile Home Park Rent Stabilization Issue

- Fiscal Impact: None at this time.
- Recommendation: Council discuss mobile home park rent stabilization issue and provide direction to staff. [City Attorney]

2. Sphere of Influence and MOA Update

- Fiscal Impact: None at this time.
- Recommendation: Council adopt Draft Resolution approving a Memorandum of Agreement between the City of Atascadero and the County of San Luis Obispo regarding the City's Sphere of Influence and other study areas adjacent to the City Limits. [Community Development]

- D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:** (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor Moreno

1. City Selection Committee
2. County Mayors Round Table
3. Economic Vitality Corporation, Board of Directors (EVC)
4. SLO Council of Governments (SLOCOG)
5. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Bourbeau

1. City / Schools Committee
2. City of Atascadero Finance Committee
3. Integrated Waste Management Authority (IWMA)
4. SLO County Water Resources Advisory Committee (WRAC)

Council Member Fonzi

1. Air Pollution Control District
2. Atascadero Basin Ground Water Sustainability Agency (GSA)
3. City of Atascadero Design Review Committee
4. SLO Local Agency Formation Commission (LAFCo)

Council Member Funk

1. City of Atascadero Finance Committee
2. Homeless Services Oversight Council
3. League of California Cities – Council Liaison

Council Member Newsom

1. California Joint Powers Insurance Authority (CJPIA) Board
2. City / Schools Committee
3. City of Atascadero Design Review Committee
4. Visit SLO CAL Advisory Committee

- E. INDIVIDUAL DETERMINATION AND / OR ACTION:** (Council Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.)

1. City Council
2. City Clerk
3. City Treasurer
4. City Attorney
5. City Manager

F. ADJOURN

Please note: Should anyone challenge any proposed development entitlement listed on this Agenda in court, that person may be limited to raising those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing. Correspondence submitted at this public hearing will be distributed to the Council and available for review in the City Clerk's office.

City of Atascadero

WELCOME TO THE ATASCADERO CITY COUNCIL MEETING

The City Council meets in regular session on the second and fourth Tuesday of each month at 6:00 p.m. Council meetings will be held at the City Hall Council Chambers, 6500 Palma Avenue, Atascadero. Matters are considered by the Council in the order of the printed Agenda. Regular Council meetings are televised live, audio recorded and videotaped for future playback. Charter Communication customers may view the meetings on Charter Cable Channel 20 or via the City's website at www.atascadero.org. Meetings are also broadcast on radio station KPRL AM 1230. Contact the City Clerk for more information at cityclerk@atascadero.org or (805) 470-3400.

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection during City Hall business hours at the Front Counter of City Hall, 6500 Palma Avenue, Atascadero, and on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are either read into the record or referred to in their statement will be noted in the minutes and available for review in the City Clerk's office.

In compliance with the Americans with Disabilities Act, **if you need special assistance to participate in a City meeting or other services offered by this City**, please contact the City Manager's Office or the City Clerk's Office, both at (805) 470-3400. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

TO SPEAK ON SUBJECTS NOT LISTED ON THE AGENDA

Under Agenda item, "COMMUNITY FORUM", the Mayor will call for anyone from the audience having business with the Council to approach the lectern and be recognized.

1. Give your name for the record (not required)
2. State the nature of your business.
3. All comments are limited to 3 minutes.
4. All comments should be made to the Mayor and Council.
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present

This is the time items not on the Agenda may be brought to the Council's attention. A maximum of 30 minutes will be allowed for Community Forum (unless changed by the Council). If you wish to use a computer presentation to support your comments, you must notify the City Clerk's office at least 24 hours prior to the meeting. Digital presentations must be brought to the meeting on a USB drive or CD. You are required to submit to the City Clerk a printed copy of your presentation for the record. Please check in with the City Clerk before the meeting begins to announce your presence and turn in the printed copy.

TO SPEAK ON AGENDA ITEMS (from Title 2, Chapter 1 of the Atascadero Municipal Code)

Members of the audience may speak on any item on the agenda. The Mayor will identify the subject, staff will give their report, and the Council will ask questions of staff. The Mayor will announce when the public comment period is open and will request anyone interested to address the Council regarding the matter being considered to step up to the lectern. If you wish to speak for, against or comment in any way:

1. You must approach the lectern and be recognized by the Mayor
2. Give your name (not required)
3. Make your statement
4. All comments should be made to the Mayor and Council
5. No person shall be permitted to make slanderous, profane or negative personal remarks concerning any other individual, absent or present
6. All comments limited to 3 minutes

The Mayor will announce when the public comment period is closed, and thereafter, no further public comments will be heard by the Council.



CITY OF ATASCADERO CITY COUNCIL

DRAFT MINUTES

Tuesday, October 8, 2019

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)**

City Council Regular Session:

6:00 P.M.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor Moreno called the meeting to order at 6:00 p.m. and Mayor Pro Tem Bourbeau led the Pledge of Allegiance.

ROLL CALL:

Present: Council Members Fonzi, Funk, Newsom, Mayor Pro Tem Bourbeau and Mayor Moreno

Absent: None

Staff Present: City Manager Rachelle Rickard, Administrative Services Director Jeri Rangel, Public Works Director Nick DeBar, Police Chief Jerel Haley, Community Development Director Phil Dunsmore, Fire Chief Casey Bryson, City Attorney Greg Murphy and Deputy City Manager/City Clerk Lara Christensen

APPROVAL OF AGENDA:

MOTION: By Council Member Funk and seconded by Council Member Newsom to:

- 1. Approve this agenda; and,**
- 2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.**

Motion passed 5:0 by a roll-call vote.

PRESENTATIONS:

1. Proclamation proclaiming October 6-12, 2019 as Fire Prevention Week

The City Council presented the proclamation to members of Atascadero Fire and Emergency Services.

2. Proclamation Celebrating Atascadero Library's 100 year anniversary

The City Council presented the proclamation to members of Atascadero Historical Society and Friends of the Atascadero Library.

A. CONSENT CALENDAR:

1. City Council Draft Action Minutes – September 24, 2019

- Recommendation: Council approve the September 24, 2019 Draft City Council Meeting Minutes. [City Clerk]

2. Budget Amendment for Apple Valley Street and Storm Drain Maintenance District No. 1 Pavement Management

- Fiscal Impact: None.
- Recommendations: Council:
 1. Authorize the Director of Administrative Services to appropriate an additional \$26,000 in Apple Valley Street and Storm Drain Maintenance District No. 1 Funds in fiscal year 2018-2019 for the slurry seal project.
 2. Authorize the Director of Administrative Services to reduce the budget of Apple Valley Street and Storm Drain Maintenance District No. 1 Funds-Slurry Seal Project by \$26,000 in fiscal year 2019-2020. [Public Works]

3. Adopt an Ordinance to Amend Title 7 – “Public Works”, Chapter 2 - “Definitions”, Chapter 4 – “Permits and Connections Fees”, and Chapter 9 – “Sewer Facilities Account” Pertaining to Wastewater

- Fiscal Impact: Adoption of the Ordinance enables the processing of Sewer Capacity Fees adopted by Resolution at the September 24, 2019 Council Meeting.
- Recommendation: Council adopt on second reading by title only, Draft Ordinance amending Title 7 – “Public Works”, Chapter 2 - “Definitions”, Chapter 4 – “Permits and Connections Fees”, and Chapter 9 – “Sewer Facilities Account” pertaining to Wastewater. [Public Works]

MOTION: By Council Member Fonzi and seconded by Mayor Pro Tem Bourbeau to approve the Consent Calendar. (#A-3: Ordinance No. 628)
Motion passed 5:0 by a roll-call vote.

UPDATES FROM THE CITY MANAGER:

City Manager Rachelle Rickard gave an update on projects and issues within the City.

COMMUNITY FORUM:

The following citizens spoke during Community Forum: Geoff Aulsen, Richard Moen and Bill Arkfeld

Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS: None.

C. MANAGEMENT REPORTS:

1. Community Cats

- Fiscal Impact: Future adoption of a Community Cat Program could reduce the amount paid to Animal Services over time.
- Recommendation: Council review, discuss, and provide direction to staff on options for the management of community cats in Atascadero. [City Manager]

Deputy City Manager Christensen gave the staff report and answered questions from the Council.

Mayor Moreno recessed the meeting at 8:02 p.m.

Mayor Moreno reconvened the meeting at 8:13 p.m. with all present.

PUBLIC COMMENT:

The following citizens spoke on this item: Heather Shireman, Mary K Patterson, and Annabelle O'Conner

Mayor Moreno closed the Public Comment period.

Following discussion by the Council, the Council provided the following direction to staff:

Staff should begin working on drafting a Community Cat Program that incorporates all six options presented during the meeting and outlined in the staff report. Council also noted that a program would need to include an education component, especially with regards to options 4 and 5 and directed staff to investigate a program to help provide low cost spay/neuter for owned cats.

2. Request for Authorization to Process General Plan Amendment for 11600 El Camino Real (APN: 045-331-014) (Lawton)

- Fiscal Impact: If the General Plan Amendment is authorized to move forward, the City will need to have further discussion of fiscal neutrality of the project.
- Recommendation: Council authorize the Cal Coastal Development Team to proceed with a Master Plan of Development Amendment application to the Dove Creek Development to allow residential uses as part of a mixed-use development on the existing vacant commercial parcel at the corner of El

Camino Real and Santa Barbara Road and provide direction to staff on moving forward with the application processing. [Community Development]

Community Development Director Dunsmore gave the staff report and answered questions from the Council

Ex Parte Communications:

Council Member Newsom reported receiving emails on the issue.

Mayor Pro Tem Bourbeau noted receiving emails and speaking with commercial real estate broker Richard Shannon on viability of commercial leasing in the area.

Council Member Fonzi reported having email conversations with Dr. Colleen Annes and Chris Neary.

Council Member Funk reported having previous discussions with the owner selling the property, extensive conversations with the neighborhood on what they would like to see at the site, receiving a number of emails on the subject, posting on Nextdoor and Facebook to encourage participation in the public discussion and received one private message through Nextdoor, and solicited information from those she knows who live in the Dove Creek area.

Mayor Moreno reported receiving emails both for and against.

PUBLIC COMMENT:

The following citizens spoke on this item: Ted Laughton, Eddie Herrera, Keith Vreeken, Kelly McClendon, Paul Vadik, Chris Hurd, Amar Sohi, Carol Hurd, and John Tucker

Mayor Moreno closed the Public Comment period.

During discussion, the Council remarked that the applicant would need to be attentive to the concerns that had been raised at the meeting by staff, public and the Council. Prior to the motion, Council noted that they were open to the concept of the project as presented but cautioned the applicant team that authorizing them to proceed with a Master Plan of Development Amendment was not an assurance for approval of the project.

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Funk to authorize the Cal Coastal Development Team to proceed with a Master Plan of Development Amendment application to the Dove Creek Development to allow residential uses as part of a mixed-use development on the existing vacant commercial parcel at the corner of El Camino Real and Santa Barbara Road.
Motion passed 5:0 by a roll-call vote.

Mayor Moreno recessed the meeting at 10:31 p.m.

Mayor Moreno reconvened the meeting at 10:40 p.m. with all present.

The Council determined to take Item #C-4 before Item #C-3

4. Consideration of the Renewal of the San Luis Obispo County Tourism Marketing District (SLOCTMD)

- Fiscal Impact: The increase of the assessment to 1.5% would result in an increase in assessments received of approximately \$70,000 and increased pass-through to SLOCTMD of a similar amount (the City retains a small portion for administrative costs).
- Recommendation: Council adopt Draft Resolution granting consent to the County of San Luis Obispo to renew the San Luis Obispo County Tourism Marketing District (SLOCTMD) as proposed to include lodging establishments within the City of Atascadero for a 10-year period with a 1.5% assessment. [City Manager]

City Manager Rickard gave the report and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: Chuck Davidson, Clint Pierce, and Amar Sohi

Mayor Moreno closed the Public Comment period.

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Newsom to adopt Resolution No. 2019-079 granting consent to the County of San Luis Obispo to renew the San Luis Obispo County Tourism Marketing District (SLOCTMD) as proposed to include lodging establishments within the City of Atascadero for a 10-year period with a 1.5% assessment.
Motion passed 5:0 by a roll-call vote.

Mayor Moreno requested a motion to extend the meeting past 11:00 p.m.

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Fonzi to extend the meeting passed 11:00 p.m.
Motion passed 5:0 by a roll-call vote.

3. 2019 Citywide Pavement Evaluation Report

- Fiscal Impact: None.
- Recommendation: Council receive and file the 2019 Citywide Pavement Evaluation Report. [Public Works]

Public Works Director DeBar introduced Joe Ririe, Pavement Engineering, Inc., who gave the presentation.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

The Council received and filed this item.

5. Amendment to Atascadero Municipal Code Section 4-2.1301 – Time Limit Parking

- Fiscal Impact: None.
- Recommendation: Council introduce, for first reading by title only, Draft Ordinance amending Title 4, Chapter 2, Article 13, Section 4-2.1301 of the Atascadero Municipal Code regarding time limit parking areas. [Police Department]

Chief Haley gave the staff report and answered questions of the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

MOTION: By Council Member Fonzi and seconded by Council Member Funk to introduce, for first reading by title only, Draft Ordinance amending Title 4, Chapter 2, Article 13, Section 4-2.1301 of the Atascadero Municipal Code regarding time limit parking areas.

Deputy City Manager/City Clerk Christensen read the title of the Ordinance:

**AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF ATASCADERO, CALIFORNIA, AMENDING TITLE 4, CHAPTER 2,
ARTICLE 13, SECTION 4-2.1301 OF THE ATASCADERO MUNICIPAL CODE
REGARDING TIME LIMITED PARKING.**

Motion passed 5:0 by a roll-call vote.

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

The following Council Members made brief announcements and gave brief update reports on their committees since their last Council meeting:

Mayor Moreno

1. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Bourbeau

1. Integrated Waste Management Authority (IWMA)

Council Member Fonzi

1. Air Pollution Control District

Council Member Funk

1. League of California Cities – Council Liaison

Council Member Newsom

1. City of Atascadero Design Review Committee

E. INDIVIDUAL DETERMINATION AND / OR ACTION: None.

F. ADJOURN

Mayor Moreno adjourned the meeting at 10:21 p.m.

MINUTES PREPARED BY:

Lara K. Christensen
Deputy City Manager / City Clerk

APPROVED:



Atascadero City Council

Staff Report - Administrative Services Department

September 2019 Accounts Payable and Payroll

RECOMMENDATION:

Council approve certified City accounts payable, payroll and payroll vendor checks for September 2019.

DISCUSSION:

Attached for City Council review and approval are the following:

Payroll

Dated 9/5/19	Checks # 34579 - 34600	\$ 16,498.17
	Direct Deposits	291,973.06
Dated 9/19/19	Checks # 34601 - 34618	12,164.48
	Direct Deposits	301,963.31

Accounts Payable

Dated 9/1/19 - 9/30/19	Checks # 161725 - 162016 & EFTs 3433 - 3459, 3473	1,891,084.85
	TOTAL AMOUNT	\$ 2,513,683.87

FISCAL IMPACT:

Total expenditures for all funds is \$ 2,513,683.87

CERTIFICATION:

The undersigned certifies that the attached demands have been released for payment and that funds are available for these demands.



Jeri Rangel
Director of Administrative Services

ATTACHMENT:

September 2019 Eden Warrant Register in the amount of \$ 1,891,084.85

City of Atascadero
Disbursement Listing

ITEM NUMBER: A-2
DATE: 10/22/19
ATTACHMENT: 1

For the Month of September 2019

Check Number	Check Date	Vendor	Description	Amount
3433	09/03/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Accounts Payable Check	2,800.00
3434	09/05/2019	ANTHEM BLUE CROSS HSA	Payroll Vendor Payment	8,019.61
161725	09/05/2019	ATASCADERO MID MGRS ORG UNION	Payroll Vendor Payment	60.00
161726	09/05/2019	ATASCADERO POLICE OFFICERS	Payroll Vendor Payment	1,842.75
161727	09/05/2019	ATASCADERO PROF. FIREFIGHTERS	Payroll Vendor Payment	1,193.90
161728	09/05/2019	MASS MUTUAL WORKPLACE SOLUTION	Payroll Vendor Payment	6,565.50
161729	09/05/2019	NATIONWIDE RETIREMENT SOLUTION	Payroll Vendor Payment	1,026.26
161730	09/05/2019	NAVIA BENEFIT SOLUTIONS	Payroll Vendor Payment	1,730.18
161731	09/05/2019	SEIU LOCAL 620	Payroll Vendor Payment	858.49
161732	09/05/2019	VANTAGEPOINT TRNSFR AGT 106099	Payroll Vendor Payment	357.85
161733	09/05/2019	VANTAGEPOINT TRNSFR AGT 304633	Payroll Vendor Payment	5,000.86
161734	09/05/2019	VANTAGEPOINT TRNSFR AGT 706276	Payroll Vendor Payment	85.00
161735	09/05/2019	WEX BANK - 76 UNIVERSL	Accounts Payable Check	10,066.12
161736	09/05/2019	WEX BANK - WEX FLEET UNIVERSAL	Accounts Payable Check	8,276.59
3435	09/06/2019	STATE DISBURSEMENT UNIT	Payroll Vendor Payment	209.54
3436	09/06/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	22,866.44
3437	09/06/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	35,007.53
3438	09/06/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	1,698.93
3439	09/06/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	1,914.94
3440	09/06/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,858.08
3441	09/06/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	5,020.71
3442	09/06/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	7,152.10
3443	09/06/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	12,147.63
3444	09/10/2019	RABOBANK, N.A.	Payroll Vendor Payment	51,828.24
3445	09/10/2019	EMPLOYMENT DEV DEPARTMENT	Payroll Vendor Payment	15,180.35
3446	09/10/2019	EMPLOYMENT DEV. DEPARTMENT	Payroll Vendor Payment	2,279.96
3473	09/13/2019	BANK OF NEW YORK MELLON	Accounts Payable Check	612,956.25
161737	09/13/2019	29TONIGHT, INC.	Accounts Payable Check	106.99
161738	09/13/2019	AIRSTRIKE BIRD CONTROL, INC.	Accounts Payable Check	5,000.00
161739	09/13/2019	ALL SIGNS AND GRAPHICS	Accounts Payable Check	479.49
161740	09/13/2019	ALLIANT INSURANCE SERVICES INC	Accounts Payable Check	173.00
161741	09/13/2019	AMERICAN ASPHALT SOUTH, INC.	Accounts Payable Check	134,705.49
161742	09/13/2019	AMERICAN MARBORG	Accounts Payable Check	501.70
161743	09/13/2019	AMERICAN WEST TIRE & AUTO INC	Accounts Payable Check	40.00
161744	09/13/2019	AMERIGAS	Accounts Payable Check	118.53
161745	09/13/2019	AT&T	Accounts Payable Check	314.28
161746	09/13/2019	ATASCADERO HAY & FEED	Accounts Payable Check	3,428.49
161747	09/13/2019	ATASCADERO LAND PRESERVATION	Accounts Payable Check	1,000.00
161748	09/13/2019	ATASCADERO NEWS	Accounts Payable Check	981.80
161749	09/13/2019	ATASCADERO PICKLEBALL CLUB,INC	Accounts Payable Check	224.70

City of Atascadero
Disbursement Listing

ITEM NUMBER: A-2
DATE: 10/22/19
ATTACHMENT: 1

For the Month of September 2019

Check Number	Check Date	Vendor	Description	Amount
161750	09/13/2019	DYLAN T. AZEVEDO	Accounts Payable Check	69.00
161751	09/13/2019	TERRIE BANISH	Accounts Payable Check	274.62
161752	09/13/2019	BASSETT'S CRICKET RANCH, INC.	Accounts Payable Check	522.45
161753	09/13/2019	BATTERY SYSTEMS, INC.	Accounts Payable Check	115.28
161754	09/13/2019	KEITH R. BERGHER	Accounts Payable Check	123.75
161755	09/13/2019	BERRY MAN, INC.	Accounts Payable Check	1,602.40
161756	09/13/2019	BOUND TREE MEDICAL, LLC	Accounts Payable Check	253.22
161757	09/13/2019	BREZDEN PEST CONTROL, INC.	Accounts Payable Check	99.00
161758	09/13/2019	CASEY BRYSON	Accounts Payable Check	143.00
161759	09/13/2019	CA DEPT OF FISH & WILDLIFE	Accounts Payable Check	2,091.25
161760	09/13/2019	CA HIGHWAY PATROL	Accounts Payable Check	200.00
161761	09/13/2019	CA PARK & RECREATION SOCIETY	Accounts Payable Check	705.00
161762	09/13/2019	CAL-COAST REFRIGERATION, INC	Accounts Payable Check	523.91
161763	09/13/2019	CANNON	Accounts Payable Check	19,114.50
161764	09/13/2019	CARQUEST OF ATASCADERO	Accounts Payable Check	494.59
161765	09/13/2019	LISA CAVA	Accounts Payable Check	400.00
161766	09/13/2019	CHARTER COMMUNICATIONS	Accounts Payable Check	78.77
161767	09/13/2019	MATTHEW L. CHESSON	Accounts Payable Check	128.00
161768	09/13/2019	KATHLEEN J. CINOWALT	Accounts Payable Check	70.00
161769	09/13/2019	KAREN A. CLANIN	Accounts Payable Check	332.50
161770	09/13/2019	CLEVER CONCEPTS, INC.	Accounts Payable Check	60.00
161771	09/13/2019	COAST ELECTRONICS	Accounts Payable Check	1,323.05
161772	09/13/2019	COAST LINE DISTRIBUTING	Accounts Payable Check	784.85
161773	09/13/2019	MIGUEL A. CORDERO	Accounts Payable Check	100.00
161774	09/13/2019	CREWSENSE, LLC	Accounts Payable Check	99.99
161775	09/13/2019	CRYSTAL SPRINGS WATER	Accounts Payable Check	20.00
161776	09/13/2019	CULLIGAN/CENTRAL COAST WTR TRT	Accounts Payable Check	70.00
161777	09/13/2019	NICHOLAS DEBAR	Accounts Payable Check	300.00
161778	09/13/2019	IAN G. DENCHASY	Accounts Payable Check	75.00
161779	09/13/2019	DESTINATION TRAVEL NETWORK	Accounts Payable Check	200.00
161780	09/13/2019	DMV RENEWAL	Accounts Payable Check	131.00
161781	09/13/2019	PHILIP DUNSMORE	Accounts Payable Check	300.00
161782	09/13/2019	EL CAMINO VETERINARY HOSP	Accounts Payable Check	16.20
161783	09/13/2019	ESCUELA DEL RIO	Accounts Payable Check	1,400.00
161784	09/13/2019	FARM SUPPLY COMPANY	Accounts Payable Check	904.84
161785	09/13/2019	FENCE FACTORY ATASCADERO	Accounts Payable Check	2,385.00
161786	09/13/2019	FERGUSON ENTERPRISES, LLC	Accounts Payable Check	584.94
161787	09/13/2019	BRIAN FERRELL	Accounts Payable Check	102.34
161788	09/13/2019	FERRELL'S AUTO REPAIR	Accounts Payable Check	150.22
161789	09/13/2019	FIESTA MAHAR MANUFACTURNG CORP	Accounts Payable Check	333.80

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Check Number	Check Date	Vendor	Description	Amount
161790	09/13/2019	FRANCHISE TAX BOARD	Accounts Payable Check	386.13
161791	09/13/2019	FRIENDS OF TRACY AVIARY	Accounts Payable Check	154.06
161792	09/13/2019	GARRY BRILL PRODUCTIONS	Accounts Payable Check	150.00
161793	09/13/2019	GAS COMPANY	Accounts Payable Check	191.18
161794	09/13/2019	GHD, INC.	Accounts Payable Check	14,261.00
161795	09/13/2019	GOVERNMENT FINANCE OFFICERS AS	Accounts Payable Check	85.00
161796	09/13/2019	KATHLEEN GROGAN	Accounts Payable Check	25.00
161797	09/13/2019	BRADLEY A. HACKLEMAN	Accounts Payable Check	269.10
161798	09/13/2019	HAMNER, JEWELL & ASSOCIATES	Accounts Payable Check	8,939.31
161799	09/13/2019	HANLEY AND FLEISHMAN, LLP	Accounts Payable Check	1,776.00
161800	09/13/2019	HART IMPRESSIONS PRINTING	Accounts Payable Check	32.33
161801	09/13/2019	HELIXSTORM, INC.	Accounts Payable Check	393.75
161802	09/13/2019	HINDERLITER, DE LLAMAS	Accounts Payable Check	1,298.63
161803	09/13/2019	INGLIS PET HOTEL	Accounts Payable Check	117.76
161804	09/13/2019	EVELYN R. INGRAM	Accounts Payable Check	574.00
161805	09/13/2019	IRON MOUNTAIN RECORDS MGMNT	Accounts Payable Check	99.24
161806	09/13/2019	JIFFY LUBE	Accounts Payable Check	229.97
161807	09/13/2019	JOANN HEAD LAND SURVEYING	Accounts Payable Check	1,037.00
161808	09/13/2019	K & M INTERNATIONAL	Accounts Payable Check	260.06
161809	09/13/2019	DENISE R. KNEESKERN	Accounts Payable Check	46.00
161810	09/13/2019	KRITZ EXCAVATING & TRUCKNG INC	Accounts Payable Check	229.12
161811	09/13/2019	KSBY COMMUNICATIONS	Accounts Payable Check	1,500.00
161812	09/13/2019	LEE WILSON ELECTRIC CO. INC	Accounts Payable Check	1,992.10
161813	09/13/2019	LIFE ASSIST, INC.	Accounts Payable Check	1,113.34
161814	09/13/2019	GARY V. MADGETT	Accounts Payable Check	10,400.00
161815	09/13/2019	MADRONE LANDSCAPES, INC.	Accounts Payable Check	980.00
161816	09/13/2019	MELINDA D. MARKS	Accounts Payable Check	750.00
161817	09/13/2019	SAMUEL H. MCMILLAN, SR.	Accounts Payable Check	150.00
161818	09/13/2019	MEDPOST URGENT CARE-ATASCADERO	Accounts Payable Check	155.00
161819	09/13/2019	MICHAEL K. NUNLEY & ASSC, INC.	Accounts Payable Check	2,966.23
161820	09/13/2019	MID-COAST MOWER & SAW, INC.	Accounts Payable Check	67.46
161821	09/13/2019	MINER'S ACE HARDWARE	Accounts Payable Check	372.79
161822	09/13/2019	MATTHEW J. MIRANDA	Accounts Payable Check	92.00
161823	09/13/2019	MISSION UNIFORM SERVICE	Accounts Payable Check	298.78
161824	09/13/2019	MV TRANSPORTATION, INC.	Accounts Payable Check	10,717.71
161825	09/13/2019	NASSAU-SOSNICK DISTRIBUTION CO	Accounts Payable Check	260.52
161826	09/13/2019	MARC NOBRIGA	Accounts Payable Check	281.00
161827	09/13/2019	NORTH COAST ENGINEERING INC.	Accounts Payable Check	700.00
161828	09/13/2019	NORTH COUNTY GLASS	Accounts Payable Check	664.40
161829	09/13/2019	OASIS EQUIPMENT RENTAL	Accounts Payable Check	722.00

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161830	09/13/2019	OFFICE DEPOT INC.	Accounts Payable Check	279.64
161831	09/13/2019	TARA ORLICK	Accounts Payable Check	58.58
161832	09/13/2019	PACIFIC CNTRL COAST HLTH CTRS	Accounts Payable Check	145.00
161835	09/13/2019	PACIFIC GAS AND ELECTRIC	Accounts Payable Check	64,797.20
161836	09/13/2019	PASO ROBLES SAFE & LOCK, INC.	Accounts Payable Check	30.03
161837	09/13/2019	RICARDO PAZ	Accounts Payable Check	100.00
161838	09/13/2019	PERRY'S PARCEL & GIFT	Accounts Payable Check	28.85
161839	09/13/2019	PHILLIPS INTERNATIONAL, INC.	Accounts Payable Check	706.20
161840	09/13/2019	PRAXAIR DISTRIBUTION, INC.	Accounts Payable Check	50.75
161841	09/13/2019	PROCARE JANITORIAL SUPPLY, INC.	Accounts Payable Check	597.26
161842	09/13/2019	QUINCY ENGINEERING, INC.	Accounts Payable Check	20,221.89
161843	09/13/2019	QUINN RENTAL SERVICES	Accounts Payable Check	2,416.15
161844	09/13/2019	SHIRLEY L. RADCLIFF-BRUTON	Accounts Payable Check	788.40
161845	09/13/2019	RAINSCAPE, A LANDSCAPE SVC CO.	Accounts Payable Check	9,153.56
161846	09/13/2019	JERI RANGEL	Accounts Payable Check	300.00
161847	09/13/2019	RICK ENGINEERING COMPANY	Accounts Payable Check	297.50
161848	09/13/2019	RACHELLE RICKARD	Accounts Payable Check	500.00
161849	09/13/2019	SAFARI PROGRAMS, INC.	Accounts Payable Check	357.60
161850	09/13/2019	ANDREA L. SHERRILL	Accounts Payable Check	36.00
161851	09/13/2019	SLO COUNTY SHERIFF'S OFFICE	Accounts Payable Check	4,600.00
161852	09/13/2019	SLOFIST	Accounts Payable Check	25.00
161853	09/13/2019	SMART AND FINAL	Accounts Payable Check	93.30
161854	09/13/2019	SOFTWARE SOLUTIONS TEAM	Accounts Payable Check	4,200.00
161855	09/13/2019	SOUTH COAST EMERGENCY VEH SVC	Accounts Payable Check	22.92
161856	09/13/2019	SPEAKWRITE, LLC.	Accounts Payable Check	468.97
161857	09/13/2019	SPECIALIZED EQUIPMENT REPAIR	Accounts Payable Check	1,412.11
161858	09/13/2019	BRUCE ST. JOHN	Accounts Payable Check	411.40
161859	09/13/2019	STANLEY CONVERGENT SECURITY	Accounts Payable Check	333.84
161860	09/13/2019	SUNLIGHT JANITORIAL, INC.	Accounts Payable Check	1,700.00
161861	09/13/2019	SWANK MOTION PICTURES, INC.	Accounts Payable Check	435.00
161867	09/13/2019	U.S. BANK	Accounts Payable Check	31,781.33
161868	09/13/2019	IWINA M. VAN BEEK	Accounts Payable Check	92.00
161869	09/13/2019	SABRINA T. VAN BEEK	Accounts Payable Check	138.00
161870	09/13/2019	THOMAS F. VELASQUEZ	Accounts Payable Check	50.00
161871	09/13/2019	VERDIN	Accounts Payable Check	13,300.12
161872	09/13/2019	VERIZON WIRELESS	Accounts Payable Check	703.47
161873	09/13/2019	VILLAGE ORIGINALS, INC.	Accounts Payable Check	546.64
161874	09/13/2019	VINO VICE, INC.	Accounts Payable Check	420.00
161875	09/13/2019	VISITOR TELEVISION LLC	Accounts Payable Check	595.00
161876	09/13/2019	WALLACE GROUP	Accounts Payable Check	3,236.25

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161877	09/13/2019	WCJ PROPERTY SERVICES	Accounts Payable Check	1,158.37
161878	09/13/2019	WEST COAST AUTO & TOWING, INC.	Accounts Payable Check	155.00
161879	09/13/2019	WILLDAN FINANCIAL SERVICES	Accounts Payable Check	3,500.00
161880	09/13/2019	KAREN B. WYKE	Accounts Payable Check	703.20
161881	09/13/2019	XO PANDORA	Accounts Payable Check	320.00
161882	09/13/2019	YESTERDAYS SPORTSWEAR	Accounts Payable Check	725.27
161883	09/13/2019	ZOOM IMAGING SOLUTIONS, INC.	Accounts Payable Check	947.54
3447	09/19/2019	ANTHEM BLUE CROSS HSA	Payroll Vendor Payment	9,194.61
3448	09/19/2019	STATE DISBURSEMENT UNIT	Payroll Vendor Payment	209.54
3449	09/19/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	22,864.26
3450	09/19/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	35,166.04
3451	09/19/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	1,594.42
3452	09/19/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	1,914.94
3453	09/19/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	2,873.90
3454	09/19/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	4,937.28
3455	09/19/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	7,270.57
3456	09/19/2019	CALIF PUBLIC EMPLOYEES RETIREMENT SYSTEM	Payroll Vendor Payment	12,184.43
161884	09/20/2019	ATASCADERO MID MGRS ORG UNION	Payroll Vendor Payment	60.00
161885	09/20/2019	ATASCADERO POLICE OFFICERS	Payroll Vendor Payment	1,901.00
161886	09/20/2019	ATASCADERO PROF. FIREFIGHTERS	Payroll Vendor Payment	1,193.90
161887	09/20/2019	MASS MUTUAL WORKPLACE SOLUTION	Payroll Vendor Payment	6,565.50
161888	09/20/2019	NATIONWIDE RETIREMENT SOLUTION	Payroll Vendor Payment	949.37
161889	09/20/2019	NAVIA BENEFIT SOLUTIONS	Payroll Vendor Payment	1,730.18
161890	09/20/2019	SEIU LOCAL 620	Payroll Vendor Payment	870.98
161891	09/20/2019	VANTAGEPOINT TRNSFR AGT 106099	Payroll Vendor Payment	357.85
161892	09/20/2019	VANTAGEPOINT TRNSFR AGT 304633	Payroll Vendor Payment	4,807.11
161893	09/20/2019	VANTAGEPOINT TRNSFR AGT 706276	Payroll Vendor Payment	85.00
3457	09/24/2019	RABOBANK, N.A.	Payroll Vendor Payment	60,060.22
3458	09/24/2019	EMPLOYMENT DEV DEPARTMENT	Payroll Vendor Payment	18,676.73
3459	09/24/2019	EMPLOYMENT DEV. DEPARTMENT	Payroll Vendor Payment	2,224.22
161894	09/27/2019	4LEAF, INC.	Accounts Payable Check	3,041.80
161895	09/27/2019	AAAA ENGINEERING CONTRACTING	Accounts Payable Check	35,560.40
161896	09/27/2019	ACTIVE NETWORK, LLC	Accounts Payable Check	49.78
161897	09/27/2019	VOID	Accounts Payable Check	0.00
161898	09/27/2019	AGP VIDEO, INC.	Accounts Payable Check	3,600.00
161899	09/27/2019	AIR-RITE REFRIGERATION	Accounts Payable Check	619.84
161900	09/27/2019	ALLIANT INSURANCE SERVICES INC	Accounts Payable Check	141.00
161901	09/27/2019	ALTHOUSE & MEADE, INC.	Accounts Payable Check	477.50
161902	09/27/2019	AMERICAN WEST TIRE & AUTO INC	Accounts Payable Check	1,015.80
161903	09/27/2019	MARK ANDERSON	Accounts Payable Check	87.00

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161904	09/27/2019	KELLY AREBALO	Accounts Payable Check	232.32
161905	09/27/2019	ASCAP	Accounts Payable Check	376.65
161907	09/27/2019	AT&T	Accounts Payable Check	582.82
161908	09/27/2019	AT&T	Accounts Payable Check	931.52
161909	09/27/2019	ATASCADERO HAY & FEED	Accounts Payable Check	813.85
161910	09/27/2019	DYLAN T. AZEVEDO	Accounts Payable Check	69.00
161911	09/27/2019	BANK OF NEW YORK MELLON	Accounts Payable Check	1,975.00
161912	09/27/2019	BASSETT'S CRICKET RANCH, INC.	Accounts Payable Check	807.93
161913	09/27/2019	JOSE R. BENITEZ	Accounts Payable Check	240.00
161914	09/27/2019	BERRY MAN, INC.	Accounts Payable Check	1,414.60
161915	09/27/2019	BIG BRAND TIRE & SERVICE	Accounts Payable Check	251.95
161916	09/27/2019	BIG RED MARKETING, INC.	Accounts Payable Check	6,000.00
161917	09/27/2019	BOUND TREE MEDICAL, LLC	Accounts Payable Check	909.34
161918	09/27/2019	BREZDEN PEST CONTROL, INC.	Accounts Payable Check	425.00
161919	09/27/2019	BURKE, WILLIAMS, & SORENSON LLP	Accounts Payable Check	20,000.00
161920	09/27/2019	CA CODE CHECK, INC.	Accounts Payable Check	5,443.75
161921	09/27/2019	CARQUEST OF ATASCADERO	Accounts Payable Check	518.25
161922	09/27/2019	CHARTER COMMUNICATIONS	Accounts Payable Check	1,895.35
161923	09/27/2019	CITY OF SAN LUIS OBISPO	Accounts Payable Check	1,316.56
161924	09/27/2019	JEREMY L. CLAY	Accounts Payable Check	161.00
161925	09/27/2019	COASTAL COPY, INC.	Accounts Payable Check	468.64
161926	09/27/2019	COASTAL REPROGRAPHIC SERVICES	Accounts Payable Check	50.43
161927	09/27/2019	MIGUEL A. CORDERO	Accounts Payable Check	175.00
161928	09/27/2019	GREG C. CUNNINGHAM	Accounts Payable Check	120.00
161929	09/27/2019	DEPARTMENT OF JUSTICE	Accounts Payable Check	435.00
161930	09/27/2019	DESTINATION TRAVEL NETWORK	Accounts Payable Check	200.00
161931	09/27/2019	CHARLES DICKEY	Accounts Payable Check	352.38
161932	09/27/2019	DOCUTEAM	Accounts Payable Check	138.96
161933	09/27/2019	DRIVE CUSTOMS	Accounts Payable Check	449.32
161934	09/27/2019	ECS IMAGING, INC.	Accounts Payable Check	13,718.00
161935	09/27/2019	ESCUELA DEL RIO	Accounts Payable Check	1,140.00
161936	09/27/2019	FARM SUPPLY COMPANY	Accounts Payable Check	50.94
161937	09/27/2019	FASTRAK VIOLATION PROCESSING D	Accounts Payable Check	31.00
161938	09/27/2019	FENCE FACTORY ATASCADERO	Accounts Payable Check	1,496.03
161939	09/27/2019	FERRELL'S AUTO REPAIR	Accounts Payable Check	761.60
161940	09/27/2019	FIRST AMERICAN TITLE CO	Accounts Payable Check	41,250.00
161941	09/27/2019	GAS COMPANY	Accounts Payable Check	195.44
161942	09/27/2019	ALEX GENTILLY	Accounts Payable Check	40.00
161943	09/27/2019	GOLDEN STATE TREE SERVICE	Accounts Payable Check	837.50
161944	09/27/2019	SCOTT GROOMER	Accounts Payable Check	18.00

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161945	09/27/2019	BRADLEY A. HACKLEMAN	Accounts Payable Check	282.00
161946	09/27/2019	CHRISTOPHER HALL	Accounts Payable Check	179.00
161947	09/27/2019	HART IMPRESSIONS PRINTING	Accounts Payable Check	53.71
161948	09/27/2019	HELIXSTORM, INC.	Accounts Payable Check	9,164.00
161949	09/27/2019	CHRISTOPHER HESTER	Accounts Payable Check	179.00
161950	09/27/2019	HINDERLITER, DE LLAMAS	Accounts Payable Check	300.00
161951	09/27/2019	RYAN HOFSTETTER	Accounts Payable Check	36.72
161953	09/27/2019	HOME DEPOT CREDIT SERVICES	Accounts Payable Check	2,774.07
161954	09/27/2019	CHRIS HOREJSI	Accounts Payable Check	249.40
161955	09/27/2019	TRINA HORZEN	Accounts Payable Check	30.00
161956	09/27/2019	JIFFY LUBE	Accounts Payable Check	55.00
161957	09/27/2019	JK'S UNLIMITED, INC.	Accounts Payable Check	723.03
161958	09/27/2019	JOE A. GONSALVES & SON	Accounts Payable Check	3,000.00
161959	09/27/2019	KD'S MOBILE HIGH PRESSURE WASH	Accounts Payable Check	960.00
161960	09/27/2019	DENISE R. KNEESKERN	Accounts Payable Check	92.00
161961	09/27/2019	WADE S. KNOWLES	Accounts Payable Check	179.00
161962	09/27/2019	KOFF & ASSOCIATES, INC.	Accounts Payable Check	700.00
161963	09/27/2019	KPRL 1230 AM	Accounts Payable Check	535.00
161964	09/27/2019	LENOVO (UNITED STATES) INC.	Accounts Payable Check	2,149.61
161965	09/27/2019	LIFE ASSIST, INC.	Accounts Payable Check	957.94
161966	09/27/2019	ANDREW M. LUCAS	Accounts Payable Check	179.00
161967	09/27/2019	SAMUEL H. MCMILLAN, SR.	Accounts Payable Check	125.00
161968	09/27/2019	MEDPOST URGENT CARE-ATASCADERO	Accounts Payable Check	140.00
161969	09/27/2019	MID-COAST MOWER & SAW, INC.	Accounts Payable Check	82.84
161970	09/27/2019	MINER'S ACE HARDWARE	Accounts Payable Check	1,341.78
161971	09/27/2019	MISSION UNIFORM SERVICE	Accounts Payable Check	188.32
161972	09/27/2019	MIWALL CORPORATION	Accounts Payable Check	4,862.22
161973	09/27/2019	MOSS, LEVY, & HARTZHEIM LLP	Accounts Payable Check	8,000.00
161974	09/27/2019	NEOFUNDS	Accounts Payable Check	3,000.00
161975	09/27/2019	NEOPOST USA, INC.	Accounts Payable Check	692.55
161976	09/27/2019	KELLYE R. NETZ	Accounts Payable Check	89.02
161977	09/27/2019	OFFICE DEPOT INC.	Accounts Payable Check	481.12
161978	09/27/2019	PASO ROBLES FORD LINCOLN MERC	Accounts Payable Check	431.48
161979	09/27/2019	RICARDO PAZ	Accounts Payable Check	175.00
161980	09/27/2019	PLACEWORKS, INC.	Accounts Payable Check	7,063.62
161981	09/27/2019	PROCARE JANITORIAL SUPPLY,INC.	Accounts Payable Check	599.20
161982	09/27/2019	PRP COMPANIES	Accounts Payable Check	232.76
161983	09/27/2019	RAINSCAPE, A LANDSCAPE SVC CO.	Accounts Payable Check	350.00
161984	09/27/2019	TESS RAMIREZ	Accounts Payable Check	69.00
161985	09/27/2019	RECOGNITION WORKS	Accounts Payable Check	3.99

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161986	09/27/2019	REVENUE & COST SPECIALISTS LLC	Accounts Payable Check	7,000.00
161987	09/27/2019	SAMUEL RODRIGUEZ	Accounts Payable Check	179.00
161988	09/27/2019	SANTA BARBARA CO SHERIFFS DEPT	Accounts Payable Check	250.00
161989	09/27/2019	SCOTT O'BRIEN FIRE & SAFETY CO	Accounts Payable Check	1,059.60
161990	09/27/2019	DIEGO SEGOVIA	Accounts Payable Check	30.00
161991	09/27/2019	SERVICE SYSTEMS ASSC, INC.	Accounts Payable Check	2,500.00
161992	09/27/2019	SHI INTERNATIONAL CORP.	Accounts Payable Check	504.27
161993	09/27/2019	SHORE-TEK, INC.	Accounts Payable Check	436.03
161994	09/27/2019	SMART AND FINAL	Accounts Payable Check	46.91
161995	09/27/2019	SOFTWARE SOLUTIONS TEAM	Accounts Payable Check	2,100.00
161996	09/27/2019	STANLEY CONVERGENT SECURITY	Accounts Payable Check	938.12
161997	09/27/2019	STORMWIND, LLC	Accounts Payable Check	1,990.00
161998	09/27/2019	SUNLIGHT JANITORIAL, INC.	Accounts Payable Check	961.00
161999	09/27/2019	TRIBUNE	Accounts Payable Check	571.50
162000	09/27/2019	ULTREX BUSINESS PRODUCTS	Accounts Payable Check	153.39
162001	09/27/2019	ULTREX LEASING	Accounts Payable Check	521.52
162002	09/27/2019	IWINA M. VAN BEEK	Accounts Payable Check	69.00
162003	09/27/2019	SABRINA T. VAN BEEK	Accounts Payable Check	23.00
162004	09/27/2019	THOMAS F. VELASQUEZ	Accounts Payable Check	75.00
162005	09/27/2019	VERDIN	Accounts Payable Check	12,338.73
162006	09/27/2019	VERIZON WIRELESS	Accounts Payable Check	94.42
162007	09/27/2019	VINO VICE, INC.	Accounts Payable Check	165.00
162008	09/27/2019	WALSH ENGINEERING	Accounts Payable Check	22,728.97
162009	09/27/2019	WEST COAST AUTO & TOWING, INC.	Accounts Payable Check	45.00
162010	09/27/2019	WILKINS ACTION GRAPHICS	Accounts Payable Check	216.51
162011	09/27/2019	WOODS HUMANE SOCIETY	Accounts Payable Check	4,750.00
162012	09/27/2019	MARTHA Y. WRIGHT	Accounts Payable Check	171.60
162013	09/30/2019	ANTHEM BLUE CROSS HEALTH	Payroll Vendor Payment	179,133.79
162014	09/30/2019	LINCOLN NATIONAL LIFE INS CO	Payroll Vendor Payment	1,573.49
162015	09/30/2019	MEDICAL EYE SERVICES	Payroll Vendor Payment	1,805.06
162016	09/30/2019	PREFERRED BENEFITS INSURANCE	Payroll Vendor Payment	8,931.20
				<u><u>\$ 1,891,084.85</u></u>



Atascadero City Council

Staff Report – Police Department

Amendment to Atascadero Municipal Code Section 4-2.1301 Time Limit Parking

RECOMMENDATION:

Council adopt on second reading, by title only, Draft Ordinance amending Title 4, Chapter 2, Article 13, Section 4-2.1301 of the Atascadero Municipal Code regarding time limit parking areas.

DISCUSSION:

On October 8, 2019, the City Council conducted a public hearing to consider amending Title 4, Chapter 2, Article 13, Section 4-2.1301 of the Atascadero Municipal Code regarding time limit parking areas. The Atascadero Police Department routinely receives complaints regarding parking violations in the business corridors throughout the City. The majority of these complaints are related to vehicles parked in violation of the specified time limit for that area. Existing Municipal Code language makes enforcement of time limit parking problematic and as a result the Atascadero Police Department has been unable to enforce violations in the majority of areas throughout the business corridor. The amendments included in the Draft Ordinance will ensure that Time Limit parking areas are enforceable and consistent with neighboring jurisdictions.

FISCAL IMPACT:

None.

ATTACHMENTS:

1. Draft Ordinance
2. Redline of Atascadero Municipal Code Section 4-2.1301

DRAFT ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, AMENDING TITLE 4, CHAPTER 2, ARTICLE 13, SECTION 4-2.1301 OF THE ATASCADERO MUNICIPAL CODE REGARDING TIME LIMIT PARKING

WHEREAS, parking is at a premium in the downtown corridor in the business districts;
and

WHEREAS, the City seeks to limit parking to a reasonable time period for all patrons of
local area businesses; and

WHEREAS, the Traffic Engineer is authorized to designate either appropriate signs or
curb markings at areas where it is unlawful for the operator of any vehicle to stop, stand, or park
said vehicle adjacent to any such legible curb marking or signs for a period of time in violation
thereof; and

WHEREAS, the Atascadero Police Department is tasked with the enforcement of parking
violation complaints and is currently hindered in their efforts to do so by the current language of
the Atascadero Municipal Code.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ATASCADERO
HEREBY ORDAIN AS FOLLOWS:**

SECTION 1. The above recitals are true and correct.

SECTION 2. Atascadero Municipal Code Section 4-2.1301(b) shall be amended as
follows:

4-2.1301(b) Time Limit Parking

When curb markings are used instead of signs, time limit parking zones shall be indicated by green paint
upon the top of all curbs in said zones. Green shall mean no standing or parking for a period longer than
indicated at any time between 9:00 a.m. and 6:00 p.m. for any day except Sundays and holidays.

SECTION 3. This Ordinance must be broadly construed in order to achieve the purposes
stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be
interpreted or implemented by the City and others in a manner that facilitates the purposes set
forth in this Ordinance.

SECTION 4. Repeal of any provision of the AMC does not affect any penalty, forfeiture,
or liability incurred before, or preclude prosecution and imposition of penalties for any violation
occurring before this Ordinance's effective date. Any such repealed part will remain in full force
and effect for sustaining action or prosecuting violations occurring before the effective date of
this Ordinance.

SECTION 5. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the AMC or other City Ordinance by this Ordinance will be rendered void and cause such previous AMC provision or other City Ordinance to remain in full force and effect for all purposes.

SECTION 6. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 7. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Atascadero's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 8. This Ordinance shall take effect 30 days from the date of final passage.

INTRODUCED at a regular meeting of the City Council held on _____, and **PASSED** and **ADOPTED** by the City Council of the City of Atascadero, State of California, on _____, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

4-2.1301 Time limit parking.

(a) The Traffic Engineer is authorized to designate by appropriate signs or curb marking, locations where it shall be unlawful for the operator of any vehicle to stop, stand, or park said vehicle adjacent to any such legible curb marking or signs for a period of time in violation thereof.

(b) When curb markings are used instead of signs, tTime limit parking zones shall be indicated by green paint upon the top of all curbs in said zones. Green shall mean no standing or parking for a period longer than indicated at any time between 9:00 a.m. and 6:00 p.m. for any day except Sundays and holidays.



Atascadero City Council

Staff Report – City Manager’s Office

Resolution to Authorize Application for Prop 68 Parks and Recreation Grant Per Capita Program Funds

RECOMMENDATION:

Council approve Draft Resolution authorizing an application for Proposition 68 California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Per Capita Program Funds to the California Department of Parks and Recreation.

DISCUSSION:

On June 5, 2018, California voters approved Proposition 68, the Parks and Water Bond Act of 2018 (Senate Bill 5). A number of grant programs for drought, water, parks, climate, coastal protection, and outdoor access will be supported with Proposition 68 bond proceeds. One is the Per Capita Program, which provides \$185,000,000 to cities and counties statewide for local park rehabilitation, creation and improvements on a per capita basis, with a minimum award of \$200,000. Under this program, grant recipients are encouraged to utilize awards to rehabilitate existing infrastructure and to address deficiencies in neighborhoods lacking access to the outdoors.

The process to obtain these grant funds is initiated by City Council adoption of a resolution authorizing the City to apply to the Per Capita Program. Council must adopt the Resolution language as supplied by the State and the adopted Resolution must be submitted to the Office of Grants and Local Services (OGALS) by November 1, 2019. Adoption of the Resolution expresses the City Council's agreement with the funding contract with the State and confirmation that the City has funds to complete, operate and maintain the grant-funded projects. The Resolution also designates an authorized position, the City Manager, to represent the City and execute all documents and negotiations on behalf of the City.

Should the Council choose to adopt the Resolution and authorize the City Manager to submit for grant funding, the application packet(s) will be due to OGALS no later than January 31, 2020. Projects must be for recreational purposes, either acquisition or development. Multiple projects may be completed under one contract, though each project requires a separate application packet. OGALS will review each application packet and send a letter of approval to the City or request additional information. Once approved, OGALS will forward a contract to the City. The contract must be signed and returned no later than March 31, 2020. If additional application packets are submitted,

OGALS will amend the contract to reflect the total project amount approved for all applications, up to the City's allocation amount.

Staff members from the City Manager's Office, Zoo, Recreation and Public Works have met to discuss ideas for potential park and recreational facility enhancement projects. Building on these ideas, staff will evaluate and prioritize the potential enhancement projects based on need, cost and community benefit. Staff has identified projects for Paloma Creek Park, Colony Park Community Center, Lake Park and the Zoo. As projects are evaluated and prioritized, staff will come back to Council to identify which projects will be included in the application packet(s) submitted to OGALS based on the City's final allocation.

ENVIRONMENTAL REVIEW:

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a "Project" under CEQA Guidelines Sec. 15378.

FISCAL IMPACT:

The City of Atascadero is eligible to receive a minimum of \$200,000 and can apply for multiple projects. If awarded, this grant will have a positive fiscal impact, as it will allow for much needed park enhancements to take place. The Per Capita Program requires a local 20% match which can be met through Federal, City or private funds, in-house employee services or volunteer labor. Staff will identify funding sources, or in-kind employee/volunteer services for the match during development of the application(s).

ALTERNATIVES:

Council could choose not to approve the Resolution and not authorize the City to apply for the grant funding.

ATTACHMENTS:

1. Draft Resolution
2. Per Capita Program Procedural Guide

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, APPROVING APPLICATION(S) FOR PER CAPITA GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Per Capita Grant Program, setting up necessary procedures governing application(s); and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the grantee's Governing Body to certify by resolution the approval of project application(s) before submission of said applications to the State; and

WHEREAS, the grantee will enter into a contract with the State of California to complete project(s).

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Atascadero hereby:

1. Approves the filing of project application(s) for Per Capita program grant project(s).
2. Certifies that said grantee has or will have available, prior to commencement of project work utilizing Per Capita funding, sufficient funds to complete the project(s).
3. Certifies that the grantee has or will have sufficient funds to operate and maintain the project(s).
4. Certifies that all projects proposed will be consistent with the park and recreation element of the City of Atascadero's general or recreation plan (PRC §80063(a)).
5. Certifies that these funds will be used to supplement, not supplant, local revenues in existence as of June 5, 2018 (PRC §80062(d)).
6. Certifies that it will comply with the provisions of §1771.5 of the State Labor Code.
7. (PRC §80001(b)(8)(A-G)) To the extent practicable, as identified in the "Presidential Memorandum--Promoting Diversity and Inclusion in Our National Parks, National Forests, and Other Public Lands and Waters," dated January 12, 2017, the City of Atascadero will consider a range of actions that include, but are not limited to, the following:
 - (A) Conducting active outreach to diverse populations, particularly minority, low-income, and disabled populations and tribal communities, to increase awareness within those communities and the public generally about specific programs and opportunities.
 - (B) Mentoring new environmental, outdoor recreation, and conservation leaders to increase diverse representation across these areas.
 - (C) Creating new partnerships with state, local, tribal, private, and nonprofit organizations to expand access for diverse populations.
 - (D) Identifying and implementing improvements to existing programs to increase visitation and access by diverse populations, particularly minority, low-income, and disabled populations and tribal communities.

- (E) Expanding the use of multilingual and culturally appropriate materials in public communications and educational strategies, including through social media strategies, as appropriate, that target diverse populations.
 - (F) Developing or expanding coordinated efforts to promote youth engagement and empowerment, including fostering new partnerships with diversity- serving and youth-serving organizations, urban areas, and programs.
 - (G) Identifying possible staff liaisons to diverse populations.
8. Agrees that to the extent practicable, the project(s) will provide workforce education and training, contractor and job opportunities for disadvantaged communities (PRC §80001(b)(5)).
9. Certifies that the grantee shall not reduce the amount of funding otherwise available to be spent on parks or other projects eligible for funds under this division in its jurisdiction. A one-time allocation of other funding that has been expended for parks or other projects, but which is not available on an ongoing basis, shall not be considered when calculating a recipient's annual expenditures. (PRC §80062(d)).
10. Certifies that the grantee has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Procedural Guide.
11. Delegates the authority to the City of Atascadero's City Manager, or designee to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the grant scope(s).
12. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

PASSED AND ADOPTED at a regular meeting of the City Council held on the __ day of ____, 2019.

On motion by Council Member _____ and seconded by Council Member _____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

Procedural Guide for the

California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018

PER CAPITA PROGRAM

March 2019 Draft



State of California
The Natural Resources Agency
Department of Parks and Recreation
Office of Grants and Local Services (OGALS)

"Creating Community through People, Parks, and Programs"

Send Application and correspondence to:

Street Address for Overnight Mail:

Calif. Dept. of Parks and Recreation
Office of Grants and Local Services
1416 Ninth Street, Room 918
Sacramento, CA 95814

Mailing Address:

Calif. Dept. of Parks and Recreation
Office of Grants and Local Services
P.O. Box 942896
Sacramento, CA 94296-0001

Phone: (916) 653-7423

Website: www.parks.ca.gov/grants

2018-2019 California State Budget, Chapter 29

Budget Item 3790-101-6088 (b) - \$185,000,000 shall be available for the Local Park Rehabilitation, Creation in Urban Areas Program, consistent with subdivision (a) of Section 80061 of the Public Resources Code.

STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION

ITEM NUMBER: A-4
DATE: 10/22/19
ATTACHMENT: 2



Department Mission

The mission of the California Department of Parks and Recreation is to provide for the health, inspiration, and education of the people of California by helping to preserve the state's extraordinary biological diversity, protecting its most valued natural and cultural resources, and creating opportunities for high-quality outdoor recreation.

Community Engagement Division Mission

The mission of the Community Engagement Division is to encourage healthy communities by connecting people to parks, supporting innovative recreational opportunities, embracing diversity, fostering inclusivity, and delivering superior customer service, with integrity for the enrichment of all.

The Office of Grants and Local Services Mission

The mission of the Office of Grants and Local Services is to address California's diverse recreational, cultural and historical resource needs by developing grant programs, administering funds, offering technical assistance, building partnerships and providing leadership through quality customer service.

OGALS VISION GOALS

To Be:

- A leader among park and recreation professionals.
- Proactive in anticipating public park and recreation needs and how new legislation and grant programs could best meet these needs.
- Honest, knowledgeable and experienced grant administration facilitators.
- Sensitive to local concerns while mindful of prevailing laws, rules and regulations.
- Perceptive to opportunities for partnerships, growth and renewal where few existed before.
- Committed to providing quality customer service in every interaction and transaction.
- Responsive to the needs of applicants, grantees, nonprofit organizations, local governments, legislative members, and department employees.

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Words and terms shown in SMALL CAPS are found in the definitions section.

Per Capita Program Description

Background

This program originates from Proposition 68, placed on the ballot via Senate Bill 5 (DeLeon, Chapter 852, statutes of 2017), and approved by voters on June 5, 2018. Funds for the program were appropriated via State Budget item 3790-101-6088(b). Legislative program information is found in the Public Resources Code (PRC) beginning at §80000 (see page 50).

General Per Capita Program: \$185,000,000

Funds are available for local park rehabilitation, creation, and improvement grants to local governments on a per capita basis. Grant recipients are encouraged to utilize awards to rehabilitate existing infrastructure and to address deficiencies in neighborhoods lacking access to the outdoors (PRC §80061(a)).

Urban County Per Capita: \$13,875,000

Additional funds are available for Per Capita grants to cities and districts in urbanized counties (*a county with a population of 500,000 or more*) providing park and recreation services within jurisdictions of 200,000 or less in population. An entity eligible to receive funds under this subdivision shall also be eligible to receive funds available under the General Per Capita Program (PRC §80061(b)).

Eligible Recipients (PRC §80062)

Sixty percent (60%) of the General Per Capita funds are allocated to the following entities based on population. The minimum allocation is \$200,000.

- Cities
- Eligible Districts, other than a regional park district, regional park and open-space districts, and regional open-space districts¹

Forty percent (40%) of the General Per Capita funds are allocated to the following entities based on population. The minimum allocation is \$400,000.

- Counties
- Regional park districts, regional park and open space districts, and regional open space districts

Allocations

Specific entities eligible for funding and their allocations can be found beginning on page 53.

¹ For purposes of this chapter, “district” means any regional park district, regional park and open-space district, or regional open-space district formed pursuant to Article 3 (commencing with §5500) of Chapter 3 of Division 5, any recreation and park district formed pursuant to Chapter 4 (commencing with §5780) of Division 5, or any authority formed pursuant to Division 26 (commencing with §35100). With respect to any community or unincorporated region that is not included within a district, and in which no city or county provides parks or recreational areas or facilities, “district” also means any other entity, including, but not limited to, a district operating multiple-use parklands pursuant to Division 20 (commencing with §71000) of the Water Code.

Eligible Projects

- PROJECTS must be for recreational purposes, either acquisition or DEVELOPMENT. Do not submit combined acquisition and development projects.
- Up to 5% of the allocation may be used for a COMMUNITY ACCESS PROJECT (PRC §80008(c)(1)).
- Multiple PROJECTS may be completed under one contract; each PROJECT requires a separate APPLICATION PACKET.
- A PROJECT can only have one location. One PROJECT that serves several parks is not permitted.
- GRANTEES are encouraged to partner with other GRANTEES on PROJECTS (PRC §80063(b)). See page 53 for information on allocation transfers.

Match

PROJECTS not serving a “severely disadvantaged community” (median household income less than 60% of the statewide average) require a 20% match (see page 12) (PRC §80061(c)).

No Supplanting

GRANTEES must use Per Capita grant funds to supplement existing expenditures, rather than replace them (PRC §80062(d)). For example, a GRANTEE has a budget for recreational capital expenditures of \$500,000 per year, and is receiving a \$200,000 allocation under the Per Capita program. The budget cannot be reduced to \$300,000, with the Per Capita funds making up the difference.

Similarly, if a PROJECT has been approved by the governing body, and a funding source has been identified, Per Capita funds cannot be swapped in as a new funding source unless the prior funding source is applied to another recreational capital project.

GRANTEES should keep all documents indicating intent to use Per Capita grant funds for PROJECTS.

Grant Process

GRANT PERFORMANCE PERIOD: July 1, 2018 – June 30, 2022

1. **Resolution** (submit no later than November 1, 2019): GRANTEE passes one resolution approving the filing of *all* applications associated with the contract, and forwards a copy to OGALS.
2. **APPLICATION PACKET(s)** (submit no later than January 31, 2020): The GRANTEE defines the PROJECT SCOPE(s) and amount of grant funds needed for each PROJECT. As PROJECTS are identified, the GRANTEE submits individual APPLICATION PACKET(s) to OGALS. OGALS reviews each APPLICATION PACKET and sends a letter of approval to the GRANTEE or requests additional information.
3. **Contract** (sign and submit no later than March 31, 2020): OGALS will forward a contract to the GRANTEE once a PROJECT APPLICATION PACKET has been approved. OGALS will encumber the total amount of approved applications. As GRANTEE submits additional APPLICATION PACKETS, OGALS will amend the contract to reflect the total PROJECT amount for all approved APPLICATION PACKETS, up to the allocation amount.

- a. The contract section, beginning on page 41, includes a sample contract.
 - b. The GRANTEE must return the contract signed by the AUTHORIZED REPRESENTATIVE to OGALS no later than March 31, 2020.
 - c. OGALS returns a copy of the fully executed contract to the GRANTEE.
4. **Payments and end of GRANT PERFORMANCE PERIOD:** GRANTEE requests payments for ELIGIBLE COSTS. The grant payments section, beginning on page 33, provides payment request instructions and forms.
- a. The GRANTEE may request payments after each PROJECT is approved by OGALS.
 - b. The GRANTEE completes PROJECT SCOPE(s) no later than December 31, 2021.
 - c. The GRANTEE sends PROJECT COMPLETION PACKET(s) to OGALS no later than March 31, 2022.
 - d. OGALS processes the final payment request after each PROJECT is complete as documented by the GRANTEE in the PROJECT COMPLETION PACKET, and as verified by OGALS by conducting a site inspection.
5. **Accounting and Audit:** DPR's Audits Office may conduct an audit. The GRANTEE is required to retain all PROJECT records for five years following issuance of the final GRANT payment or PROJECT termination, whichever is later. The Accounting and Audit Section, beginning on page 48, provides directions and an Audit Checklist for DPR audit and accounting requirements.

Authorizing Resolution

GRANTEE passes *one* resolution approving the filing of *all* applications associated with the contract, and forwards a copy to OGALS.

The Authorizing Resolution on the following page may be reformatted; however, the *language provided in the resolution must remain unchanged*.

The Authorizing Resolution serves two purposes:

1. It is the means by which the GRANTEE'S Governing Body agrees to the terms of the contract; it provides confirmation that the GRANTEE has the funding to complete, operate and maintain PROJECTS associated with the contract.
2. Designates a position title to represent the Governing Body on all matters regarding PROJECTS associated with the contract. The incumbent in this position is referred to as the AUTHORIZED REPRESENTATIVE.

Resolution items 4, 5, 7, 8 and 9 are all required by Proposition 68.

Complete the highlighted areas of the Authorizing Resolution. The AUTHORIZED REPRESENTATIVE can delegate signatory authority to other individuals (by position title) either in entirety or for particular documents. This may be included in item 11 of the resolution, or the AUTHORIZED REPRESENTATIVE may submit a letter (on letterhead) or email to OGALS delegating authority.

Resolution Form

Resolution No: _____

RESOLUTION OF THE (Title of Governing Body/City Council, Board of Supervisors)
OF (City, County, or District) APPROVING APPLICATION(S) FOR PER CAPITA
GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Per Capita Grant Program, setting up necessary procedures governing application(s); and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the grantee's Governing Body to certify by resolution the approval of project application(s) before submission of said applications to the State; and

WHEREAS, the grantee will enter into a contract with the State of California to complete project(s);

NOW, THEREFORE, BE IT RESOLVED that the (grantee's governing body) hereby:

1. Approves the filing of project application(s) for Per Capita program grant project(s); and
2. Certifies that said grantee has or will have available, prior to commencement of project work utilizing Per Capita funding, sufficient funds to complete the project(s); and
3. Certifies that the grantee has or will have sufficient funds to operate and maintain the project(s), and
4. Certifies that all projects proposed will be consistent with the park and recreation element of the [city/county/district's] general or recreation plan (PRC §80063(a)), and
5. Certifies that these funds will be used to supplement, not supplant, local revenues in existence as of June 5, 2018 (PRC §80062(d)), and
6. Certifies that it will comply with the provisions of §1771.5 of the State Labor Code, and
7. (PRC §80001(b)(8)(A-G)) To the extent practicable, as identified in the "Presidential Memorandum--Promoting Diversity and Inclusion in Our National Parks, National Forests, and Other Public Lands and Waters," dated January 12, 2017, the [city/county/district] will consider a range of actions that include, but are not limited to, the following:
 - (A) Conducting active outreach to diverse populations, particularly minority, low-income, and disabled populations and tribal communities, to increase awareness within those communities and the public generally about specific programs and opportunities.
 - (B) Mentoring new environmental, outdoor recreation, and conservation leaders to increase diverse representation across these areas.

(C) Creating new partnerships with state, local, tribal, private, and nonprofit organizations to expand access for diverse populations.

(D) Identifying and implementing improvements to existing programs to increase visitation and access by diverse populations, particularly minority, low-income, and disabled populations and tribal communities.

(E) Expanding the use of multilingual and culturally appropriate materials in public communications and educational strategies, including through social media strategies, as appropriate, that target diverse populations.

(F) Developing or expanding coordinated efforts to promote youth engagement and empowerment, including fostering new partnerships with diversity-serving and youth-serving organizations, urban areas, and programs.

(G) Identifying possible staff liaisons to diverse populations.

8. Agrees that to the extent practicable, the project(s) will provide workforce education and training, contractor and job opportunities for disadvantaged communities (PRC §80001(b)(5)).
9. Certifies that the grantee shall not reduce the amount of funding otherwise available to be spent on parks or other projects eligible for funds under this division in its jurisdiction. A one-time allocation of other funding that has been expended for parks or other projects, but which is not available on an ongoing basis, shall not be considered when calculating a recipient's annual expenditures. (PRC §80062(d)).
10. Certifies that the grantee has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Procedural Guide; and
11. Delegates the authority to the (designated position, not name of person occupying position), or designee to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the grant scope(s); and
12. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

Approved and adopted the ____ day of _____, 20_____.

I, the undersigned, hereby certify that the foregoing Resolution Number ____ was duly adopted by the (grantee's governing body) following a roll call vote:

Ayes: _____
Noes: _____
Absent: _____

(Clerk)

Application Section

- GRANTEE may submit multiple APPLICATION PACKETS.
- Separate APPLICATION PACKETS are required for each PROJECT site.
- Provide all APPLICATION PACKET items in the order shown in the following checklist.
- Submitted documents need not contain “wet” signatures; but the GRANTEE must keep all original signed documents.
- If submitting hard copies, number all pages of the APPLICATION PACKET.
- GRANTEES are encouraged to submit documents digitally, as .pdf files. E-mail each APPLICATION PACKET item to the PROJECT OFFICER as a separate digital file, labeled as the application item.

OGALS will send a contract to the GRANTEE once a PROJECT APPLICATION PACKET has been approved. OGALS will encumber the total amount of approved applications. As GRANTEE submits additional applications, OGALS will amend the contract to reflect the total PROJECT amount for all approved applications, up to the allocation amount.

Any costs incurred prior to finalizing the contract are at the GRANTEE’S own risk.



State of California – The Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION

ITEM NUMBER: A-4
DATE: 10/22/19
ATTACHMENT: 2

Application Packet Checklist

GRANTEES must complete the checklist below and submit it with the APPLICATION PACKET.
An APPLICATION PACKET is not complete unless all items on the checklist are submitted.
Each PROJECT requires its own APPLICATION PACKET.

Check if included	Check if not applicable	Application Item	Procedural Guide Page #	Check when signed by AUTHORIZED REPRESENTATIVE	Application Packet Page #
<input type="checkbox"/>		Application Packet Checklist	Pg. 10		Pg._____
<input type="checkbox"/>		Application	Pg. 11	<input type="checkbox"/>	Pg._____
<input type="checkbox"/>	<input type="checkbox"/>	Development Project Scope/Cost Estimate, <i>or</i>	Pg. 19	<input type="checkbox"/>	Pg._____
<input type="checkbox"/>	<input type="checkbox"/>	Community Access Project Scope/Cost Estimate, <i>or</i>	Pg. 20	<input type="checkbox"/>	Pg._____
<input type="checkbox"/>	<input type="checkbox"/>	Acquisition Requirements	Pg. 13	<input type="checkbox"/>	Pg._____
<input type="checkbox"/>		Funding Sources Form	Pg. 21	<input type="checkbox"/>	Pg._____
<input type="checkbox"/>		Per Capita Match Calculator	Pg. 12	<input type="checkbox"/>	Pg._____
<input type="checkbox"/>	<input type="checkbox"/>	CEQA Compliance Certification	Pg. 22	<input type="checkbox"/>	Pg._____
<input type="checkbox"/>	<input type="checkbox"/>	Land Tenure documentation	Pg. 23		Pg._____
<input type="checkbox"/>	<input type="checkbox"/>	Sub-Leases or Agreements	Pg. 25		Pg._____
<input type="checkbox"/>	<input type="checkbox"/>	Site Plan	Pg. 25		Pg._____
<input type="checkbox"/>	<input type="checkbox"/>	GHG Emissions Reduction Worksheet	Pg. 25		Pg._____



State of California – The Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION

ITEM NUMBER: A-4
DATE: 10/22/19
ATTACHMENT: 2

Per Capita Project Application Form

PROJECT NAME	REQUESTED GRANT AMOUNT \$
	MATCH AMOUNT (if project is not serving a severely disadvantaged community) \$
PROJECT SITE NAME and PHYSICAL ADDRESS where PROJECT is located (including zip code)	LAND TENURE (<input checked="" type="checkbox"/> all that apply) (not required for COMMUNITY ACCESS PROJECTS) <input type="checkbox"/> Owned in fee simple by GRANTEE <input type="checkbox"/> Available (or will be available) under a _____ year lease or easement
NEAREST CROSS STREET	
(Check one) Project is for Acquisition <input type="checkbox"/> Development <input type="checkbox"/> Community Access <input type="checkbox"/>	
COUNTY OF PROJECT LOCATION	
GRANTEE NAME AND MAILING ADDRESS	
AUTHORIZED REPRESENTATIVE AS SHOWN IN RESOLUTION	
Name <i>(typed or printed)</i> and Title _____ Email address _____ Phone _____	
GRANT CONTACT - For administration of grant <i>(if different from AUTHORIZED REPRESENTATIVE)</i>	
Name <i>(typed or printed)</i> and Title _____ Email address _____ Phone _____	
GRANT SCOPE: I represent and warrant that this APPLICATION PACKET describes the intended use of the requested GRANT to complete the items listed in the attached Grant Scope/Cost Estimate Form or acquisition documentation. I declare under penalty of perjury, under the laws of the State of California, that the information contained in this APPLICATION PACKET, including required attachments, is accurate.	
Signature of AUTHORIZED REPRESENTATIVE as shown in Resolution _____ Date _____	
Print Name _____	
Title _____	

Per Capita Match

PROJECTS that do not serve severely disadvantaged communities (median household income less than 60% of the statewide average) must include 20% match from the GRANTEE (PRC §80061(c)).

Costs incurred to provide match must be eligible costs.

Visit the website parksforcalifornia.org/percapita and follow the instructions; submit the report with the APPLICATION PACKET.

Eligible match sources

- Federal funds
- Local funds
- Private funds
- IN-HOUSE EMPLOYEE SERVICES
- Volunteer labor

Ineligible match source

- State funds

Acquisition Projects

Acquisition Requirements

1. Purchase price cannot exceed the appraised value, even if the GRANTEE is willing to pay the difference.
2. Land cannot be acquired through eminent domain.
3. Associated acquisition costs, such as appraisals, escrow fees, title insurance, etc., combined must be less than 25% of the PROJECT costs.
4. A deed restriction must be recorded on the property after the acquisition is complete.
5. Land must be open to the public for recreational purposes within three years from the date the final payment is issued by the State Controller's Office (SCO).²
6. GRANTEE must provide Title Insurance.
7. PROJECTS must be consistent with the park and recreation element of the [city/county/district's] general or recreation plan (PRC §80063(b)).
8. Per Capita funds must be used to supplement, not supplant, local revenues in existence as of June 5, 2018 (PRC §80062(d)).

Acquisition Grant Scope/Cost Estimate

Provide the following information on a document signed by the AUTHORIZED REPRESENTATIVE:

- A brief description, for example, "Acquisition of approximately (enter total acreage to be acquired) for the development of ____ park by (enter date no later than three years from the date final payment is issued by the SCO)."
- Estimated total costs for land and relocation
- Estimated total costs other than the purchase price and relocation costs, such as appraisals, escrow fees, title insurance fees, deed restriction recordation costs

Acquisition Documentation

For each parcel to be acquired, submit the following documents:

1. An appraisal conducted within the last twelve months
2. A separate letter from an independent third party, AG rated appraiser certified by the California Office of Real Estate Appraisers stating the appraisal was reviewed, and was completed using acceptable methods
3. County Assessor's parcel map, showing parcel number and parcel to be acquired
4. Estimated value of each parcel to be acquired with a description of how that value was determined (such as the listed price on MLS, in-house estimation, website evaluation, assessed value)
5. Acreage of each parcel to be acquired
6. A description of any encumbrances that will remain on the property, such as grazing, timber, mineral rights or easements
7. A brief description of the intended recreational use of the land with the estimated date by which the site will be open to the public for recreational purposes

² Grantees will see this date on their project complete letter – "A final payment was issued by the SCO on xx/xx/20xx"

8. A letter from the seller indicating a willingness to enter into negotiations to sell the property, and indicating the seller's understanding that the State cannot participate in acquisitions for more than the appraised value

For easement acquisitions, in addition to the requirements above, provide:

9. A copy of the proposed easement guaranteeing the authority to use the property for the purposes specified in the application.

For relocation costs, in addition to the requirements above, provide:

10. A letter signed by the AUTHORIZED REPRESENTATIVE, listing the relocation costs for each displaced tenant, certifying that the relocation amount does not exceed the maximum allowed pursuant to Government Code §§7260-7277.

Eligible Acquisition Costs

- IN-HOUSE EMPLOYEE SERVICES – see accounting rules for more information (page 48)
- GRANT administration and accounting
- Public meetings/focus groups/design workshop
- Appraisals, escrow fees, surveying, other costs associated with acquisition
- Cost of land

Ineligible Acquisition Costs – Cannot be charged to the grant

- Acquisitions to fulfill any mitigation requirements imposed by law (PRC §80020)
- Land acquired outside state
- Costs incurred outside the grant performance period
- Development costs
- Acquisitions for less than fee title

Development Projects

Development Project Requirements

1. PROJECTS must be consistent with the park and recreation element of the GRANTEE'S general or recreation plan (PRC §80063(b)).
2. Per Capita funds must be used to supplement, not supplant, local revenues in existence as of June 5, 2018 (PRC §80062(d)).
3. Contracted work must comply with the provisions of §1771.5 of the State Labor Code.
4. GRANTEE must have adequate liability insurance, performance bond, or other security necessary to protect the State and GRANTEE'S interest against poor workmanship, fraud, or other potential loss associated with the completion of the PROJECT.
5. PRE-CONSTRUCTION COSTS may not exceed 25% of the PROJECT amount.
6. The primary purpose of any building constructed or improved must be public recreation. Renovating a gymnasium that includes office space for staff is eligible; renovating GRANTEE'S office building is not.
7. PROJECTS must be accessible, including an accessible path of travel to the PROJECT.

Eligible Development Costs

All costs must be incurred within the GRANT PERFORMANCE PERIOD. Costs listed below are examples of eligible costs, and not inclusive. Contact OGALS if you have any questions regarding a PROJECT cost.

Eligible Pre-construction Costs – up to 25% of PROJECT costs; incurred prior to groundbreaking as determined by the GRANTEE

- Public meetings, focus groups, design workshops
- Plans, specifications, construction documents, and cost estimates
- Permits
- CEQA
- Bid preparation and packages
- IN-HOUSE EMPLOYEE SERVICES prior to groundbreaking
- Grant administration and accounting prior to groundbreaking

Eligible Construction Costs – up to 100% of the PROJECT costs; incurred after groundbreaking.

- Construction – necessary labor and construction activities to complete the PROJECT, including site preparation (demolition, clearing and grubbing, excavation, grading), onsite implementation and construction supervision
- Equipment – Equipment use charges (rental and in-house) must be made in accordance with GRANTEE'S normal accounting practices.
- Bond and other signs
- Premiums on hazard and liability insurance to cover personnel or property
- Site preparation
- Purchase and installation of equipment: security cameras, lighting, signs, display boards, sound systems, video equipment, etc.

- Construction management: including site inspections and PROJECT administration
- Miscellaneous: other costs incurred during the construction phase, such as transporting materials, equipment, or personnel, and communications
- Employee services after groundbreaking
- GRANT administration and accounting after groundbreaking

Ineligible Development Costs – Cannot be charged to the grant

- PRE-CONSTRUCTION COSTS that exceed 25% of the PROJECT costs
- Development to fulfill any mitigation requirements imposed by law (PRC §80020)
- All non-capital costs, including interpretive and recreational programming, software and software development
- Construction or improvements to facilities that are not primarily designated for recreational purposes, such as park district offices
- Furniture or equipment not site specific *and* not necessary for the core function of a new facility (non-capital outlay)
- Costs incurred before or after the GRANT PERFORMANCE PERIOD
- Indirect costs – overhead business expenses of the GRANTEE’S fixed or ordinary operating costs (rent, mortgage payments, property taxes, utilities, etc.)
- Food and beverages
- Out-of-state travel
- Repairs – activities performed to a section of a structure that are intended to allow the continued use.
- Maintenance – activities intended to be performed on a regular basis to maintain the expected useful life of a structure.
- Fundraising

Distinguishing capital outlay from maintenance and repair:

- Capital outlay – building something new, or in regards to existing structures, activities intended to boost the condition beyond its original or current state.
- Repairs – activities performed to a section of a structure that are intended to allow the continued use.
- Maintenance – activities intended to be performed on a regular basis to maintain the expected useful life of a structure.

Examples:

Roof – replacing broken shingles is maintenance; fixing a hole is repair; replacing the roof is capital outlay.

Playground – adding additional fall material is maintenance; fixing the chains on a swing set is repair; replacing the play structures is capital outlay.

Windows – repairing the glazing is maintenance; replacing broken panes is repair; replacing the windows is capital outlay.

Community Access Projects

Community Access Project Requirements

1. PROJECTS must be consistent with the park and recreation element of the GRANTEE'S general or recreation plan (PRC §80063(b)).
2. Per Capita funds must be used to supplement, not supplant, local revenues in existence as of June 5, 2018 (PRC §80062(d)).
3. Contracted work must comply with the provisions of §1771.5 of the State Labor Code.
4. GRANTEE must have adequate liability insurance, performance bond, or other security necessary to protect the State and GRANTEE'S interest against poor workmanship, fraud, or other potential loss associated with the completion of the PROJECT.

Eligible Community Access Project Costs

All costs must be incurred within the GRANT PERFORMANCE PERIOD. Costs listed below are examples of eligible costs, and not inclusive. Contact OGALS if you have any questions regarding a PROJECT cost.

- Meetings: public meetings/focus groups, GRANTEE planning sessions
- PROJECT management (excluding grant writing) and accounting
- Non-capital costs, including interpretive and recreational programming, software and software development
- IN-HOUSE EMPLOYEE SERVICES related to PROJECT activities.
- Equipment (the cost of equipment or vehicle(s) currently owned by the grantee): such equipment or vehicle(s) may be charged to the grant for each use. The GRANTEE shall maintain a log that describes the activities conducted and the time that the equipment or vehicle is used, as related to the grant scope, as well as a license number or vehicle identification number.
 - GRANTEE may also rent or purchase the equipment or vehicle(s), whichever is the most economical use of grant funds.
 - Purchased equipment or vehicle(s): residual market value shall be credited to the project costs upon completion.
- Supplies and materials: activity supplies, educational materials, communication materials, etc. Supplies and materials may be drawn from central stock if claimed costs are no higher than those the grantee would pay if purchased elsewhere.
- Miscellaneous costs: other costs incurred, such as transporting materials or personnel.

Ineligible Community Access Project Costs

- Costs incurred before or after the grant performance period
- Indirect costs – overhead business expenses of the grantee's fixed or ordinary operating costs (rent, mortgage payments, property taxes, utilities, etc.)
- Food and beverages
- Out-of-state travel
- Capital outlay expenditures
- Costs associated with master plans

- Repairs and maintenance by IN-HOUSE EMPLOYEE SERVICES
- Fundraising

Accounting Rules for In-House Employee Services

GRANTEES must follow these accounting practices for services performed by its employees to be eligible for reimbursement:

- Maintain time and attendance records as charges are incurred, identifying the employee through a name or other tracking system, and that employee's actual time spent on the PROJECT.
- Time estimates, including percentages, for work performed on the PROJECT are not acceptable.
- Time sheets that do not identify the specific employee's time spent on the PROJECT are not acceptable.
- Costs of the salaries and wages must be calculated according to the GRANTEE'S wage and salary scales, and may include benefit costs such as vacation, health insurance, pension contributions and workers' compensation.
- Overtime costs may be allowed under the GRANTEE'S established policy, provided that the regular work time was devoted to the same PROJECT.
- May not include overhead or cost allocation. These are the costs generally associated with supporting an employee, such as rent, personnel support, IT, utilities, etc.



State of California – The Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION

ITEM NUMBER: A-4
DATE: 10/22/19
ATTACHMENT: 2

Development Project Scope/Cost Estimate Form

GRANTEE: _____ Project Name: _____

Development project scope (Describe the PROJECT in 30 words or less):			
Project Scope Items - <input checked="" type="checkbox"/> all that apply:			
Install new	Renovate existing	Replace existing	Recreation Element
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pool, aquatic center, splash pad
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trails or walking paths
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Landscaping or irrigation
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Group picnic, outdoor classrooms, other gathering spaces
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Play equipment, outdoor fitness equipment
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sports fields, sports courts, court lighting
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Community center, gym, other indoor facilities
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Restroom, concession stand
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Other: _____
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Minor elements which support one or more of the recreation elements checked above: benches, lighting, parking, signage, etc.
Total estimated cost for construction:			\$
PRE-CONSTRUCTION (costs incurred prior to ground-breaking, such as design, permits, bid packages, CEQA); up to 25% of total project cost.			\$
Total PROJECT cost:			\$
Subtract GRANTEE match if not in severely disadvantaged community (20% of total PROJECT Cost)			\$ -
Total PROJECT amount requested:			\$
The GRANTEE understands that all elements listed on this form must be complete and open to the public before the final grant payment will be made.			
AUTHORIZED REPRESENTATIVE Signature			Date
Print Name and Title			



ITEM NUMBER: A-4
DATE: 10/22/19
ATTACHMENT: 2

State of California – The Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION

Community Access Project Scope/Cost Estimate Form

GRANTEE: _____ Project Name: _____

Project site:	
Project Scope Items - <input checked="" type="checkbox"/> all that apply and provide a brief description:	
<input type="checkbox"/>	Transportation (for recreation programs)
<input type="checkbox"/>	Physical activity programming (sport leagues, dance, exercise, etc.)
<input type="checkbox"/>	Resource interpretation
<input type="checkbox"/>	Multilingual translation
<input type="checkbox"/>	Natural science
<input type="checkbox"/>	Workforce development and career pathways
<input type="checkbox"/>	Education
<input type="checkbox"/>	Communication related to water, parks, climate, coastal protection, and other outdoor pursuits
Total PROJECT cost: \$	
Subtract GRANTEE match if not in severely disadvantaged community (20% of total PROJECT Cost) \$ -	
Total PROJECT amount requested: \$	
The GRANTEE understands that all elements listed on this form must be complete and available to the public before the final grant payment will be made.	
AUTHORIZED REPRESENTATIVE Signature	Date
Print Name and Title	



State of California – The Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION

Funding Sources Form

GRANTEE: _____ Project Name: _____

PROJECTS funded by the program are not complete until the grant SCOPE is complete.

If Per Capita grant funds will be used as part of the funding for a larger project, GRANTEES can do one of the following:

1. Identify a smaller subset of the larger project that can be completed. That smaller project will be the grant SCOPE.
2. Incorporate the funds from the Per Capita grant into the larger project. The larger project will be the grant SCOPE.

Per Capita funds will / will not (circle one) be used as part of the funding for a larger project.

If Per Capita grant funds will be used as part of the funding for a larger project, briefly describe the scope of that larger project:

The total cost of the larger project that these grant funds will contribute to is: \$ _____

Anticipated completion date: _____

List all funds that will be used. Submit revised Funding Sources form should funding sources be added or modified.

Funding Source	Date Committed	Amount
Per Capita/State of California	July 1, 2018	\$

AUTHORIZED REPRESENTATIVE Signature

Date

Print Name and Title



State of California – The Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION

CEQA Compliance Certification

Not required for COMMUNITY ACCESS PROJECTS

GRANTEE: _____

Project Name: _____

Project Address: _____

Is CEQA complete? ☐ Yes ☐ No Is completing CEQA a project scope item? ☐ Yes ☐ No

What document was filed, or is expected to be filed for this project's CEQA analysis:

Date complete/expected to be completed

- ☐ Notice of Exemption (attach recorded copy if filed) _____
☐ Notice of Determination (attach recorded copy if filed) _____
☐ Other: _____

If CEQA is complete, and a Notice of Exemption or Notice of Determination was not filed, attach a letter from the Lead Agency explaining why, certifying the project has complied with CEQA and noting the date that the project was approved by the Lead Agency.

Lead Agency Contact Information:

Agency Name: _____

Contact Person: _____

Mailing Address: _____

Phone: () _____ Email: _____

Certification:

I hereby certify that the above referenced Lead Agency has complied or will comply with the California Environmental Quality Act (CEQA) and that the project is described in adequate and sufficient detail to allow the project's construction or acquisition.

I further certify that the CEQA analysis for this project encompasses all aspects of the work to be completed with grant funds.

AUTHORIZED REPRESENTATIVE
(Signature)

Date

AUTHORIZED REPRESENTATIVE
(Printed Name and Title)

FOR OGALS USE ONLY		
CEQA Document	Date Received	PO Initials
<input type="checkbox"/> NOE <input type="checkbox"/> NOD		

Land Tenure

The purpose of the land tenure requirement is to verify that the GRANTEE has sufficient legal rights to the property to fulfill the terms of the contract.

- PROJECT amounts up to \$100,000 require at least 20 years of land tenure at the site to be acquired or developed.
- PROJECT amounts greater than \$100,000 require at least 30 years of land tenure at the site to be acquired or developed.
- The 20 or 30 year land tenure requirement begins on July 1, 2018.
- The GRANTEE remains responsible for fulfillment of the terms of the contract, even if the GRANTEE'S land tenure agreement changes within the contract PERFORMANCE PERIOD.
- **Not applicable to COMMUNITY ACCESS PROJECTS.**

Land Tenure Ownership Documentation

If the GRANTEE owns PROJECT site in fee simple, provide one of the following:

- Deed or deed recordation number, or
- Title report, or
- Tract map or assessor's map with owner's name

Land Tenure Non-Ownership Documentation

If the GRANTEE does not own the PROJECT site in fee simple, provide:

- Land Tenure Agreement Checklist (page 24)
- Signed land tenure agreement

If the grantee does not own the project site in fee simple, and the existing land tenure agreement does not meet the requirements shown in the Land Tenure Checklist, provide

- Land Tenure Agreement Checklist (page 24)
- Signed land tenure agreement
- An explanation as to how the existing land tenure agreement adequately protects the State's interest. OGALS will review and determine if the land tenure is sufficient.

Land Tenure Agreement Checklist

If the GRANTEE does not own the land in fee simple, complete this checklist. Attach a copy of the signed land tenure agreement. Identify the page numbers where the required items can be found in the land tenure agreement and highlight the provisions in the agreement where the information is located. *All items are required.*

GRANTEE: _____ Project Name: _____

<input checked="" type="checkbox"/>	Page	Required Item
<input type="checkbox"/>		Type of agreement: For example: lease, joint powers agreement, easement, memorandum of understanding, etc.
<input type="checkbox"/>		Parties to the agreement (land owner must be public agency or utility) and date signed: <div style="display: flex; justify-content: space-between;"> <div>Party</div> <div>Date Signed</div> </div>
<input type="checkbox"/>		Term of the agreement: ____ years
<input type="checkbox"/>		Agreement end date: _____ <ul style="list-style-type: none"> • Grant amounts up to \$100,000 require at least 20 years of land tenure. • Grant amounts above \$100,000 require at least 30 years of land tenure. • The land tenure requirement begins on July 1, 2018.
<input type="checkbox"/>		Renewal option: Must include an option, which can be non-binding, for the GRANTEE to renew the agreement beyond the original 20 or 30 year term.
<input type="checkbox"/>		Termination clause: Any of the following is acceptable: <ul style="list-style-type: none"> • No termination clause – the agreement is non-revocable. • Termination clause specifies the agreement is revocable only for cause. • The termination clause cannot allow the land owner to revoke the agreement without cause, i.e., at will.
<input type="checkbox"/>		Site Control, Roles and Responsibilities should the GRANT be awarded, the agreement: <ul style="list-style-type: none"> • Authorizes the GRANTEE to <i>proceed with the construction</i> PROJECT. The GRANTEE may delegate construction to other entities. • Establishes <i>when the general public can use</i> the PROJECT and gives GRANTEE <i>permission to operate</i> the PROJECT site (such as scheduling recreational programs). The GRANTEE may delegate operational roles to other entities but is bound through the contract provisions to ensure full public access for the duration of the land tenure period. • Identifies which entity will <i>maintain</i> the PROJECT site. The GRANTEE may delegate maintenance to other entities but is bound through the contract provisions to ensure maintenance of the PROJECT site for the duration of the land tenure period.

Site Plan

Provide a drawing showing where all the items listed in the PROJECT SCOPE/Cost Estimate Form will be located. To ensure that any building use meets the requirements of the program, include the function and approximate square footage of each room within buildings that are part of the SCOPE, and the approximate total square footage of the buildings. It does not need to be a detailed engineering rendering. **Not required for COMMUNITY ACCESS PROJECT applications.**

Sub-leases or Agreements

Provide a list of all *other* leases, agreements, memoranda of understanding, etc., affecting PROJECT property or its operation and maintenance.

Greenhouse Gas Emissions Reduction and Carbon Sequestration.³

If your PROJECT involves tree planting, follow the instructions below. If your PROJECT does not involve tree planting, check the N/A box for this item on the Application Checklist.

Before getting started, gather the following information about your PROJECT:

- Tree species
- Size of trees at planting
- Information on the distance and direction to the nearest building (if applicable)
- Information on the age and climate control of any nearby buildings (if applicable)
- Information about the tree's growing conditions

Getting started:

1. Navigate to the i-Tree site at <https://planting.itreetools.org> and select the tab for a new project.
2. On the Location map, select your state, county and city, and then click Next.
3. Configure the project parameters⁴:
 - "Electricity emissions factor" enter 285 and select kilograms
 - "Fuel emissions factor" enter 53.1 and select kilograms
 - "Years for the project" is the age of the trees 40 years from when they are planted. So, if the trees will be four years old at the time of planting, enter 44.
 - "Tree mortality" enter 0
4. Tree Planting Configurations
 - Enter the tree groups for the project; create a new group for each new species or for each new location.
 - Species – select the species; add multiple species by creating new groups.
 - DBH – tree diameter four feet above the ground at time of planting.
 - Distance to nearest tree – select from drop down menu

³ PRC §80001(b)(7)

⁴ Project parameters are from the California Air Resources Board's "Quantification Methodology for the California Natural Resources Agency Urban Greening Grant Program."

- Tree is (north, south, east or west) of Building – select the direction the tree is located to the nearest climate controlled building.
- Climate controls – select the type of climate controls the nearby building has installed. If a tree is more than 60 feet away from a climate controlled building, select “none.”
- Condition – select the overall health of the trees at the time of planting.
- Exposure to sunlight – select the amount of sun that reaches the tree, based on its surroundings.
- Number of trees – enter the number of trees that are the same species and the same characteristics (e.g. distance to building, location in respect to building, exposure to sunlight, etc.) If some of these characteristics change, multiple lines of the same species should be input into the tool.

Once all the groups are entered, hit next

5. Print the report in landscape mode, and submit it with your application.

Special Requirements

- Status Reports (page 26)
- Bond Act Sign (page 28)
- Deed Restriction (page 29)

Status Report

OGALS will send a Status Report every six months until receipt of a PROJECT COMPLETION PACKET. Payment requests will not be processed if Status Reports are overdue.

Sample Status Report – Due xx/xx/20xx (30 days from mail date)

Grantee:
 Project Number:
 Project Name:
 Project Scope:
 Project Phase: ☐ Pre-Construction/Pre-Acquisition ☐ Acquisition and/or Construction
☐ **Community Access**

When will you submit your next payment request? For how much?

Estimated date of project completion:

Potential obstacles affecting completion:

Is the PROJECT: On Time? yes/no Within Budget? yes/no Within Scope? yes/no If no, explain:

Describe grant-funded work completed since last status report submitted on (DATE):

Provide photos showing work completed since (DATE)

Describe grant-funded work expected to be completed by (MailDate + 6 mos)

If there have been any changes to the proposed funding for this project, attach a revised Funding Sources Form.

Provide information on payments to be submitted over the next three years:

Between 7/1/18 and 6/30/19	Between 7/1/19 and 12/31/19	Between 1/1/20 and 6/30/20	Between 7/1/20 and 12/30/20	Between 1/1/21 and 6/30/21	Between 7/1/21 and 12/30/21	After 1/1/22
\$	\$	\$	\$	\$	\$	\$

The purpose of this data is to help the State estimate borrowing needs; you will not be held to these estimates.

I represent and warrant that I have full authority to execute this Grant Progress Status Report on behalf of the Grantee. I declare under penalty of perjury, under the laws of the State of California, that this status report, and any accompanying documents, for the above-mentioned Grant is true and correct to the best of my knowledge.

 Authorized Representative*

 Title

 Date

(*Certification to above information requires a signature by a person authorized in the resolution)

Bond Act Sign

A sign acknowledging the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018 as the funding source for the PROJECT must be installed during construction and at completion (PRC §80001(b)(3)). **A sign is not required for COMMUNITY ACCESS PROJECTS.**

Types of Signs

- 1) Construction – An acknowledgment sign is required during construction.
- 2) Post Completion - All grantees are required to post a sign at the PROJECT site upon completion of the project. The sign must be available for the final inspection of the PROJECT and remain in place for a minimum of four (4) years from date of PROJECT completion. There is no minimum or maximum size other than the minimum size for the logo, as long as the sign contains the required wording.

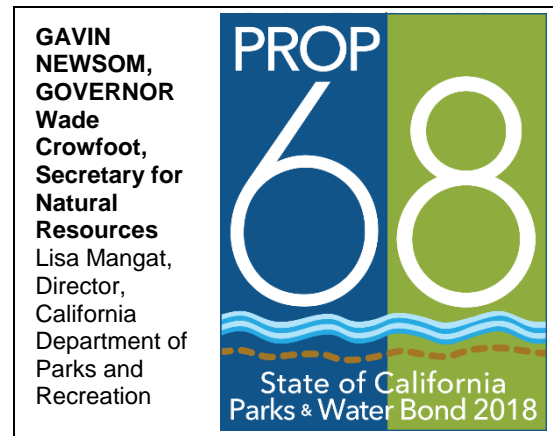
If appropriate, the same sign can be used during construction and completion.

Sign Language

All signs must contain the language shown to the right of this paragraph. Use the names of the current officials. The name of the director of the local agency or other governing body may be added. The sign may also include names (and/or logos) of other partners, organizations, individuals and elected representatives.

Logo

All signs must display the Parks and Water Bond Act logo. The logo is available at <http://resources.ca.gov/grants/logo-art/>. Display the logo to maximize visibility and durability. Each edge of the logo must be a minimum of 24" x 24". Exceptions may be approved, when appropriate, at OGALS' discretion.



Sign Construction

All materials used shall be durable and resistant to the elements and graffiti. The California Department of Transportation and DPR standards may be used as a guide for gauge of metal, quality of paints used, mounting specifications, etc.

Sign Cost

The cost of the sign(s) is an eligible PROJECT cost. Permanent signage is encouraged.

Appropriateness of Signs

For projects where the required sign may be out of place or affected by local sign ordinances, OGALS may authorize a sign that is more appropriate to the project.

State Approval

GRANTEE shall submit the proposed number, locations, size, and language of signs for preliminary review. Final payments will not be processed until post completion signage has been approved and installed.

Deed Restriction

The Deed Restriction restricts the title to the property, safeguarding the property for purposes consistent with the GRANT for the duration of the contract PERFORMANCE PERIOD. **A Deed Restriction is not required for COMMUNITY ACCESS PROJECTS.**

If the GRANTEE owns the PROJECT land, a Deed Restriction must be recorded on the title to the property before OGALS will approve any grant payments except an advance into escrow.

A Deed Restriction *is not required* if the GRANTEE does not own the PROJECT land, such as where the GRANTEE is improving property it has access to under a lease agreement.

Deed Restriction Instructions

1. Before filing the Deed Restriction, the GRANTEE must own the PROJECT land, and have an encumbered contract for the GRANT amount.
2. The PROJECT OFFICER will send the Deed Restriction to the GRANTEE. *Do not alter the Deed Restriction.* The GRANTEE takes the following steps:
 1. Add ownership information to **Paragraph I of the Deed Restriction:** [formal name of GRANTEE] *Insert ownership information as it appears on the deed.*
 2. *Create 3 copies (GRANTEE copy, OGALS copy and recorder's copy) of the Deed restriction and the required attachments:*
 - (1) Exhibit A: Label this attachment "Exhibit A (Legal Description of Property)" and include a formal legal description of every parcel of property to which grant funds will be used for the development and/or acquisition thereof. This information can be obtained from the grant deed or title policy. (The assessor's parcel number or a street address is NOT a valid legal description.) and,
 - (2) Exhibit B: Label this attachment "Exhibit B (Grant Contract)" and include a complete copy of the Grant Contract and provisions signed by the AUTHORIZED REPRESENTATIVE and the State of California.
3. *Notarize it:* Take the following documents to a notary. OGALS recommends submitting these documents to the OGALS PROJECT OFFICER for review prior to notarizing.
 - Unsigned and undated Deed Restriction
 - Exhibit A (Legal Description of Property)
 - Exhibit B (Grant Contract)

The AUTHORIZED REPRESENTATIVE dates and signs the Deed Restriction signature page in the presence of a notary. The notary will complete a Notary Acknowledgement (Civil Code §1189).
4. *Record it:* Take the notarized documents bulleted above to the County Recorder's Office of the county in which the property is located. Ask the County Clerk to record the Deed Restriction with Notary Acknowledgement, Exhibit A, and Exhibit B, on the title to the property.
5. *Send it:* Send a copy of the notarized and recorded documents bulleted above to the OGALS PROJECT OFFICER.

RECORDING REQUESTED BY:
California Department of Parks and Recreation
Office of Grants and Local Services

WHEN RECORDED MAIL TO:
Office of Grants and Local Services
PO Box 942896
Sacramento, CA 94296-0001
Attn: [Project Officer]

DEED RESTRICTION

- I. WHEREAS, insert ownership information as it appears on the deed (hereinafter referred to as "Owner(s)" is/are recorded owner(s) of the real property described in Exhibit A, attached and incorporated herein by reference (hereinafter referred to as the "Property"); and
- II. WHEREAS, the California Department of Parks and Recreation (hereinafter referred to as "DPR") is a public agency created and existing under the authority of section 5001 of the California Public Resources Code (hereinafter referred to as the "PRC"). And
- III. WHEREAS, Owner(s) (or Grantee) received an allocation of grant funds pursuant to the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 Per Capita Program for improvements on the Property; and
- IV. WHEREAS, on (enter date), DPR's Office of Grants and Local Services conditionally approved Grant [project number], (hereinafter referred to as "Grant") for improvements on the Property, subject to, among other conditions, recordation of this Deed Restriction on the Property; and
- V. WHEREAS, but for the imposition of the Deed Restriction condition of the Grant, the Grant would not be consistent with the public purposes of the Per Capita Program and the funds that are the subject of the Grant could therefore not have been allocated; and

VI. WHEREAS, Owner(s) has/have elected to comply with the Deed Restriction of the Grant, so as to enable Owner(s), to receive the Grant funds and perform the work described in the Grant;

NOW, THEREFORE, in consideration of the issuance of the Grant funds by DPR, the undersigned Owner(s) for himself/herself/themselves and for his/her/their heirs, assigns, and successors-in-interest, hereby irrevocably covenant(s) with DPR that the condition of the grant (set forth at paragraph(s) 1 through 5 and in Exhibit B hereto) shall at all times on and after the date on which this Deed Restriction is recorded constitute for all purposes covenants, conditions and restrictions on the use and enjoyment of the Property that are hereby attached to the deed to the Property as fully effective components thereof.

1. DURATION. This Deed Restriction shall remain in full force and effect and shall bind Owner(s) and all his/her/their assigns or successors-in-interest for the period running from July 1, 20xx to June 30, 20xx (20 years) or June 30, 20xx (30 years).

2. TAXES AND ASSESMENTS. It is intended that this Deed Restriction is irrevocable and shall constitute an enforceable restriction within the meaning of a) Article XIII, section 8, of the California Constitution; and b) section 402.I of the California Revenue and Taxation Code or successor statute. Furthermore, this Deed Restriction shall be deemed to constitute a servitude upon and burden to the Property within the meaning of section 3712(d) of the California Revenue and Taxation Code, or successor statute, which survives a sale of tax-deeded property.

3. RIGHT OF ENTRY. DPR or its agent or employees may enter onto the Property at times reasonably acceptable to Owner(s) to ascertain whether the use restrictions set forth above are being observed.

4. REMEDIES. Any act, conveyance, contract, or authorization by Owner(s) whether written or oral which uses or would cause to be used or would permit use of the Property contrary to the terms of this Deed Restriction will be deemed a violation and a breach hereof. DPR may pursue any and all available legal and/or equitable remedies to enforce the terms and conditions of this Deed Restriction up to and including a lien sale of the property. In the event of a breach, any forbearance on the part of DPR to

enforce the terms and provisions hereof shall not be deemed a waiver of enforcement rights regarding such breach, or any subsequent breach.

5. SEVERABILITY. If any provision of these restrictions is held to be invalid, or for any reason becomes unenforceable, no other provision shall be affected or impaired.

Dated: _____, 20 ____

Business Name (if property is owned by a business):

Signed: _____
Authorized Representative

Signed: _____
Additional signature, as required

Print/Type Name & Title of Above

Print/Type Name & Title of Above

Grant Payment Section

Payments may be requested after a PROJECT is approved and the contract is encumbered. Payment requests are processed through the State Controller's Office and mailed to the GRANTEE approximately six to eight weeks from the date OGALS approves the request.

Payment Requirements

1. Payment requests prior to groundbreaking are limited to 25% of the PROJECT amount.
2. Payments before the final payment may not exceed 80% of the PROJECT amount. 20% of the PROJECT amount is retained for the final reimbursement.
3. A deed restriction is required prior to processing any reimbursements **except COMMUNITY ACCESS PROJECTS** and an acquisition ADVANCE.
4. Group costs together to avoid frequent payment requests. Reimbursement requests greater than \$10,000 are encouraged.
5. For PROJECTS where match is required, GRANTEES must show eligible costs equal to 125% of the requested reimbursement amount.
6. CEQA must be complete prior to requesting any construction reimbursement.
7. **Provide a sample timesheet with the first IN-HOUSE EMPLOYEE SERVICES reimbursement.**
8. **A summary list of bidders, recommendation by reviewer of bidders, awarding by governing body and contract agreement must be provided to the PROJECT OFFICER prior to requesting a reimbursement related to that contract.**
9. Provide construction progress photos, including a photo with the construction sign visible on the PROJECT site (see page 28), with all construction payment requests.
10. Payment may be withheld by OGALS if the GRANTEE has outstanding issues, for example: breach of any other contract with OGALS, an unresolved audit exception, outstanding conversion, or having other park sites closed or inadequately maintained.

Payment Request Form Instructions

- All payment request types (reimbursement, final, ADVANCE) require this form.
- Payment requests may be submitted by e-mail to the PROJECT OFFICER.
- Round all amounts to the nearest whole dollar.
- Complete the Payment Request Form as follows:
 1. PROJECT Number - Number assigned by OGALS when this PROJECT was approved.
 2. Contract Number - As shown in Certification of Funding section of the contract
 3. APPLICANT - GRANTEE name as shown on the contract
 4. PROJECT Title - Name of the PROJECT as shown in the Application
 5. Type of Payment – check appropriate box on form
 6. Payment Information – always round down to the nearest dollar.
 7. Send Warrant To - AGENCY name, address and contact person
 8. Signature of AUTHORIZED REPRESENTATIVE according to the Resolution

Payment Request Form

State of California - Natural Resources Agency
 DEPARTMENT OF PARKS AND RECREATION

PAYMENT REQUEST State Grant Programs

See Instructions on Page 2.

1. PROJECT NUMBER	2. CONTRACT NUMBER
3. APPLICANT	
4. PROJECT NAME	
5. TYPE OF PAYMENT <input type="checkbox"/> Advance <input type="checkbox"/> Reimbursement <input type="checkbox"/> Final	
6. PAYMENT INFORMATION <i>(Round all figures to the nearest dollar)</i>	
a. Grant Project Amount	\$ _____
b. Funds Received To Date	\$ _____
c. Available (a. minus b.)	\$ _____
d. Amount Of This Request	\$
e. Remaining Funds After This Payment (c. minus d.)	\$ _____
7. SEND WARRANT TO:	
AGENCY NAME	
STREET ADDRESS	
CITY/STATE/ZIP CODE	
8. CERTIFICATION AND SIGNATURE OF PERSON AUTHORIZED IN RESOLUTION <i>I represent and warrant that I have full authority to execute this payment request on behalf of the Grantee. I declare under penalty of perjury, under the laws of the State of California, that this report, and any accompanying documents, for the above-mentioned Grant is true and correct to the best of my knowledge.</i>	
SIGNATURE OF PERSON AUTHORIZED IN RESOLUTION	TITLE
DATE	
FOR CALIFORNIA DEPARTMENT OF PARKS AND RECREATION USE ONLY	
PAYMENT APPROVAL SIGNATURE	DATE

DPR 212 (Rev. 3/2015)(Excel 3/3/2015)(Page 1 of 2)

Grant Expenditure Form

All payment requests require a summary of costs incurred. An electronic version of this form is available at www.parks.ca.gov/grants. Grantees may use their own spreadsheet if it contains the required information shown below. Keep copies of invoices or warrants with the PROJECT records, available to OGALS upon request.

Only provide the following information to OGALS:

PROJECT Number _____

Warrant/Check #(1)	Date(2)	Recipient(3)	Purpose(4)	Pre-Construction Amount(5)	Construction Amount(6)
--------------------	---------	--------------	------------	----------------------------	------------------------

PRE-CONSTRUCTION Subtotal (5) \$ _____

Construction Subtotal (6) \$ _____

Grand Total (5) + (6) \$ _____

List only ELIGIBLE COSTS charged to the GRANT.

Column (1) Electronic payment numbers/electronic funds transfer numbers in the "Warrant/Check Number" column are acceptable. Include an "EP" next to the electronic payment numbers/electronic funds transfer numbers.

If IN-HOUSE EMPLOYEE SERVICES or GRANTEE'S own equipment was used, a work order or other tracking number can be used instead of a check/warrant number.

Column (2) Date payment was made to recipient. If IN-HOUSE EMPLOYEE SERVICES were used, provide the date range with a summary of actual hours worked.

Column (3) Name of Contractor, IN-HOUSE EMPLOYEE SERVICES, or other entity providing services and/or materials.

Column (4) SCOPE item related to the expenditure and a brief description, such as "playground design," "community center permits," "walkway materials," "sports field construction."

Column (5) PRE-CONSTRUCTION costs eligible for up to 25% of the GRANT amount.

Column (6) DEVELOPMENT **OR COMMUNITY ACCESS PROJECT** costs eligible for up to 100% of GRANT amount.

Project Completion Packet

PROJECT COMPLETION PACKETS must be submitted by March 31, 2022.

The final payment (not less than 20% of the PROJECT amount) will be processed after PROJECT COMPLETION and the following occurs:

1. Approval of the PROJECT COMPLETION PACKET (page 36).
2. Site inspection by the PROJECT OFFICER to verify PROJECT COMPLETION.

To request the final payment and complete the PROJECT, the GRANTEE must submit the following documents:

For COMMUNITY ACCESS PROJECTS:

1. Payment Request Form (page 34)
2. Grant Expenditure Form (page 35)
3. Final Funding Sources Form (page 21)
4. PROJECT COMPLETION Certification Form (page 37)

For development PROJECTS, the GRANTEE must submit these additional documents:

5. Photo of the bond act sign and location (page 28)
6. Recorded Deed Restriction if not already provided (page 29)
7. Completed CEQA if not already provided (page 22)
8. Notice of Completion (optional)⁵

For acquisition PROJECTS, the GRANTEE must submit these additional documents:

1. A copy of the recorded deed to the property
2. A map sufficient to verify the description of the property including parcel numbers and acreage
3. Copy of title insurance policy
4. Copy of title report

⁵ OGALS recommends that the GRANTEE file a Notice of Completion with the County Recorder pursuant to State of California Civil Code §3093. Filing the Notice of Completion is not a PROJECT COMPLETION requirement.

Project Completion Certification Form

Grantee: _____ **Project Number:** _____

Grantee contact for audit purposes

Name: _____

Address: _____

Phone: (____) _____ Email: _____

Project completion – list the grant scope items:

Provide revised Funding Sources Form

Interest earned on advanced funds: \$ _____

Interest spent on eligible costs: \$ _____

Was a Notice of Completion filed with the County Recorder? Yes ___ No ___

Certification:

I hereby certify that all Grant funds were expended on the above named Project and that the Project is complete and we have made final payment for all work done.

I have read California Penal Code §118 and understand that every person who testifies, declares, deposes, or certifies under penalty of perjury and willfully states as true any material matter which he or she knows to be false, is guilty of perjury, which is a felony punishable by imprisonment in state prison for two, three, or four years.

Furthermore, I have read California Penal Code §72 and understand that every person who, with the intent to defraud, presents for allowance or for payment to any state board or officer, or to any county, city, or District board or officer, authorized to allow or pay the same if genuine, any false or fraudulent claim, bill, account, voucher, or writing, is guilty of a felony-misdemeanor punishable either by imprisonment in county jail for a period of not more than one year, by a fine not exceeding one thousand dollars, or both, or by imprisonment in state prison, by a fine not exceeding ten thousand dollars, or both.

I represent and warrant that I have full authority to execute this Project Completion Certification on behalf of the Grantee. I declare under penalty of perjury that the foregoing certification of Project Completion for the above-mentioned Grant is true and correct.

GRANTEE'S AUTHORIZED REPRESENTATIVE
(Printed or Typed name)

Title

GRANTEE'S AUTHORIZED REPRESENTATIVE (Signature)

Date

Advance Payments

- ADVANCE payments are made at the discretion of OGALS. OGALS reserves the right to disapprove ADVANCE payment requests.
 - Past performance, GRANTEE capacity, and the GRANTEE'S financial resources will all be considered before issuing an ADVANCE.
 - GRANTEE'S that are unable to finance a considerable portion of their PROJECTS are encouraged to seek an allocation transfer (page 53).
- ADVANCE payments may be requested for costs the GRANTEE will incur within the next six months.
- ADVANCE funds, and any interest earned on those funds, *must* be spent within six months of receipt, or returned to OGALS.
- The sum of DEVELOPMENT and COMMUNITY ACCESS PROJECT ADVANCES cannot exceed 50% of the PROJECT amount.

Pre-Construction Advance

Payment Type	Maximum Request	When to Request	Documents to Send to PROJECT OFFICER
ADVANCE(s) costs to be incurred in next six months	Preconstruction estimate shown on Development Project SCOPE/Cost Estimate Form	After the contract has been encumbered	<ul style="list-style-type: none"> • Payment Request Form • ADVANCE justification (see below)

Construction Advance and Community Access Project Advance

Payment Type	Maximum Request	When to Request	Documents to Send to PROJECT OFFICER
ADVANCE(s) costs to be incurred in next six months	No more than 50% of the grant amount.	After the contract has been encumbered, and construction will commence during the next six months	<ul style="list-style-type: none"> • Payment Request Form • ADVANCE justification (see below) • Copy of signed contract and a notice to proceed or IN-HOUSE EMPLOYEE SERVICES schedule • Filed NOD or NOE (page 22)

Advance Justification

Provide the following information:

- Explanation as to why an ADVANCE is needed instead of a reimbursement. Describe any hardships the GRANTEE will experience if a reimbursement were issued instead of an ADVANCE.
- A payment schedule, with a month-by-month estimate, for up to six months, showing the anticipated amount needed, and to whom the funds will be paid (IN-HOUSE EMPLOYEE SERVICES or name of contractor). The six month period should begin six to eight weeks after payment request is submitted.

- A funding plan, indicating how the GRANTEE intends to provide cash flow to the percentage of the PROJECT exceeding the 50% ADVANCE limit.
- A statement indicating the GRANTEE will put the advanced funds into a separate, interest bearing account, and spend any interest earned on the PROJECT.
- An acknowledgement that all invoices and contracts pursuant to which payments are made shall be made available to OGALS on demand.

Clearing the Advance

ADVANCES must be cleared with six months of receipt, or earlier. ADVANCES should be cleared incrementally, that is, as costs are incurred.

An ADVANCE is cleared as follows:

- Submit a grant expenditure form (see page 35) documenting expenditures of eligible costs equal to the ADVANCE amount *plus any earned interest* (or 125% of the ADVANCE amount if match is required).
- Submit photos of construction completed and the construction sign (see page 28) with the ADVANCE funds (for construction ADVANCES).
- Return the balance of unspent GRANT funds to OGALS no later than thirty days after the end of the six month ADVANCE period. OGALS will then return the GRANT funds to the contract balance. OGALS cannot return interest to the contract balance.

Subsequent Payments

ADVANCE payments must be cleared before *any* payments will be approved.

This requirement may be waived in cases where a PROJECT requires timely payments to contractors, and the remaining balance of unspent ADVANCED funds cannot cover the next PROJECT payment. The following are required to request a waiver:

1. A letter to the PROJECT OFFICER, signed by the AUTHORIZED REPRESENTATIVE, explaining why the waiver is needed.
2. A statement in the letter that the majority of ADVANCED funds has been cleared.
3. A payment schedule with month by month estimates detailing the anticipated amount needed including the unspent balance of previously ADVANCED funds, along with the additional requested reimbursement or ADVANCE.

Acquisition Advance

Payment Type	When to Request	Documents to Send
ADVANCES up to 100% of the GRANT and MATCH amounts	After the contract is encumbered and escrow is open	See following instructions 1. Escrow letter 2. Title report cover page 3. Payment request form

The following items are required to request an ADVANCE payment into escrow:

1. A letter on the GRANTEE's letterhead, addressing all of the following elements, and signed by the GRANTEE's AUTHORIZED REPRESENTATIVE:
 - a) Name, address and telephone number of the title company or escrow holder, and the escrow account number to which the GRANT funds will be disbursed.
 - b) Copy of the property appraisal and written concurrence (page 13).
 - c) GRANT contract number and amount of GRANT funds requested.
 - d) A statement by the GRANTEE that "the preliminary title report shows that there are no liens, easements, or any other restrictions that would prevent completion of the PROJECT SCOPE and fulfillment of the contract provisions."
 - e) A statement by the GRANTEE that "all funds (exclusive of the GRANT funds to be provided under this agreement) needed for the completion of the acquisition of the property or properties have been secured and have been or will be deposited to escrow on or about the same date as the requested GRANT funds." In making this statement, the GRANTEE is entitled to reasonably rely on the representations of the seller.
2. Cover page of the preliminary title report.
3. Payment Request Form. The "Send Warrant To" item 7 on the Payment Request Form must be completed using the title company's or escrow holder's name, mailing address, and contact person (see page 34).

After approval by OGALS, the payment will be mailed by the State Controller's Office to the designated escrow company within approximately 30 working days.

Returning Unexpended Advanced Funds for Acquisition

If all or a portion of GRANT funds ADVANCED to the title or escrow company are not expended, the unused portion of the ADVANCED funds must be returned to OGALS within 60 days after completion of the acquisition(s), within 60 days of the acquisition withdrawal, or within 60 days after the end of the GRANT PERFORMANCE PERIOD, *whichever is earliest*.

Per Capita Contract



State of California – The Natural Resources Agency
 DEPARTMENT OF PARKS AND RECREATION

Sample Grant Contract Per Capita Program

Grantee: Grantee

Grant Performance Period is from July 1, 20xx through June 30, 20xx

CONTRACT PERFORMANCE PERIOD is from July 1, 20xx through June 30, 20xx

The GRANTEE agrees to the terms and conditions of this Contract, and the State of California, acting through its Director of the Department of Parks and Recreation, pursuant to the State of California, agrees to fund the total State grant amount indicated below.

The GRANTEE agrees to complete the GRANT SCOPE(s) as defined in the GRANT SCOPE/Cost Estimate Form or acquisition documentation for the application(s) filed with the State of California.

Total State grant amount not to exceed \$ Grant amount

The General and Special Provisions attached are made a part of and incorporated into the Contract.

STATE OF CALIFORNIA
 DEPARTMENT OF PARKS AND RECREATION

By _____

GRANTEE

By

(Typed or printed name of Authorized Representative)

(Signature of AUTHORIZED REPRESENTATIVE)

Title

Date

Date _____

CERTIFICATION OF FUNDING (FOR STATE USE ONLY)

AMOUNT OF ESTIMATE \$		CONTRACT NUMBER	FUND		
ADJ. INCREASING ENCUMBRANCE \$		APPROPRIATION			
ADJ. DECREASING ENCUMBRANCE \$		ITEM VENDOR NUMBER			
UNENCUMBERED BALANCE \$		LINE ITEM ALLOTMENT	CHAPTER	STATUTE	FISCAL YEAR
T.B.A. NO.	B.R. NO.	INDEX	Funding Source		OBJ. EXPEND
I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance.					
SIGNATURE OF ACCOUNTING OFFICER			DATE		

I. RECITALS

This CONTRACT is entered into between the California Department of Parks and Recreation (hereinafter referred to as “GRANTOR,” “DEPARTMENT” or “STATE”) and [grantee name] (hereinafter referred to as “GRANTEE”).

The DEPARTMENT hereby grants to GRANTEE a sum (also referred to as “GRANT MONIES”) not to exceed \$grant amount, subject to the terms and conditions of this CONTRACT and the 20xx/xx California State Budget, Chapter xx, statutes of 20xx, Item number – 3790-xxx-xxxx (appropriation chapter and budget item number hereinafter referred to as “PER CAPITA GRANT”). These funds shall be used for completion of the GRANT SCOPE(S).

The Grant Performance Period is from July 1, 20xx to June 30, 20xx.

II. GENERAL PROVISIONS

A. Definitions

As used in this CONTRACT, the following words shall have the following meanings:

1. The term “ACT” means the California Drought, Water, Parks Climate, Coastal Protection, and Outdoor Access for All Act of 2018, as referred to in section I of this CONTRACT.
2. The term “APPLICATION” means the individual project APPLICATION packet for a project pursuant to the enabling legislation and/or grant program process guide requirements.
3. The term “DEPARTMENT” or “STATE” means the California Department of Parks and Recreation.
4. The term “DEVELOPMENT” means capital improvements to real property by means of, but not limited to, construction, expansion, and/or renovation, of permanent or fixed features of the property.
5. The term “GRANTEE” means the party described as the GRANTEE in Section I of this CONTRACT.
6. The term “GRANT SCOPE” means the items listed in the GRANT SCOPE/Cost Estimate Form or acquisition documentation found in each of the APPLICATIONS submitted pursuant to this grant.
7. The term “PROCEDURAL GUIDE” means the document identified as the “Procedural Guide for California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 Per Capita Program.” The PROCEDURAL GUIDE provides the procedures and policies controlling the administration of the grant.

B. Project Execution

1. Subject to the availability of GRANT MONIES in the act, the STATE hereby grants to the GRANTEE a sum of money not to exceed the amount stated in Section I of this CONTRACT, in consideration of, and on condition that, the sum be expended in carrying out the purposes as set

forth in the scope described in the enabling legislation and referenced in the APPLICATION, Section I of this CONTRACT, and under the terms and conditions set forth in this CONTRACT.

The GRANTEE shall assume any obligation to furnish any additional funds that may be necessary to complete the GRANT SCOPE(S).

The GRANTEE agrees to submit any change or alteration from the original GRANT SCOPE(S) in writing to the STATE for prior approval. This applies to any and all changes that occur after STATE has approved the APPLICATION. Changes in the GRANT SCOPE(S) must be approved in writing by the STATE.

2. The GRANTEE shall complete the GRANT SCOPE(S) in accordance with the time of the Performance Period set forth in Section I of this CONTRACT, and under the terms and conditions of this contract.
3. The GRANTEE shall comply with the California Environmental Quality Act (Public Resources Code, §21000, et seq., Title 14, California Code of Regulations, §15000 et seq.).
4. The GRANTEE shall comply with all applicable current laws and regulations affecting DEVELOPMENT projects, including, but not limited to, legal requirements for construction contracts, building codes, health and safety codes, and laws and codes pertaining to individuals with disabilities, including but not limited to the Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and the California Unruh Act (California Civil Code §51 et seq.)

C. Procedural Guide

1. GRANTEE agrees to abide by the PROCEDURAL GUIDE.
2. GRANTEE acknowledges that STATE may make reasonable changes to its procedures as set forth in the PROCEDURAL GUIDE. If STATE makes any changes to its procedures and guidelines, STATE agrees to notify GRANTEE within a reasonable time.

D. Project Administration

1. If GRANT MONIES are advanced for DEVELOPMENT projects, the advanced funds shall be placed in an interest bearing account until expended. Interest earned on the advanced funds shall be used on the project as approved by the STATE. If grant monies are advanced and not expended, the unused portion of the grant and any interest earned shall be returned to the STATE within 60 days after project completion or end of the grant performance period, whichever is earlier.
2. The GRANTEE shall submit written project status reports within 30 calendar days after the STATE has made such a request. In any event, the GRANTEE shall provide the STATE a report showing total final project expenditures within 60 days of project completion or the end of the grant performance period, whichever is earlier. The grant performance period is identified in Section I of this CONTRACT.
3. The GRANTEE shall make property or facilities acquired and/or developed pursuant to this contract available for inspection upon request by the STATE.

E. Project Termination

1. Project Termination refers to the non-completion of a GRANT SCOPE. Any grant funds that have not been expended by the GRANTEE shall revert to the STATE.
2. The GRANTEE may unilaterally rescind this CONTRACT at any time prior to the commencement of the project. The commencement of the project means the date of the letter notifying GRANTEE of the award or when the funds are appropriated, whichever is later. After project commencement, this CONTRACT may be rescinded, modified or amended only by mutual agreement in writing between the GRANTEE and the STATE, unless the provisions of this contract provide that mutual agreement is not required.
3. Failure by the GRANTEE to comply with the terms of the (a) PROCEDURAL GUIDE, (b) any legislation applicable to the ACT, (c) this CONTRACT as well as any other grant contracts, specified or general, that GRANTEE has entered into with STATE, may be cause for suspension of all obligations of the STATE unless the STATE determines that such failure was due to no fault of the GRANTEE. In such case, STATE may reimburse GRANTEE for eligible costs properly incurred in performance of this CONTRACT despite non-performance of the GRANTEE. To qualify for such reimbursement, GRANTEE agrees to mitigate its losses to the best of its ability.
4. Any breach of any term, provision, obligation or requirement of this CONTRACT by the GRANTEE shall be a default of this CONTRACT. In the case of any default by GRANTEE, STATE shall be entitled to all remedies available under law and equity, including but not limited to: a) Specific Performance; b) Return of all GRANT MONIES; c) Payment to the STATE of the fair market value of the project property or the actual sales price, whichever is higher; and d) Payment to the STATE of the costs of enforcement of this CONTRACT, including but not limited to court and arbitration costs, fees, expenses of litigation, and reasonable attorney fees.
5. The GRANTEE and the STATE agree that if the GRANT SCOPE includes DEVELOPMENT, final payment may not be made until the work described in the GRANT SCOPE is complete and the GRANT PROJECT is open to the public.

F. Budget Contingency Clause

If funding for any fiscal year is reduced or deleted by the budget act for purposes of this program, the STATE shall have the option to either cancel this contract with no liability occurring to the STATE, or offer a CONTRACT amendment to GRANTEE to reflect the reduced grant amount. This Paragraph shall not require the mutual agreement as addressed in Paragraph E, provision 2, of this CONTRACT.

G. Hold Harmless

1. The GRANTEE shall waive all claims and recourse against the STATE including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this CONTRACT except claims arising from the concurrent or sole negligence of the STATE, its officers, agents, and employees.
2. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, damages, costs, expenses or liability costs arising out of the ACQUISITION, DEVELOPMENT, construction, operation or maintenance of

the property described as the project which claims, demands or causes of action arise under California Government Code Section 895.2 or otherwise except for liability arising out of the concurrent or sole negligence of the STATE, its officers, agents, or employees.

3. The GRANTEE agrees that in the event the STATE is named as codefendant under the provisions of California Government Code Section 895 et seq., the GRANTEE shall notify the STATE of such fact and shall represent the STATE in the legal action unless the STATE undertakes to represent itself as codefendant in such legal action in which event the GRANTEE agrees to pay the STATE's litigation costs, expenses, and reasonable attorney fees.
4. The GRANTEE and the STATE agree that in the event of judgment entered against the STATE and the GRANTEE because of the concurrent negligence of the STATE and the GRANTEE, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.
5. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, costs, expenses or liability costs arising out of legal actions pursuant to items to which the GRANTEE has certified. The GRANTEE acknowledges that it is solely responsible for compliance with items to which it has certified.

H. Financial Records

1. The GRANTEE shall maintain satisfactory financial accounts, documents, including loan documents, and all other records for the project and to make them available to the STATE for auditing at reasonable times. The GRANTEE also agrees to retain such financial accounts, documents and records for five years following project termination or issuance of final payment, whichever is later.
2. The GRANTEE shall keep such records as the STATE shall prescribe, including records which fully disclose (a) the disposition of the proceeds of STATE funding assistance, (b) the total cost of the project in connection with such assistance that is given or used, (c) the amount and nature of that portion of the project cost supplied by other sources, and (d) any other such records that will facilitate an effective audit.
3. The GRANTEE agrees that the STATE shall have the right to inspect and make copies of any books, records or reports pertaining to this contract or matters related thereto during regular office hours. The GRANTEE shall maintain and make available for inspection by the STATE accurate records of all of its costs, disbursements and receipts with respect to its activities under this contract. Such accounts, documents, and records shall be retained by the GRANTEE for at least five years following project termination or issuance of final payment, whichever is later.
4. The GRANTEE shall use a generally accepted accounting system.

I. Use of Facilities

1. The GRANTEE agrees that the GRANTEE shall operate and maintain the property acquired or developed with the GRANT MONIES, for the duration of the Contract Performance Period.
2. The GRANTEE agrees that, during the Contract Performance Period, the GRANTEE shall use the property acquired or developed with GRANT MONIES under this contract only for the

purposes of this grant and no other use, sale, or other disposition or change of the use of the property to one not consistent with its purpose shall be permitted except as authorized by the STATE and the property shall be replaced with property of equivalent value and usefulness as determined by the STATE.

3. The property acquired or developed may be transferred to another entity if the successor entity assumes the obligations imposed under this CONTRACT and with the approval of STATE.
4. Any real Property (including any portion of it or any interest in it) may not be used as security for any debt or mitigation, without the written approval of the STATE provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained. Any such permission that is granted does not make the STATE a guarantor or a surety for any debt or mitigation, nor does it waive the STATE'S rights to enforce performance under the Grant CONTRACT.
5. All real property, or rights thereto, acquired with GRANT MONIES shall be subject to an appropriate form of restrictive title, rights, or covenants approved by the STATE. If the project property is taken by use of eminent domain, GRANTEE shall reimburse STATE an amount at least equal to the amount of GRANT MONIES received from STATE or the pro-rated full market value of the real property, including improvements, at the time of sale, whichever is higher.
6. If eminent domain proceedings are initiated against GRANTEE, GRANTEE shall notify STATE within 10 days of receiving the complaint.

J. Nondiscrimination

1. The GRANTEE shall not discriminate against any person on the basis of sex, race, color, national origin, age, religion, ancestry, sexual orientation, or disability in the use of any property or facility developed pursuant to this contract.
2. The GRANTEE shall not discriminate against any person on the basis of residence except to the extent that reasonable differences in admission or other fees may be maintained on the basis of residence and pursuant to law.
3. All facilities shall be open to members of the public generally, except as noted under the special provisions of this project contract or under provisions of the enabling legislation and/or grant program.

K. Severability

If any provision of this CONTRACT or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the CONTRACT which can be given effect without the invalid provision or application, and to this end the provisions of this CONTRACT are severable.

L. Liability

1. STATE assumes no responsibility for assuring the safety or standards of construction, site improvements or programs related to the GRANT SCOPE. The STATE'S rights under this CONTRACT to review, inspect and approve the GRANT SCOPE and any final plans of

implementation shall not give rise to any warranty or representation that the GRANT SCOPE and any plans or improvements are free from hazards or defects.

2. GRANTEE will secure adequate liability insurance, performance bond, and/or other security necessary to protect the GRANTEE's and STATE'S interest against poor workmanship, fraud, or other potential loss associated with completion of the grant project.

M. Assignability

Without the written consent of the STATE, the GRANTEE'S interest in and responsibilities under this CONTRACT shall not be assignable by the GRANTEE either in whole or in part.

N. Use of Grant Monies

GRANTEE shall not use any grant funds (including any portion thereof) for the purpose of making any leverage loan, pledge, promissory note or similar financial device or transaction, without: 1) the prior written approval of the STATE; and 2) any financial or legal interests created by any such leverage loan, pledge, promissory note or similar financial device or transaction in the project property shall be completely subordinated to this CONTRACT through a Subordination Agreement provided and approved by the STATE, signed by all parties involved in the transaction, and recorded in the County Records against the fee title of the project property.

N. Section Headings

The headings and captions of the various sections of this CONTRACT have been inserted only for the purpose of convenience and are not a part of this CONTRACT and shall not be deemed in any manner to modify, explain, or restrict any of the provisions of this CONTRACT.

O. Waiver

Any failure by a party to enforce its rights under this CONTRACT, in the event of a breach, shall *not* be construed as a waiver of said rights; and the waiver of any breach under this CONTRACT shall *not* be construed as a waiver of any subsequent breach.

GRANTEE

By: _____
Signature of Authorized Representative

Title: _____
Date: _____

STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION

By: _____

Date: _____

Accounting and Audits

Accounting Requirements

GRANTEES must use accounting practices that:

- Provide accounting data that clearly records costs incurred on the PROJECT and accurately reflects fiscal transactions, with the necessary controls and safeguards.
- Provide good audit trails, especially the source documents (purchase orders, receipts, progress payments, invoices, time cards, cancelled warrants, warrant numbers, etc.) specific to the PROJECT.

Accounting Rules for Employee Services (IN-HOUSE EMPLOYEE SERVICES)

GRANTEES must follow these accounting practices for employee services:

- Maintain time and attendance records as charges are incurred, identifying the employee through a name or other tracking system, and that employee's actual time spent on the PROJECT.
- Time estimates, including percentages, for work performed on the PROJECT are not acceptable.
- Time sheets that do not identify the specific employee's time spent on the PROJECT are not acceptable.
- Costs of the salaries and wages must be calculated according to the GRANTEE'S wage and salary scales, and may include benefit costs such as vacation, health insurance, pension contributions and workers' compensation.
- Overtime costs may be allowed under the GRANTEE'S established policy, provided that the regular work time was devoted to the same PROJECT.
- May not include overhead or cost allocation. These are costs generally associated with supporting an employee, such as rent, personnel support, IT, utilities, etc.

State Audit

Grants are subject to audit by DPR. (See page 49, Audit Checklist). All PROJECT records must be retained for five years after final payment was issued, or PROJECT terminated, whichever is later.

The GRANTEE must provide the following when an audit date and time has been confirmed by DPR:

- All PROJECT records, including the source documents and cancelled warrants, books, papers, accounts, time sheets, or other records listed in the Audit Checklist or requested by DPR.
- An employee having knowledge of the PROJECT and its records to assist the DPR auditor.

Record Keeping Recommendation

GRANTEES are encouraged to keep records of all eligible costs, including those not submitted to OGALS for payment. This provides a potential source of additional eligible costs, should any submitted expenses be deemed ineligible.

Contact the DPR Audits Office at (916) 657-0370 for questions about these requirements.

Audit Checklist

An audit of the PROJECT may be performed before or following PROJECT completion. The GRANTEE must retain and make available all PROJECT related records for five years following PROJECT termination or final payment of grant funds. Listed below are some of the items the auditor will examine during the review of your records as applicable. It is the responsibility of the GRANTEE to have these records available in a central location ready for review once an audit date and time has been confirmed. If you have any questions regarding these documents, you may contact the State Department of Parks and Recreation Audits Office at (916) 657-0370.

CONTRACTS

- _____ Summary list of bidders (including individual bid packages)
- _____ Recommendation by reviewer of bids
- _____ Awarding by governing body (minutes of the meeting/resolution)
- _____ Construction contract agreement
- _____ Contract bonds (bid, performance, payment)
- _____ Contract change orders
- _____ Contractor's progress billings
- _____ Payments to contractor (cancelled checks/warrants, bank statements and EFT receipts**)
- _____ Stop Notices (filed by sub-contractors and release if applicable)
- _____ Liquidated damages (claimed against the contractor)
- _____ Notice of completion (recorded)

IN-HOUSE EMPLOYEE SERVICES*

- _____ Authorization/work order identifying project
- _____ Daily time sheets signed by employee and supervisor
- _____ Hourly rate (salary schedules/payroll register)
- _____ Fringe benefits (provide breakdown)

IN-HOUSE EQUIPMENT*

- _____ Authorization/work order
- _____ Daily time records identifying the project site
- _____ Hourly rate related backup documents

MINOR CONTRACTS/MATERIALS/SERVICES/ EQUIPMENT RENTALS

- _____ Purchase orders/Contracts/Service Agreements
- _____ Invoices
- _____ Payments (actual cancelled checks/warrants, bank statements and EFT receipts **)

ACQUISITION

- _____ Appraisal Report
 - _____ Did the owner accompany the appraiser?
 - _____ 10 year history
- _____ Statement of just compensation (signed by seller)
- _____ Statement of difference (if purchased above appraisal)
- _____ Waiver of just compensation (if purchased below appraisal: signed by seller)
- _____ Final Escrow Closing Statement
- _____ Cancelled checks/warrants, bank statements and EFT receipts, [payment(s) to seller(s)]
- _____ GRANT deed (vested to the participant) or final order of condemnation
- _____ Title insurance policy (issued to participant)
- _____ Relocation documents
- _____ Income (rental, grazing, sale of improvements, etc.)

INTEREST

- _____ Schedule of interest earned on State funds advanced
Note: Interest on grant advances is accountable, even if commingled in a pooled fund account and/or interest was never allocated back to the grant fund.

AGREEMENT/CONTRACTS

- _____ Leases, agreements, etc., pertaining to developed/acquired property
- _____ Proof of insurance pertaining to developed/acquired property

* Estimated time expended on the projects is not acceptable. Actual time records and all supporting documentation must be maintained as charges are incurred and made available for verification at the time of audit.

** Front and back if copied.

References

Public Resources Code relating to the Per Capita program

80000.

This division shall be known, and may be cited, as the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.

80001.

(b) It is the intent of the people of California that all of the following shall occur in the implementation of this division:

- (3) To the extent practicable, a project that receives moneys pursuant to this division will include signage informing the public that the project received funds from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018.
- (5) To the extent practicable, a project that receives moneys pursuant to this division will provide workforce education and training, contractor, and job opportunities for disadvantaged communities.
- (7) To the extent practicable, administering entities should measure or require measurement of greenhouse gas emissions reductions and carbon sequestrations associated with projects that receive moneys pursuant to this division.
- (8) To the extent practicable, as identified in the “Presidential Memorandum--Promoting Diversity and Inclusion in Our National Parks, National Forests, and Other Public Lands and Waters,” dated January 12, 2017, the public agencies that receive funds pursuant to this division will consider a range of actions that include, but are not limited to, the following:
 - (A) Conducting active outreach to diverse populations, particularly minority, low-income, and disabled populations and tribal communities, to increase awareness within those communities and the public generally about specific programs and opportunities.
 - (B) Mentoring new environmental, outdoor recreation, and conservation leaders to increase diverse representation across these areas.
 - (C) Creating new partnerships with state, local, tribal, private, and nonprofit organizations to expand access for diverse populations.
 - (D) Identifying and implementing improvements to existing programs to increase visitation and access by diverse populations, particularly minority, low-income, and disabled populations and tribal communities.
 - (E) Expanding the use of multilingual and culturally appropriate materials in public communications and educational strategies, including through social media strategies, as appropriate, that target diverse populations.
 - (F) Developing or expanding coordinated efforts to promote youth engagement and empowerment, including fostering new partnerships with diversity-serving and youth-serving organizations, urban areas, and programs.
 - (G) Identifying possible staff liaisons to diverse populations.

80002.

(d) “Department” means the Department of Parks and Recreation.

(n) “Severely disadvantaged community” means a community with a median household income less than 60 percent of the statewide average.

80008.

(c) (1) Up to 5 percent of funds available pursuant to each chapter of this division shall, to the extent permissible under the State General Obligation Bond Law (Chapter 4 (commencing

with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code) and with the concurrence of the Director of Finance, be allocated for community access projects that include, but are not limited to, the following:

- (A) Transportation.
- (B) Physical activity programming.
- (C) Resource interpretation.
- (D) Multilingual translation.
- (E) Natural science.
- (F) Workforce development and career pathways.
- (G) Education.
- (H) Communication related to water, parks, climate, coastal protection, and other outdoor pursuits.

80020.

Moneys allocated pursuant to this division shall not be used to fulfill any mitigation requirements imposed by law.

CHAPTER 3. Investments in Protecting, Enhancing, and Accessing California's Local and Regional Outdoor Spaces

80060.

For purposes of this chapter, "district" means any regional park district, regional park and open-space district, or regional open-space district formed pursuant to Article 3 (commencing with §5500) of Chapter 3 of Division 5, any recreation and park district formed pursuant to Chapter 4 (commencing with §5780) of Division 5, or any authority formed pursuant to Division 26 (commencing with §35100). With respect to any community or unincorporated region that is not included within a district, and in which no city or county provides parks or recreational areas or facilities, "district" also means any other entity, including, but not limited to, a district operating multiple-use parklands pursuant to Division 20 (commencing with §71000) of the Water Code.

80061.

- (a) The sum of two hundred million dollars (\$200,000,000) shall be available to the department, upon appropriation by the Legislature, for local park rehabilitation, creation, and improvement grants to local governments on a per capita basis. Grant recipients shall be encouraged to utilize awards to rehabilitate existing infrastructure and to address deficiencies in neighborhoods lacking access to the outdoors.
- (b) The sum of fifteen million dollars (\$15,000,000) shall be available to the department, upon appropriation by the Legislature, for grants to cities and districts in urbanized counties providing park and recreation services within jurisdictions of 200,000 or less in population. For purposes of this subdivision, "urbanized county" means a county with a population of 500,000 or more. An entity eligible to receive funds under this subdivision shall also be eligible to receive funds available under subdivision (a).
- (c) Unless the project has been identified as serving a severely disadvantaged community, an entity that receives an award pursuant to this section shall be required to provide a match of 20 percent as a local share.

80062.

- (a)(1) The department shall allocate 60 percent of the funds available pursuant to subdivision (a) of Section 80061 to cities and districts, other than a regional park district, regional park and open-space district, open-space authority, or regional open-space district. Each city's and district's allocation shall be in the same ratio as the city's or district's population is to the

combined total of the state's population that is included in incorporated and unincorporated areas within the county, except that each city or district shall be entitled to a minimum allocation of two hundred thousand dollars (\$200,000). If the boundary of a city overlaps the boundary of a district, the population in the overlapping area shall be attributed to each jurisdiction in proportion to the extent to which each operates and manages parks and recreational areas and facilities for that population. If the boundary of a city overlaps the boundary of a district, and in the area of overlap the city does not operate and manage parks and recreational areas and facilities, all grant funds for that area shall be allocated to the district.

- (2) On or before April 1, 2020, a city and a district that are subject to paragraph (1), and whose boundaries overlap, shall collaboratively develop and submit to the department a specific plan for allocating the grant funds in accordance with the formula specified in paragraph (1). If, by that date, the plan has not been developed and submitted to the department, the director shall determine the allocation of the grant funds between the affected jurisdictions.
- (b)(1) The department shall allocate 40 percent of the funds available pursuant to subdivision (a) of §80061 to counties and regional park districts, regional park and open-space districts, open-space authorities formed pursuant to Division 26 (commencing with §35100), and regional open-space districts formed pursuant to Article 3 (commencing with §5500) of Chapter 3 of Division 5.
- (2) Each county's allocation under paragraph (1) shall be in the same ratio that the county's population is to the total state population, except that each county shall be entitled to a minimum allocation of four hundred thousand dollars (\$400,000).
- (3) In any county that embraces all or part of the territory of a regional park district, regional park and open-space district, open-space authority, or regional open-space district, and whose board of directors is not the county board of supervisors, the amount allocated to the county shall be apportioned between that district and the county in proportion to the population of the county that is included within the territory of the district and the population of the county that is outside the territory of the district.
- (c) For the purpose of making the calculations required by this section, population shall be determined by the department, in cooperation with the Department of Finance, on the basis of the most recent verifiable census data and other verifiable population data that the department may require to be furnished by the applicant city, county, or district.
- (d) The Legislature intends all recipients of funds pursuant to subdivision (a) of §80061 to use those funds to supplement local revenues in existence on the effective date of the act adding this division. To receive an allocation pursuant to subdivision (a) of §80061, the recipient shall not reduce the amount of funding otherwise available to be spent on parks or other projects eligible for funds under this division in its jurisdiction. A one-time allocation of other funding that has been expended for parks or other projects, but which is not available on an ongoing basis, shall not be considered when calculating a recipient's annual expenditures. For purposes of this subdivision, the Controller may request fiscal data from recipients for the preceding three fiscal years. Each recipient shall furnish the data to the Controller no later than 120 days after receiving the request from the Controller.

80063.

- (a) The director of the department shall prepare and adopt criteria and procedures for evaluating applications for grants allocated pursuant to subdivision (a) of §80061. The application shall be accompanied by certification that the project is consistent with the park and recreation element of the applicable city or county general plan or the district park recreation plan, as the case may be.

- (b) To utilize available grant funds as effectively as possible, overlapping and adjoining jurisdictions and applicants with similar objectives are encouraged to combine projects and submit a joint application. A recipient may allocate all or a portion of its per capita share for a regional or state project.

Allocation Tables

Following are the allocations for Per Capita GRANTEES.

Allocation Transfer⁶ – Entities that receive an allocation under the Per Capita program may transfer all or part of that allocation to another eligible entity, provided that the following requirements are met:

1. *All required documentation must be submitted no later than six months from the end of the encumbrance period.*
2. The transferring agency must submit a resolution authorizing the transfer of the allocation. The resolution must name the recipient entity and the transferred amount.
3. The recipient must be eligible to receive Per Capita funds.
4. The recipient must have submitted the authorizing resolution shown on page 6.
5. The recipient must submit a resolution authorizing the receipt of funds; the resolution must state the donor and the transferred amount.

Definitions

Capitalized words and terms used in this guide are defined below.

ADVANCE – payment made to the GRANTEE for work that will occur in the future or work that has already occurred during the GRANT PERFORMANCE PERIOD and has not been paid for by the GRANTEE.

APPLICATION PACKET – the Application form and its required attachments described in the Application Checklist and Directions beginning on page 9.

AUTHORIZED REPRESENTATIVE – the GRANTEE’S designated position authorized in the Resolution to sign all required GRANT documents.

CEQA – the California Environmental Quality Act established policies and procedures requiring GRANTEES to identify, disclose to decision makers and the public, and attempt to lessen, significant impacts to environmental and historical resources that may occur as a result of the GRANTEE’S proposed PROJECT. (Public Resources Code §21000 et seq.; Title 14 California Code of Regulations §15000 et seq.)

COMMUNITY ACCESS PROJECT – a) transportation, b) physical activity programming, c) resource interpretation, d) multilingual translation, e) natural science, f) workforce development and career pathways, g) education, h) communication related to water, parks, climate, coastal protection, and other outdoor pursuits pursuant to Public Resources Code §80008(c)(1)

⁶ Please contact OGALS for sample transfer and recipient resolutions.

CONSTRUCTION COSTS – costs incurred starting with the date when ground-breaking construction activities such as site preparation, grading, or gutting begins, and continuing to the end of the GRANT PERFORMANCE PERIOD.

CONTRACT PERFORMANCE PERIOD – the amount of time stated on the contract agreement, specifying the performance of the contractual grant obligations between the GRANTEE and DPR.

DEVELOPMENT – construction, expansion, or renovation.

DPR – the California Department of Parks and Recreation.

GRANT – funds made available to a GRANTEE for completion of the PROJECT SCOPE(s) during the GRANT PERFORMANCE PERIOD.

GRANTEE – an entity having a fully executed contract with DPR.

GRANT PERFORMANCE PERIOD – period of time that ELIGIBLE COSTS may be incurred by the GRANTEE and paid for by DPR, as specified in the fully executed contract.

IN-HOUSE EMPLOYEE SERVICES – use of the GRANTEE’S employees working on the PROJECT SCOPE.

OGALS – DPR’s Office of Grants and Local Services.

PRE-CONSTRUCTION COSTS – costs incurred within the GRANT PERFORMANCE PERIOD for the planning, design, and permit phase of the PROJECT before construction can begin.

PROJECT – the SCOPE as described in the APPLICATION PACKET to be completed with GRANT funds.

PROJECT COMPLETION – when the PROJECT is complete and the facilities are open and useable by the public.

PROJECT COMPLETION PACKET – The documents listed on page 36 that are required in order to request final payment following PROJECT COMPLETION.

PROJECT OFFICER – an OGALS employee, who acts as a liaison with GRANTEES and administers GRANT funds, facilitates compliance with the Procedural Guide, and the GRANT contract.

SCOPE – the acquisition, recreation features and major support amenities, **or COMMUNITY ACCESS PROJECT** described in the APPLICATION PACKET that must be completed prior to final GRANT payment.

TOTAL PROJECT COST – the combined dollar amount of all funding sources used to complete the acquisition, or recreation features and major support amenities described in the APPLICATION PACKET.



Atascadero City Council

Staff Report - City Attorney

Discussion of Mobile Home Park Rent Stabilization Issue

RECOMMENDATION:

Council discuss mobile home park rent stabilization issue and provide direction to staff.

DISCUSSION:

This Staff Report is submitted pursuant to the direction of the City Council at its meeting on September 24, 2019.

I. INTRODUCTION

A. Rent Stabilization Ordinances

Attached to this Staff Report are copies of examples of rent stabilization ordinances including:

County of San Luis Obispo -- Attachment 1

City of Morro Bay -- Attachment 2

Rent stabilization ordinances have many provisions in common including a statement of the purpose and intent of the ordinance, definitions, exemptions, establishment of a rent review board, statement of the powers and duties of the board, determination of base rent and allowable increases, park owner hardship exceptions, hearing procedures for the rent board, standards of review, decisions by the board and appeals of the board decision.

B. Actual Costs: Study, Adoption and Administration

There are actual costs (City staff time, legal expenses, accounting expenses) which will be incurred with rent stabilization ordinances including, but not limited to, costs to study whether to adopt an ordinance, costs to draft an ordinance, and costs to administer the ordinance.

To provide some examples of such actual costs, the County of Ventura has a rent stabilization ordinance and has reported that its annual administration costs are approximately \$125,000 not including legal fees. The City of Modesto has a rent stabilization ordinance and, according to newspaper reports, the City expected the costs for the program in the first year to be \$106,000 with some of the costs diminishing for future years.

C. Potential Costs: Litigation

The above described actual costs do not include damages that may be incurred in the event a park owner files a legal challenge to the adoption of a rent stabilization ordinance claiming that there has been a taking of property without just compensation.

In addition, a park owner can file a legal challenge against a city claiming the rent increase approved is not sufficient.

In the event these legal challenges are successful, the city is exposed to potentially uninsured liability for damages in potentially very significant amounts. While the outcome of such lawsuits would be for the courts to decide, there would be, at a minimum, substantial time and expense for the City to defend against such lawsuits.

D. Alternatives to Rent Stabilization

Attachment 3 is a copy of a Memorandum from the County of El Dorado which has a section on Alternatives to Rent Stabilization (pages 10-11) including: Model Leases and Memorandums of Understanding (MOU), Resident Assistant Programs (Space Rent Subsidy), conversion to resident ownership, County purchase of mobile home park to stabilize rents and purchase by non-profits.

II. CALIFORNIA MOBILEHOME RESIDENCY LAW

Under the state Mobilehome Residency Law contained in Civil Code Section 798 to Section 799.11, the following mobile home spaces are exempt from local rent control regulations:

1. Mobile home rental spaces with a rental agreement in excess of twelve (12) months is entered into between the management and homeowner for the personal and actual residence of the homeowner (Cal. Civ. Code § 798.17)
2. Mobile home rental spaces that were constructed and initially held out for rent after January 1, 1990 (Cal. Civ. Code §§ 798.7, 798.45); and
3. Under certain circumstances, mobile home rental spaces where the space is not the principal residence of the mobile homeowner and the homeowner has not rented the mobile home to another party. (Cal. Civ. Code § 798.21).

In addition to these exemptions from local rent control ordinances, the Mobilehome Residency Law contains other provisions that preempt more general local landlord-tenant regulations that may apply to mobile home park owners and tenants.

For example, mobile home rent control ordinances may not allow landlords to charge tenants “fees” or “pass-throughs” for certain services unless specifically authorized by statute. (Cal. Civ. Code §§ 798.31-798.38, 798.41, 798.44, 798.49, Karrin v. Ocean-Aire Mobile Home Estates (1991) 1 Cal.App.4th 1066). In addition, state law may preempt local regulations relating to notices of rent increases, security deposit requirements, and grounds for eviction. (Cal. Civ. Code §§ 798.30, 798.39, 798.56.).

III. COURT DECISIONS

There are a number of the court decisions relating to the subject of rent control ordinances and the potential for claims by a property owner that such ordinances could constitute a regulatory taking of their property and/or violate due process rights.

A. Federal Court Decisions

1. Penn Central Transportation Co. v. City of New York (1978) 438 U.S. 104

In Penn Central, the United States Supreme Court describes when a regulatory taking may occur which requires payment of just compensation. In Penn Central, a property within the city was designated as a landmark site under the city’s landmarks preservation law. Subsequently, the property owner entered a lease under which the tenant would construct a multistory office building above the property and pay the owner rent for use of the new construction. However, under the city’s preservation law, the city denied the property owner’s request to build the new office space. The owner sued the city, alleging that a taking of property occurred without just compensation.

To determine if a regulatory taking has occurred, Penn Central (at p. 124) identified three factors to consider:

- (1) The regulation’s economic impact on the claimant,
- (2) The extent to which the regulation interferes with distinct investment-backed expectations, and
- (3) the character of the government action.

2. Adamson Companies v. City of Malibu (C.D. Cal. 1994) 854 F.Supp. 1476

In Adamson Companies, mobile home park owners challenged a local rent control ordinance enacted by the city shortly after the city’s incorporation. The ordinance contained various components, including an immediate rent rollback, limitations on rent increases, temporary rent freezes, vacancy control, park closure conversion restrictions, pass-through provisions, and procedures to adjust rents to receive a fair return. The park owners challenged the city’s ordinance as violating substantive due process and equal protection, as well as constituting a taking without just compensation.

The Court found the ordinance was in violation of the property owners’ due process rights. The city eventually settled with one park owner for \$400,000 and second property owner for \$605,448 plus attorneys’ fees of \$398,308 and costs of \$30,725.

3. Guggenheim v. City of Goleta (9th Cir. 2010) 638 F.3d 1111

In Guggenheim, the Ninth Circuit addressed a challenge by a mobile home park owner to a rent control ordinance. The case involved a mobile home rent control ordinance enacted by Santa Barbara County in 1979, and later adopted by the City of Goleta as required by law upon incorporation in 2002. The property owners purchased the mobile home park in 1997, 18 years after the county ordinance was enacted. The park owners sued the city in 2002, claiming that the ordinance was a regulatory taking without just compensation and that the ordinance violated substantive due process and equal protection.

The Court applied the Penn Central factors and held that the ordinance was not a regulatory taking. The court emphasized that the second Penn Central factor regarding investment-backed expectations was fatal to the property owners' claim because the rent control ordinance was enacted long before the property owners purchased the mobile home park, and therefore the price the owners paid for the park reflected the burden of rent control the owners would thereafter suffer. Applying rational basis review, the court also held that the rent control ordinance did not deny the property owners substantive due process or equal protection of the laws. (Note that Mobile Residency Law discussed in Section II above cites the law that mobile home rental spaces constructed and initially held out for rent after January 1, 1990 are exempt from local rent control regulations).

4. MHC Financing v. City of San Rafael (9th Cir. 2013) 714 F.3d 1118

The MHC case is another decision by the Ninth Circuit involving mobile home rental control issues. The case involved a rent control ordinance that was enacted in 1989, and subsequently amended in 1993 and again in 1999. Between the 1993 amendment and the 1999 amendment, the mobile home park owners purchased the park at issue in the case. Following the 1999 amendment, mobile home park owners sued the city alleging that the ordinance violated the park owners' substantive due process rights, constituted an uncompensated regulatory taking, and constituted an improper private taking.

The court in MHC held that the ordinance did not constitute a regulatory taking. Similar to Guggenheim, the court emphasized that the property owners purchased the mobile home park after the mobile home rent control ordinance was in effect. As a result, with regard to the first two Penn Central factors the court explained that the property owners only experienced a slight diminution in value when the ordinance was amended in 1999, and at the time of purchasing the property the owners could not have had investment-backed expectations of collecting illegal amounts of rent in violation of the rent control ordinance. In addition, the court held that no private taking had occurred and the ordinance did not violate substantive due process because under rational basis review, the ordinance was rationally related to a conceivable public purpose.

5. Colony Cove Properties, LLC v. City of Carson (2018) 888 F. 3d 445

In the Colony case, the City of Carson adopted a rent control ordinance for mobile home parks in 1979. In 1998, the City adopted Implementation Guidelines in regard to the rent control ordinance including permitting consideration of a Gross Profits Maintenance

Analysis (“GPM”). On April 4, 2006, Colony purchased a mobile home park in the City for \$23,050,000 and financed \$18,000,000 with an accompanying debt service. In October 2006, the City amended its Guidelines to permit the Board to consider “Maintenance of Net Operating Income Analysis (“MNOI”) which did not include consideration of debt service expenses. In 2007 and again in 2008, Colony requested rent increases and the Board did not consider debt service expenses in calculating the approved rent increase. Colony filed a lawsuit against the City alleging a facial and as-applied takings and due process claims. Colony obtained a judgment against the City in the trial court in the amount of \$7,464,718.41. The City filed an appeal to the Ninth Circuit.

The Court in Colony discusses the issue of when a regulation constitutes a taking stating that judicial decisions considering regulatory takings claims are typically “characterized by essentially ad hoc, factual inquiries, designed to allow careful examination and weighing of all the relevant circumstances.” (Page 450). The Court also notes, as in Guggenheim and MHC, that Colony purchased the mobile home park after the City had adopted a rent control ordinance stating (page 453): “As a general matter, an investor must account for ‘the burden of rent control’ in its expectations about future increased rental income.” (Page 453). The Court reversed the trial court judgment finding the Board’s denial of the Colony requested rent increases were not the functional equivalent of a direct appropriation of the property (page 455).

Thus, in cases of Guggenheim and MHC and Colony, the Ninth Circuit rejected the claims brought by the mobile home park owners. However, an important ground for the decisions in these cases was that the rent control ordinances for these cities had been enacted before the park owners had purchased the park. As stated in Guggenheim, the price paid for the park reflected the burden of rent control the owners would thereafter suffer. Likewise, in MHC, the Court notes there was a rent control ordinance in effect at the time the owners purchased the park so the owners could not have had investment-backed expectations of collecting illegal amounts of rent in violation of the rent control ordinance. In Colony, as noted, the Court confirmed that the investor must account for the “burden of rent control”.

B. State Court Decisions

1. Kavanau v. Santa Monica Rent Control Board (1997) 16 Cal. 4th 761

In Kavanau, the California Supreme Court held that, in addition to the three Penn Central factors (noted above), there are ten (10) additional relevant factors that may be considered when determining whether a regulatory taking has occurred:

- (1) Whether the regulation interferes with interests that are sufficiently bound up with the reasonable expectations of the claimant to constitute “property” for Fifth Amendment purposes;
- (2) Whether the regulation affects the existing or traditional use of the property and thus interferes with the property owner’s “primary expectation;”

- (3) The nature of the State's interest in the regulation and whether the regulation is reasonably necessary to the effectuation of a substantial public purpose;
- (4) Whether the property owner's holding is limited to the specific interest the regulation abrogates or is broader;
- (5) Whether the government is acquiring "resources to permit or facilitate uniquely public functions" such as government's "entrepreneurial operations;"
- (6) Whether the regulation permits the property owner to profit and to obtain a reasonable return on investment;
- (7) Whether the regulation provides the property owner benefits or rights that mitigate whatever financial burdens the law has imposed;
- (8) Whether the regulation prevents the best use of the land;
- (9) Whether the regulation extinguishes a fundamental attribute of ownership; and
- (10) Whether the government is demanding the property as a condition for the granting of a permit.

The Court in Kavanau (at p. 776) emphasized that this is not an exhaustive list of factors that may be relevant in evaluating a takings claim, and courts are not required to rigidly apply all factors in every case. Instead, courts should apply (or not apply) these factors as appropriate to the facts of the case.

2. Besaro Mobile Home Park v. City of Fremont (2012) 204 Cal. App. 4th 354

The court in Besaro Mobile Home Park, LLC v. City of Fremont (2012) 204 Cal. App. 4th 354 did address mobile home park issues. However, in Besaro, the park owner was not contending that owner had been denied on fair return on its investment:

Page 351: "Besaro did not take the position that the increase was necessary to provide a fair return on its investment in the property, but focused on the current market rents for mobile home spaces and on the possibility that the park would close if the rents were not increased."

Page 351: "David Berretta, the managing member of Besaro, testified that an increase in rent was not needed to provide a fair return on the historical investment in the property."

Page 358: "Besaro does not claim that it has been denied a fair return on its investment."

Page 362: "We emphasize again that Besaro does not claim it has been denied a fair return."

Furthermore, the Court made a factual finding in the Besaro case that the park owner was earning a fair return on its investment, see Page 359: "Here, the Ordinance

has not had a confiscatory effect because Besaro is earning a fair return on its investment. Consequently, the application of the Ordinance does not violate Besaro's expectation of the right to use its property in a manner yielding a fair return."

3. Findings

There is no assurance that a Court would make the same finding as in Besaro regarding the fair return on investment if the City of Atascadero were to adopt a rent control ordinance.

In addition, as noted above in the discussion regarding the California Supreme Court case of Kavanau, the analysis by the courts on whether or not there has been a taking involves the weighing of the three Penn Central factors as well as consideration of the ten additional factors set forth in Kavanau.

IV. **MOBILE HOME RENT STABILIZATION ORDINANCES IN CALIFORNIA**

A. Statewide

Golden State Manufactured – Home Owners League, Inc. (GSMOL) prepared a list dated October 10, 2013 of California jurisdictions with mobile home park rent stabilization ordinances. See Attachment 4 which was provided by Bruce Stanton (attorney for GSMOL) at our request. This document lists 97 California jurisdictions consisting of 90 cities and 7 counties. Four of the cities have repealed their ordinances (Capitola, Delano, Hollister and Napa) which leaves 86 cities with ordinances out of the 482 cities in California which is about 18%. The document lists 7 counties out of 58 counties in California which is about 12%.

B. Stanislaus County

In 2006, the County of Stanislaus and the cities of Modesto, Ceres, Riverbank and Oakdale, formed an Ad Hoc Committee (the "Ad Hoc Committee") to look at options regarding mobile home rents. The Ad Hoc Committee was made up of elected officials from each jurisdiction. After several months of study, the County of Stanislaus decided not to adopt a rent stabilization ordinance and instead decided to work with the mobile park owners in an effort to address rent issues.

C. San Luis Obispo County

In San Luis Obispo County, there is the County and seven cities. The status of those cities, regarding rent stabilization ordinances and including the year of adoption, is as follows:

San Luis Obispo (County) – 1988 (Adopted by Voters)

Arroyo Grande – None (Repealed in 1998)

Atascadero – None

Grover Beach – Adopted 1987

Morro Bay – Adopted 1986

Paso Robles – None
Pismo Beach – Adopted 1981
San Luis Obispo (City) – Adopted 1988

D. Adoption Since 2000

As noted, approximately 86 cities have adopted a rent stabilization ordinance and most of those ordinances were adopted before 1990. The cities which have adopted a rent stabilization ordinance since 2000 include the following:

Goleta -- 2002 (Adopted at time of incorporation based on the County of Santa Barbara code. See Guggenheim case discussed above).
Humboldt County -- 2016 (Adopted by voters).
Marina -- 2011
Modesto -- 2007
Santa Rosa -- 2004
Ukiah -- 2010

E. Repealed Rent Stabilization Ordinances

The following counties and cities had adopted a rent stabilization ordinance, but later repealed the ordinance:

Arroyo Grande – 1998
Capitola -- 2011
Delano -- 1994
Hollister -- 1994
Los Angeles County -- 1994
Ontario -- 1999
Napa -- 1985
Santa Cruz (City) – 2003
Westminster -- 1985

F. City of Arroyo Grande

With regard to the City of Arroyo Grande, see Attachment 5 which includes three Staff Reports (without attachments).

The September 23, 1997 Staff Report, describes the direction given to the City Attorney on February 25, 1997 to revise the City's rent stabilization ordinance and the subsequent distribution to interested parties of a draft ordinance to repeal and replace the City's rent control ordinance.

The Staff Report on January 13, 1998, presented six options to the Council. According to the Staff Report, over the past year, staff spent approximately 100 hours working the program at a cost of over \$3000 not including the City Attorney's times.

On January 27, 1998, the Council repealed the rent stabilization ordinance.

V. MOBILE HOME PARKS IN ATASCADERO

PARK	YEAR	ADDRESS	SPACES	SGL	DBL	TPL	INFO
Rancho del Bordo	1974	10025 El Camino Real	128	7%	92.5%	.5%	Senior 55+ Park Residents with long term leases & are exempt from rent control
Hill Top Manor	1960	5715 Santa Cruz #66	61	60%	40%	0%	All ages
Lost Oak	1986	9191 San Diego Way	55	10%	90%	0%	All ages
Villa Margarita	1976	10995 El Camino Real	70	10%	79%	1%	Senior No complaints regarding rent
Camino Del Roble Estates	Unknown	1215 El Camino Road	62	22%	78%	0%	Senior No complaints regarding rent
Circle M	Unknown	8850 El Camino Road	23	99%	1%	0%	
TOTALS			399				

VI. STUDIES OF RENT STABILIZATION ORDINANCES

Some cities have retained consultants to study the issues regarding a rent stabilization ordinance. In fact, at least one city (City of Marina) retained two consultants to prepare reports on a possible rent stabilization ordinance. Due to the length of these reports, only sections and excerpts from the Staff Report have been included, as noted below.

A. Michael St. John

Attachment 6 includes excerpts from the December 2008 Report by Michael St. John which contains four recommendations, none of which include a rent stabilization ordinance. The four recommendations include: (1) A process to work out a cooperative solution; (2) a renegotiated memorandum of understand and a model lease; (3) the City should abandon a proposal to re-zone mobilehome parks and (4) consideration of a rent subsidy program funded by the park owners to address the income needs of the lowest income park residents.

B. Kenneth Barr

Attachment 7 includes excerpts from the December 31, 2008 Report by Kenneth Barr including a Summary regarding the number of mobilehome parks, average space rents, purchase prices, lack of bargaining power of residents, income levels of park residents and other information. At page 33, a section commences with a number of recommendations. One of the recommendations (page 34) is the following: "Cities should not simply copy ordinances of other jurisdictions. Often provisions from other ordinances are copied verbatim without any understanding of their meaning or implications or how they operate in practice."

VII. COSTS ASSOCIATED WITH RENT STABILIZATION ORDINANCES

There are actual costs (City staff time, legal expenses & accounting expenses) which will be incurred with rent stabilization ordinances including, but not limited to, costs to study whether to adopt an ordinance, costs to draft an ordinance, and costs to administer the ordinance.

The County of Ventura has a rent stabilization ordinance and has reported that its administration costs are \$125,000 not including legal fees.

The City of Modesto adopted a rent stabilization ordinance effective October 4, 2007. Under the terms of the ordinance, if a mobile home park owner chose to participate in a voluntary lease program, those parks are exempt under Section 4-19.05 if the park entered into a Memorandum of Understanding (MOU) with the City. Under the MOU, the park owner must provide all mobile home owners and residents the opportunity to enter into an approved long term lease. There are nine mobile home parks in Modesto. Eight of the nine parks agreed to enter into the MOU. The long term leases allow for rent increases of up to 7 percent a year and a 15% increase when someone moves. According to newspaper reports, the City expected the costs for the program in the first year to be \$106,000 with some of the costs diminishing for future years.

The above described costs do not include liability exposure if a park owner files a takings lawsuit in the event a city adopts a rent stabilization ordinance claiming that there has been a taking of property without just compensation. In addition, as noted, a park owner can file a legal challenge against a city claiming the rent increase approved is not sufficient as in the Colony Cove case. In the event these legal challenges are successful, the City is exposed to liability for damages in potentially very significant amounts.

The costs for the administration of a rent stabilization ordinance can be partially offset by charging an annual fee to the park owner and an annual fee to the park residents which is collected by the park owner with the rent.

VIII. ENFORCEMENT

One of the issues to be addressed in regard to a rent stabilization ordinance is how to enforce the terms of the ordinance in the event of a violation.

One option is for the City to assume the cost for enforcing the code by pursuing a code enforcement process, including court proceedings if necessary.

Another option is to treat the violation of the ordinance as a civil matter to be resolved by park owner and park residents. For example, the County of San Luis Obispo has this information on its website:

“Who enforces the state and local rent control laws?

Please be aware that neither the state Mobilehome Residency Law nor the County’s Title 25 provide a mechanism for enforcement. Neither the State nor the county have the ability to impose a fine or a citation. A violation of the rent control laws is a civil matter, and the suffering party may use civil litigation to remove the violation. This applies whether there is a home owner who does not pay the space rent or a park manager who overcharges for the mobile home space. The County encourages alternative methods to be considered before engaging in legal action. Homeowners who fee that there has been a rent overcharge (in violation of the County’s Title 25) can choose to pay the full rent amount ‘under protest,’ and continue working to resolve the matter outside of court.”

IX. MORATORIUM

A city does have the ability to adopt a moratorium ordinance for a period of time to study a possible rent stabilization ordinance. The moratorium would be for an initial period of 45 days and could be extended, if circumstances warrant an extension, for 10.5 months and another extension of 12 months.

If the City were to adopt such an ordinance, there is a risk of a takings claim by a park owner. The general rule for whether a temporary moratorium is a “taking” depends on whether moratorium denies the property owner all viable economic use of the property, which is evaluated on a case-by-case basis. (See Tahoe-Sierra Preservation Council, Inc. v. Tahoe Regional Planning Agency (2002) 535 U.S. 302.)

For rent control regulations, the analysis depends upon whether the action denies the property owner a just and reasonable return. (Kavanau v. Santa Monica Rent Control Bd. (1977) 16 Cal.4th 761, 771.) Although the phrase “just and reasonable return” has never been specifically defined, courts consider relevant investor interests against the consumer interest to be protected. Relevant investor interests include whether the return is commensurate with returns on comparable investments, sufficient enough to attract capital, encourages good management and financial integrity, and fairly compensates investors for risks assumed. For example, if a property owner has a historic practice of increasing rents by 5%, and the moratorium eliminates this, then the property owner may argue that the moratorium is denying them the reasonably expected, just, and reasonable return that they had anticipated. Of course, a successful challenge will depend on the underlying facts for each challenging property owner.

The risk of a takings claim might be mitigated by including some exceptions for permissible rent increases during the moratorium. Other cities (Oakland, Santa Rosa) have included certain provisions that allow for controlled rent increases (tied to Consumer Price Index and other factors) to mitigate any arguments that the moratorium denies the property owner a just and reasonable rate of return during the period which the moratorium is effective.

X. COUNTY OF EL DORADO MEMORANDUM

Bruce Stanton provided a copy of the County of El Dorado's *Community Development Services Planning and Build Department Long Range Planning* (Attachment 3) Memorandum submitted to the Board of Supervisors dated March 14, 2018 on the subject of Mobile Home Park Space Rent Stabilization. The El Dorado Memorandum addresses a number of issues relating to rent stabilization including the following.

A. County Resources

At page 7, the El Dorado Memorandum notes: "The preparation necessary for the Board to consider adoption of a countywide mobile home park rent stabilization ordinance would require a significant commitment of County resources to conduct surveys, analyze data, and conduct public and stakeholder meetings."

B. Arguments For Rent Stabilization (Memorandum at page 9)

1. Mobile home park rent stabilization provides relief to mobile home park tenants from excessive rent increases.
2. A shortage of mobile home spaces exists in the area causing artificial increase in rent space.
3. Mobile homes are costly and difficult to move.
4. Excessively high space rent drives down the prices of mobile homes should an owner elect to sell a mobile home.
5. High rental rates will more negatively impact seniors and other persons on fixed incomes.

C. Arguments Against Rent Stabilization (Memorandum at page 9)

1. Mobile home park rent rates should be left to adjust themselves by operation of market forces without government intervention.
2. Rent control imposes a severe and continuing burden on the landowner.
3. Rent stabilization ordinances are technical and complicated, are costly to prepare, and implementation requires considerable staff time and public hearing time.
4. Rent stabilization ordinances require administrative oversight thus requiring additional staff which must be managed, supervised and funded by a public entity.
5. Rent stabilization ordinances have been the subject of a great deal of litigation and public entity may incur substantial legal expenses and costs to defend a lawsuit.

D. Alternatives to Rent Stabilization (Memorandum at page 9)

The El Dorado Memorandum has a section on Alternatives to Rent Stabilization (pages 10-11) which include: Model Leases and Memorandums of Understanding (MOU), Resident Assistant Programs (Space Rent Subsidy), conversion to resident ownership, County purchase of mobile home park to stabilize rents and purchase by non-profits.

E. Stanislaus County

The El Dorado Memorandum (page 10) references the 2008 Marina Mobile Home Report by Michael St. John and the case study of Stanislaus County which formed an Ad Hoc Committee to negotiate with a park ownership ground and those negotiations ultimately failed.

F. Conclusion of El Dorado Memorandum

The El Dorado Memorandum concludes (page 10) that “in the absence of local data, there is no compelling argument for or against a countywide RSO.” In addition, the Memorandum lists 15 questions that should be answered if the County should provide direction to staff to move forward with a study for a countywide RSO.

At page 11, the El Dorado Memorandum concludes with this paragraph:

“Developing a countywide RSO will require an extensive amount of research and analysis and stakeholder engagement. The experience of other jurisdictions that have considered adopting a rent control ordinance, whether successfully or not, demonstrates that it is a long complicated process because housing insecurity stirs deep emotions, but at the same time, all stakeholders have legitimate and understandable concerns and arguments for and against this type of ordinance.”

FISCAL IMPACT:

None at this time.

ATTACHMENTS:

1. County of San Luis Obispo Ordinance
2. City of Morro Bay Ordinance
3. El Dorado County Memorandum
4. GSMLO October 2013 list of CA Jurisdictions with Rent Control
5. City of Arroyo Grande – Staff Reports
6. Excerpts from Michael St. John Report for City of Marina
7. Excerpts from Kenneth Barr Report for City of Marina

COUNTY OF SAN LUIS OBISPO

Title 25 - MOBILEHOME RENT STABILIZATION

○ Chapter 25.01 - PURPOSE AND INTENT

• 25.01.010 - Purpose and intent.

(a)

There is presently within the County of San Luis Obispo a shortage of spaces for the location of existing mobilehomes. Because of this shortage, there is a very low vacancy rate and rents have been for several years, and are presently, rising rapidly and causing concern among a substantial number of San Luis Obispo County residents.

(b)

Mobilehome tenants, forced by the lack of suitable alternative housing, have had to pay the rent increases and thereby suffer a further reduction in their standard of living.

(c)

Because of the high cost and impracticability of moving mobilehomes, the potential for damage resulting therefrom, the requirements relating to the installation of mobilehomes, including permits, building requirements, landscaping and site preparation, the lack of alternative homesites for mobilehome residents and the substantial investment of mobilehome owners in such homes, it is necessary to protect the owners and occupiers of mobilehomes from unreasonable rent increases, while at the same time recognizing the need of park owners to receive a suitable profit on their property with rental income sufficient to cover increases in the costs of repair, insurance, maintenance, utilities, employee services, additional amenities, and other costs of operation, and to receive a fair return on their property.

(d)

It has been found that the present low vacancy rate and frequent rent increases are particularly hard upon and unfair to residents of mobilehome parks within the county. Large numbers of these residents are senior citizens and others on fixed incomes who installed their mobilehomes in the county when inflationary rent increases could not reasonably have been foreseen.

(e)

However, it is recognized that a rent stabilization ordinance must be fair and equitable for all parties and must provide appropriate incentives to mobilehome park operators to continue their parks' profitably, as well as to attract additional investors for new parks.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

○ **Chapter 25.02 - DEFINITIONS**

• **25.02.010 - Definitions.**

For the purpose of this title certain words and phrases used herein are defined as follows:

"Capital improvements" means those improvements that materially add to the value of the property and appreciably prolong its useful life or adapt it to new uses, and which may be amortized over the useful life of the improvement in accordance with the Internal Revenue Code and regulations issued pursuant thereto, provided that this definition shall be limited to capital improvements either approved by more than fifty percent of the tenants in the affected park or constructed to comply with the direction of a public agency.

Just and Reasonable Return on the Property. The phrase "just and reasonable return on the property" shall mean a return based upon the actual capital investment of the owner of the mobilehome park as of December 31, 1982, which will allow an efficient owner a rate of return, with adjustments for inflation or deflation, sufficient to enable the owner to maintain the same net profit as obtained in the year January 1, 1982 to December 31, 1982. The phrase "just and reasonable return on the property" for any mobilehome park completed after December 31, 1982, shall mean a return based upon the actual capital investment of the owner of the mobilehome park as of the date of completion, which will allow an efficient owner a rate of return, with adjustments for inflation or deflation, sufficient to enable the owner to maintain a reasonable profit. The phrase "just and reasonable return on the property" for any mobilehome park purchased after December 31, 1982, shall mean a return based upon the actual capital investment of the owner of the mobilehome park at the time of purchase which will allow an efficient owner a rate of return, with adjustments for inflation or deflation sufficient to enable the owner to maintain the same net profit as obtained in the first full fiscal year after the purchase.

"Mobilehome park" means an area of land which rents spaces for mobilehome dwelling units.

"Mobilehome park owner" or "owner" means the owner, lessor, operator or manager of a mobilehome park.

"Mobilehome park rent review board" or "board" means the mobilehome park rent review board established by this chapter.

"Mobilehome tenant" or "tenant" means any person entitled to occupy a mobilehome within a mobilehome park pursuant to ownership of the mobilehome or under a rental or lease agreement with the owner of the mobilehome.

"Rehabilitation work" means any renovation or repair work completed or in a mobilehome park performed in order to comply with the direction or order of a public agency or to repair damage resulting from fire, earthquake or other casualty.

"Space rent" means the consideration, including any security deposits, bonuses, benefits or gratuities, demanded or received in connection with the use and occupancy of a mobilehome space in a mobilehome park, or for housing services provided, but exclusive of any amount paid for the use of a mobilehome dwelling unit.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **Chapter 25.03 - EXEMPTIONS**

- **25.03.010 - Exemptions.**

The provisions of this chapter shall not apply to the following tenancies in mobilehome parks:

(1)
Mobilehome park spaces rented for nonresidential uses;

(2)
Mobilehome parks managed or operated by the United States Government, the State of California or the County of San Luis Obispo;

(4)
Tenancies which do not exceed an occupancy of twenty days and which do not contemplate an occupancy of more than twenty days;

(5)
Tenancies for which any federal or state law or regulation specifically prohibits rent regulation;

(5)
Tenancies covered by leases or contracts which provide for more than a month-to-month tenancy, but only for the duration of such lease or contract. Upon expiration of or other termination of any such lease or contract, this title shall immediately be applicable to the tenancy;

(6)
Mobilehome parks which sell lots for factory-built or manufactured housing, or which provide condominium ownership of such lots, even if one or more homes in the development are rented or leased out.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **Chapter 25.04 - MOBILEHOME RENT REVIEW BOARD**

- **25.04.010 - Mobilehome rent review board.**

(a)

There is established a mobilehome rent review board consisting of three members who are elected county officials other than members of the board of supervisors.

(b)

There shall be three regular members and two alternate members to serve in the absence or disqualification of regular members.

(c)

The regular members shall be (1) the county assessor, (2) the county auditor and (3) the county clerk-recorder. The first alternate shall be county treasurer-tax collector-public administrator and the second alternate shall be the county sheriff-coroner.

(d)

The board members and the alternates shall be persons who are not connected with the mobilehome rental housing industry for their personal gain. None of the members or alternates shall be tenants of a mobilehome park or have any financial interest (as defined by state law) in any mobilehome park. The members and alternates shall file a declaration to this effect in the office of the county clerk.

(e)

Board members and alternates shall not be compensated for their services as such, but may receive reimbursements as provided by the board of supervisors for traveling and other expenses incurred while on official duty.

(f)

Terms of board members and alternates shall be the same as their term of office for their elected position.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **Chapter 25.05 - POWERS AND DUTIES OF THE BOARD**

- **25.05.010 - Powers and duties of the board.**

Within the limitations provided by law, the board shall have the following powers and duties:

(1)

To meet from time to time as required by the board of supervisors and to utilize the county offices, facilities and personnel as needed;

(2)

To receive, investigate, hold hearings on, and pass upon the issues relating to mobilehome park rent stabilization as set forth in this chapter, or to any decreases in, or charges for, services or facilities;

(3)

To make or conduct such independent hearings or investigations as may be appropriate to obtain such information as is necessary to carry out its duties;

(4)

To increase or decrease maximum rents upon completion of its hearings and investigations;

(5)

To render after every rent review hearing a written report to the board of supervisors concerning its activities, holdings, actions, results of hearing, and all other matters pertinent to this chapter which may be of interest to the board of supervisors;

(6)

To adopt, promulgate, amend and rescind administrative rules, as it deems appropriate to effectuate the purposes and policies of this chapter.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **Chapter 25.06 - DETERMINATION OF BASE RENT AND ALLOWABLE INCREASES**

- **25.06.010 - Determination of base rent and allowable increases.**

(a)

(1)

Base Rent. The base rent for purposes of this chapter shall be the monthly space rent as of December 31, 1982. Any reduction in services or amenities after December 31, 1982, shall result in a corresponding decrease in rents.

(2)

Lease Expiration. Upon the expiration of any lease, the new space rent shall be the rent in effect at the expiration of such lease.

(b)

Except as otherwise provided in this chapter, the maximum monthly space rent may be increased no more than once a year by an increase over the then existing space rent equal to sixty percent of the cost of living increase (All Urban Consumers, Los Angeles, Long Beach,

Anaheim area as furnished by the Division of Labor Statistics and Research, State of California, Department of Industrial Relations) for the preceding twelve-month period.

(c)

Calculation of the one-year limitation on rental increases as provided herein shall be from the date the last increase became effective at the park.

(d)

No owner shall either (1) demand, accept or retain a rent from a tenant in excess of the maximum rent permitted by this chapter or (2) effect a prohibited rent increase by a reduction of general park facilities or services.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **25.06.011 - Continued control of rents on change of ownership.**

The maximum space rent may be increased by the park owner when there is a change of ownership of a mobilehome unit. However, such increase may not exceed ten percent of the previous space rent. Space rent increases are not restricted by this title for mobilehome spaces which become vacant due to a change of ownership and the relocation of a mobilehome unit outside of the mobilehome park. Nothing in this section shall preclude any adjustments as may be otherwise provided for in this title. (Measure F § 1, passed by voters 11-8-94)

- **Chapter 25.07 - HARDSHIP EXCEPTION—APPLICATION**

- **25.07.010 - Hardship exception—Application.**

(a)

An owner who has been required to make extraordinary expenditures, or has incurred costs of such amounts that he will be unable to make a just and reasonable return on his property given the maximum increase permitted by the section above, may file with the board an application for a rent increase for one or more spaces or application to reduce, or charge for, certain services or facilities, in either event referred to hereinafter as "application" or "application for rent increase."

(b)

An application for rent increase pursuant to this section shall be accompanied by the payment of a fee of three hundred dollars. The application shall specify, as applicable, the address of the mobilehome park, the space number or numbers for which rent is requested to be increased, the amount of the requested rent increase or service or facilities reduction or charges, the proposed effective date of such increase, reduction or charge and the facts supporting the application. The applicant shall produce at the request of the board any records, receipts, reports or other documents that the board may deem necessary for the board to make a determination whether to approve the application.

(c)

The owner shall serve each affected tenant, either personally, or by mail, with notice of the rent increase or decrease or change in services or facilities requested and with notice that application or approval of same is being filed with the board. Proof of service complying with the title and all applicable state laws shall be filed with the board concurrent with the filing of the application. Copies of the application shall be available free of charge to any affected tenants requesting same at the business office in the affected park.

(d)

The board shall set a hearing on the application complying with the requirements of the section no less than ten days and no more than thirty days after receipt of the application and proof of service. The board shall notify the owner and tenants, in writing, of the time, place and date set for the hearing. No hearing or any part thereof may be continued beyond thirty days after the initial hearing date without the owner's consent. If the board approves an application as requested or as modified, the same shall take effect as noticed by the owner or as the board may otherwise direct.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

○ **Chapter 25.08 - CONDUCT OF THE HEARING**

• **25.08.010 - Conduct of the hearing.**

(a)

All review hearings held by the board shall be conducted in accordance with the Ralph M. Brown Act, at Section 54950 et seq. of the California Government Code.

(b)

All interested parties to a hearing may have assistance from an attorney or such other person as may be designated by the parties in presenting evidence or in setting forth by argument their positions. All witnesses shall be sworn in and all testimony shall be under penalty of perjury.

(c)

In the event that either the owner or the tenant(s) should fail to appear at the hearing at the specified time and place, the board may hear and review such evidence as may be presented, and make such decisions as if all parties had been present.

(d)

Applicant and affected tenants may offer any relevant evidence and the formal rules of evidence shall not apply.

(e)

The board shall maintain a record of all proceedings by electronic recording or by use of a court reporter. Either the applicant or tenants will have the right to procure the services of a court reporter at their own expense to record and transcribe the proceedings.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **Chapter 25.09 - STANDARDS OF REVIEW**

- **25.09.010 - Standards of review.**

In evaluating the application the board may consider, along with all other factors it considers relevant, changes in costs to the owner attributable to an increase or decrease in utility rates, property taxes, insurance, advertising, variable mortgage interest rates, employee costs, normal repair and maintenance, master land and/or facilities lease rent provided such lease to a bona fide third party existed prior to January 1, 1983, and other considerations, including, but not limited to, rehabilitation work, capital improvements, upgrading and addition of amenities or services, net operating income and the level of rent necessary to permit a just and reasonable return on the owner's property.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **Chapter 25.10 - DECISION OF THE BOARD**

- **25.10.010 - Decision of the board.**

(a)

The board shall make a final decision no later than twenty days after the conclusion of its hearing. The board's decision shall be based on the preponderance of the evidence submitted at the hearing. The decision shall be based on findings. All parties to the hearing shall be advised by mail of the board's decision and findings.

(b)

Pursuant to its findings, the board may (1) permit the requested rent increase to become effective, in whole or in part, or (2) deny the requested rent increase, or (3) permit or deny, in whole or in part, requested reductions of or charges for, facilities or services.

(c)

Any decision of the board shall be final unless, within fifteen days after mailing of the decision and findings the owner or any affected tenant appeals the decision to the board of supervisors.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **Chapter 25.11 - APPEALS**

- **25.11.010 - Appeals.**

(a)

Any appeal from a decision of the board shall be filed with the county clerk. The date for consideration of the appeal shall be set by the county clerk no less than ten days nor more than thirty days after the expiration date for filing of an appeal. Notice of the date, time and place shall be given by the county clerk to the owner and all affected tenants.

(b)

At the time set for consideration of the appeal, the board of supervisors shall review and consider the record of board hearing and the decision and findings of the board. After review and consideration, the board of supervisors may either: (1) determine that a further hearing shall be held, to be conducted before the board of supervisors at the second regular meeting of the board of supervisors following the determination that such further hearing is necessary; or (2) ratify and adopt the decision and findings of the board. If a further hearing is conducted, the board of supervisors may, upon conclusion of the hearing, and in no event more than thirty days thereafter, modify, reverse or uphold the decision of the board, and shall make the findings in support thereof.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **Chapter 25.12 - TENANT'S RIGHT OF REFUSAL**

- **25.12.010 - Tenant's right of refusal.**

A tenant may refuse to pay any increase in rent not made in conformity with this chapter. Such refusal to pay shall be a defense in any action brought to recover possession of a mobilehome space or to collect the rent increase.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **Chapter 25.13 - RETALIATORY EVICTION**

- **25.13.010 - Retaliatory eviction.**

Notwithstanding [Section 25.12.010](#), in any action brought to recover possession of a mobilehome space, the court may consider as grounds for denial any violation of any provisions of this title. Further, the determination that the action was brought in retaliation for the exercise of any rights conferred by this title shall be grounds for denial.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **Chapter 25.14 - OWNER TO PROVIDE COPY OF THIS TITLE**

- **25.14.010 - Owner to provide copy of this title.**

Any tenant offered a lease or contract which is accepted would come under the provisions of this act and shall be provided with a copy of this title by the mobilepark owner.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

- **Chapter 25.15 - SEVERABILITY**

- **25.15.010 - Severability.**

If any provision of any clause of this title or the application thereof to any person or circumstance is held to be unconstitutional or to be otherwise invalid by a final judgment of any court of competent jurisdiction, such invalidity shall not affect other provisions or clauses or applications thereof which can be implemented without the invalid provision or clause or application, and to this end, the provisions and clauses of this title are declared to be severable.

(Ord. 2342 § 4 (Exh. A) (part), 1988)

**ORDINANCE NO. 499
AN ORDINANCE OF THE CITY OF MORRO BAY
REPEALING, AMENDING, AND REENACTING
CHAPTER 5.32 OF THE MORRO BAY MUNICIPAL CODE
(MOBILEHOME AND RECREATIONAL VEHICLE
PARK RENT STABILIZATION ORDINANCE)**

**THE CITY COUNCIL
CITY OF MORRO BAY, CALIFORNIA**

WHEREAS, in November 1986, the City Council adopted Ordinance No. 294 which codified the Mobilehome and Recreational Vehicle Park Rent Stabilization Ordinance as contained in Chapter 5.32 of the Morro Bay Municipal Code; and

WHEREAS, in April 2003, the City Council authorized the creation of an Ad Hoc Subcommittee to review the aforementioned Mobilehome and Recreational Vehicle Park Rent Stabilization Ordinance; and

WHEREAS, such Ad Hoc Subcommittee consisted of ten voting members, five of whom were selected by park owners and five of whom were selected by park residents; and

WHEREAS, the Ad Hoc Subcommittee met fifteen times and made numerous recommendations for changes to the existing Mobilehome and Recreational Vehicle Park Rent Stabilization Ordinance; and

WHEREAS, all ten members of the Ad Hoc Subcommittee unanimously approved the final draft of the attached revisions to the Mobilehome and Recreational Vehicle Park Rent Stabilization Ordinance, Chapter 5.32 of the Morro Bay Municipal Code; and

WHEREAS, City Council desires to implement the revisions to the Mobilehome and Recreational Vehicle Park Rent Stabilization Ordinance, Chapter 5.32 of the Morro Bay Municipal Code.

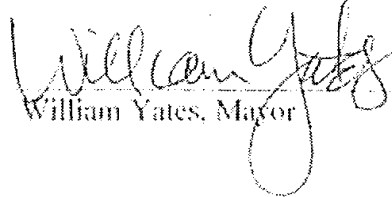
**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORRO BAY
DOES ORDAIN AS FOLLOWS:**

Chapter 5.32 of the Morro Bay Municipal Code is hereby repealed, amended, and reenacted to read as follows:

INTRODUCED at the regular meeting of the City Council held on the 8th day of December 2003, by motion of Councilmember Peters and seconded by Councilmember Winholtz.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morro Bay on the 12th day of January 2004, by the following vote to wit:

AYES: Elliott, Peiree, Peters, Winholtz, Yates
NOES: None
ABSENT: None


William Yates, Mayor

ATTEST:


Bridgett Bauer, City Clerk

Chapter 5.32

MOBILEHOME AND RECREATIONAL VEHICLE PARK RENT STABILIZATION

Sections:

5.32.010	Findings and purpose.
5.32.020	Definitions.
5.32.030	Exemptions.
5.32.040	Mobilehome rent review board—Established—Members—Terms.
5.32.050	Mobilehome rent review board—Powers and duties.
5.32.060	Residential rent increase limitations.
5.32.070	Increases upon change of occupancy.
5.32.080	Information to be supplied to tenants.
5.32.090	The rent dispute resolution process.
5.32.100	Standards of reasonableness to be applied to rent increases.
5.32.110	Obligations of the parties.
5.32.120	Rights of a “tenant-to-be.”
5.32.130	Tenants’ right of refusal.
5.32.140	Retaliatory acts—Tenants’ right to organize.
5.32.150	Solicitation of any petition by the park owner is without force or legal effect within city’s program.
5.32.160	Nonwaiverability.
5.32.170	Penalties and remedies.
5.32.180	Rights of affected tenants reserved.
5.32.190	Tenant complaints.
5.32.200	Severability.

5.32.010 Findings and purpose.

In November 1986, the city council adopted Ordinance No. 294, a mobilehome and recreational vehicle park rent stabilization ordinance providing a formula for maximum annual rent increases and providing a procedure for hardship exceptions, the provisions of which were set forth in former Chapter 5.32 of this code. The findings and purpose set forth in Ordinance No. 294 referred to the following conditions:

A. There is presently within the city a shortage of spaces for the location of existing mobilehomes and recreational vehicles. Because of this shortage, there is a very low vacancy rate.

B. Within the city there are a number of persons who reside permanently in units which today meet the legal definitions of recreational vehicles. Often these persons subsist on low fixed incomes and are unable to afford standard housing.

C. Because of the high cost and impracticability of moving mobilehomes, the potential for damage resulting therefrom, the requirements relating to the installation of mobilehomes, including permits, building requirements, landscaping and site preparation, the lack of alternative home sites for mobilehome residents, and the substantial investment of mobilehome owners in such homes, it is necessary to protect the owners of mobilehomes from unreasonable rent increases, while at the same time recognizing the need of park owners to receive a suitable profit on their property with rental income sufficient to cover increases in the costs of repair, insurance, maintenance, utilities, employee services, additional amenities, and other costs of operation, and to receive a fair return on their property.

D. However, it is recognized that a rent stabilization ordinance must be fair and equitable for all parties and must provide appropriate incentives for mobilehome park operators to continue their parks profitably and to upgrade and improve mobilehome parks, as well as to attract additional investors for new parks.

In April of 2003, the city council established a mobilehome rent stabilization subcommittee to review and consider amendments to the ordinance. The subcommittee consisted of ten members: five park owners and five tenants. The subcommittee held fifteen meetings to consider changes to the ordinance and received public comment. At the end of the meetings the subcommittee unanimously approved the recommended changes to the ordinance and submitted them to the city council.

The city council hereby finds that the conditions stated in subsections A through D of this section still exist; therefore, the purpose of the city council in enacting these provisions is: to prevent an exploitation of the shortage in vacant mobilehome spaces in the city, to preserve affordable housing as prescribed by the city's general plan/housing element, to provide mobilehome park owners a guaranteed rate of annual space rent increase that more accurately reflects the rate of inflation given their usual expenses, and to establish an improved process for providing mobilehome park owners a fair return on their property in those cases where the guaranteed annual space rent increase provided by these provisions proves to be insufficient. (Ord. 499 (part), 2004)

5.32.020 Definitions.

For the purposes of this chapter, certain words and phrases are defined as follows:

"Affected tenants" means those tenants whose space is not covered by a valid lease meeting the requirements as outlined in Section 798.17(b) of the California Civil Code or otherwise legally exempt from local rent control regulation as set forth in Section 798.21, or as set forth in Section 5.32.030 of this chapter. Affected tenants are to be notified that a space rent increase is to become effective. For purposes of providing notice of the increase, each space subject to a rental increase shall be deemed to have only one "affected tenant" for administrative convenience to the park owners. The reference to "all affected tenants" will refer to one representative tenant from each space subject to the proposed rental increase.

"Base rent" means the authorized space rent plus any rent increase allowed under Section 5.32.060 or any rent adjustment attributable to an increase upon change of occupancy as provided in Section 5.32.070. Base rent does not include rent increases for capital expenses or capital improvements.

"Capital improvements" means those improvements that materially add to the value of the property and appreciably prolong its useful life or adapt it to new uses, and which may be amortized over the useful remaining life of the improvement to the property. The term "capital improvements" does not include those costs associated with the normal maintenance and upkeep of facilities and premises which were reasonably intended to be part of consideration provided by the mobilehome park as rent. Substantial rehabilitation of the park that is necessitated as a result of the park owner's neglect, permissive waste, deferred maintenance or acts of God shall not be regarded to be capital improvements to the extent that they restore facilities and premises to the conditions reasonably bargained for by the mobilehome park tenants. Proposed capital improvements claims must set forth an amortization table spreading the cost of the improvement over its proven useful life. Rents based on such costs, if approved, must be separately itemized on the monthly rent invoice. In addition, the beginning date upon which such rents may be imposed and the ending date upon which such rents may no longer be imposed, must be stated on each monthly rent invoice submitted during the time such rents are charged to the tenant. Monthly rent shall be decreased for such amortized capital improvement expenses at the end of the amortization period. Failure to do so shall be regarded to be an unauthorized increase in rent. Capital improvements must be for the primary benefit, use and enjoyment of the tenants of the entire park, and costs must be allocated over all beneficiaries of the improvement.

"City manager" means the city manager of the city of Morro Bay or his or her designee.

“Consumer Price Index” means the Consumer Price Index for All Urban Consumers Los Angeles, Long Beach, Anaheim Area, published by the U.S. Department of Labor, Bureau of Labor Statistics.

“Debt service costs” means the periodic payment or payments due under any security or financing device which is applicable to the mobilehome park including any fees, commissions, or other charges incurred in obtaining such financing.

“Housing service” means a service provided by the owner related to the use or occupancy of a mobilehome space, which is neither a capital improvement nor substantial rehabilitation as those terms are defined in this chapter, including but not limited to, repairs, replacement, maintenance, painting, lighting, heat, water, laundry facilities, refuse removal, recreational facilities, parking, security service, and employee services.

“Just and reasonable return on the property” means there is a range of rents which could be allowed in any one mobilehome park subject to this chapter, all of which could be characterized as allowing a “just and reasonable return.” There is no one precise formulation; rather, there are a variety of formulations which produce a zone of reasonableness.

“Maintenance and operation expenses” means all expenses incurred in the operation and maintenance of the mobilehome park, including but not limited to: real estate taxes, business taxes and fees, insurance, sewer service charges, utilities, janitorial services, professional property management fees, pool maintenance, exterior building and grounds maintenance, supplies, equipment, refuse removal, and security services or systems.

“Mobilehome” means a structure designed for human habitation as defined by Section 798.3 of the California Civil Code, provided, however, that recreational vehicles, as defined in Section 799.29 of the California Civil Code and Section 18010 of the California Health and Safety Code, which have occupied the same mobilehome or recreational vehicle park space continuously for nine months or more shall be considered mobilehomes.

“Mobilehome park” or “recreational vehicle (RV) park” means an area of land where two or more mobilehome or RV sites are rented, or held out for rent, to accommodate mobilehomes or RVs used for human habitation. This rent stabilization chapter shall apply to those spaces in recreational vehicle parks that are continuously occupied by an affected tenant for nine months or longer.

“Mobilehome park owner” or “owner” means the owner, lessor, operator or manager of a mobilehome park.

“Mobilehome rent review board” or “board” means the mobilehome rent review board established by this chapter.

“Mobilehome space” means any site within a mobilehome park located in the incorporated areas of the city intended, designed, or used for the location or accommodation of a mobilehome and any accessory structures or appurtenances attached thereto or used in conjunction therewith except “new construction” as defined by Civil Code Section 798.45. The term “mobilehome space” shall also include, for purposes of this rent stabilization ordinance, rentable spaces within mobilehome parks which have been occupied by a “recreational vehicle” as defined by Civil Code Section 799.29 continuously for a period of nine months or more.

“Mobilehome tenant” or “tenant” means any person entitled to occupy a mobilehome within a mobilehome park pursuant to ownership of the mobilehome.

“Net operating income” means gross income less operating expenses. All operating expenses must be reasonable. Whenever a particular expense exceeds the normal industry or other comparable standard, the park owner shall bear the burden of proving the reasonableness of the expense. To the extent that the board finds any such expense to be unreasonable, the board shall adjust the expense to reflect the normal industry or other comparable standard.

“Nonpermanent resident” means any tenant who does not meet the criteria set forth for a permanent resident.

“Party” means any affected mobilehome tenant and/or owner involved in proceedings under this chapter.

“Percent change in Consumer Price Index” means the annual percent change in the Consumer Price Index (“CPI”), calculated to the nearest tenth, for the twelve-month period from September through August.

“Permanent resident” means any person who manifests intent to live or be located in a mobilehome park on more than a temporary or transient basis. Presence in a mobilehome park for two hundred seventy days or more in any twelve-month period shall establish permanent residence, or meeting at least half of the following criteria shall establish permanent residence within a mobilehome park:

1. Address where registered to vote;
2. Location of employment or place of business;
3. Attendance of dependents at a primary or secondary school;
4. Not receiving a homeowner’s exemption for another property or mobilehome in this state nor having a principal residence in another state;
5. DMV license address;
6. Mailing address;
7. Vehicle insurance address;
8. Bank account;
9. IRS address;
10. Local club/association membership.

“Rent increase” means any additional space rent demanded of or paid by a tenant for a mobilehome space including any reduction in housing services without a corresponding reduction in the amount demanded or paid for rent.

“Space rent” means the consideration, including any bonus, benefit, or gratuity, demanded or received by a mobilehome park owner for or in connection with the use or occupancy of a mobilehome space or any housing services provided with the mobilehome space, but exclusive of (1) any amount paid for the use of the mobilehome, (2) security deposits and special amortized or limited rent increases, (3) user fees for services or facilities which may be utilized at the option of the affected tenant and are not included in monthly space rent, and (4) utility charges for those mobilehome parks which charge affected tenants separately, whether or not the mobilehome homes are individually metered.

“Substantial rehabilitation” means that work done by an owner to a mobilehome space or to the common areas of the mobilehome park, exclusive of a capital improvement as that term is defined in this chapter, the value of which exceeds two hundred dollars and which is performed whether to secure compliance with any state or local law or to repair damage resulting from fire, earthquake, or other casualty or natural disaster, to the extent such work is not reimbursed by insurance.

“Tenant-to-be” means a person who is not currently a tenant in a mobilehome park but is a prospective mobilehome space tenant who desires the use of a mobilehome space as defined in this chapter and has presented himself or herself to the park owner as such and who would not be exempt under any of the provisions set forth in Section 5.32.030. (Ord. 499 (part), 2004)

5.32.030 Exemptions.

The provisions of this chapter shall not apply to the following tenancies in mobilehome parks:

- A. Mobilehome park spaces rented for nonresidential uses;
- B. Mobilehome parks managed or operated by the United States Government, the state of California, or the county of San Luis Obispo;
- C. Tenancies which do not exceed an occupancy of thirty days and which do not contemplate an occupancy of more than thirty days;

- D. Tenancies exempt from rent regulation by federal or state law or regulation, including but not limited to, tenancies governed by Civil Code Sections 798.17 rental agreements and 798.21 not principal residence;
- E. Mobilehome parks which sell lots for factory-built or manufactured housing, or which provide condominium ownership of such lots, even if one or more homes in the development are rented or leased out.
- F. Mobilehomes that are owned by the park owner.
- G. Spaces that are vacant or become vacant after the effective date of the ordinance codified in this chapter are, upon subsequent occupancy, exempt from this chapter. "Vacant," for the purposes of this section, means that the park owner has lawfully obtained the rights to occupancy of a space through, for example, the purchase of a mobilehome from a mobilehome owner, eviction or abandonment. This exemption does not apply if an affected tenant sells to a third party. This exemption shall apply only where the park owner, prior to entering into a rental or lease arrangement with subsequent homeowners, gives written notice that the unit or space is not subject to Morro Bay Municipal Code 5.32. The notice shall be in substantially the following form:

THE MOBILEHOME SPACE OR UNIT SPECIFIED BELOW IS NOT SUBJECT TO RENT CONTROL UNDER THE MORRO BAY MUNICIPAL CODE. BECAUSE THE MOBILEHOME SPACE OR UNIT SPECIFIED BELOW IS NOT SUBJECT TO RENT CONTROL, THE LANDLORD MAY RAISE THE RENT WITHOUT ANY LIMITATION OR REVIEW BY THE CITY OR OTHER GOVERNMENT OR ADMINISTRATIVE AGENCY. YOU ARE SOLELY RESPONSIBLE FOR INFORMING YOURSELF OF YOUR RIGHTS AND OBLIGATIONS IN THIS MATTER AND FOR PROTECTING YOURSELF AGAINST FUTURE RENT INCREASES. I HEREBY ACKNOWLEDGE THAT I HAVE READ AND HAVE RECEIVED A FULLY COMPLETED COPY OF THIS NOTICE PRIOR TO ENTERING INTO A RENTAL OR LEASE ARRANGEMENT INVOLVING THE BELOW DESCRIBED MOBILEHOME SPACE OR UNIT.
(Ord. 499 (part), 2004)

5.32.040 Mobilehome rent review board—Established—Members—Terms.

- A. There is established a mobilehome rent review board consisting of seven members.
- B. The city manager shall appoint a staff member to be liaison and secretary to facilitate the formation of the board. The secretary shall maintain an accurate public record of the activities and official actions of the board.
- C. The mobilehome rent review board shall be comprised of: two Morro Bay mobilehome park owners; two Morro Bay mobilehome affected tenants (one permanent and one nonpermanent); and three individual members residing in San Luis Obispo County who are neither mobilehome park owners nor mobilehome tenants, nor have any financial interest (as defined by state law) in any mobilehome park. The first four board members shall be chosen by lottery from a list of candidates. The first four board members shall not have a stake or financial interest in the dispute. The list of candidates shall include all park owners and any affected tenants who have volunteered to serve on the board. The three at-large members shall be mutually acceptable to the first four members.
- D. Board members shall not be compensated for their services as such, but may receive reimbursements as provided by the city budget for traveling.
- E. The formation of the board shall occur upon receipt of a written petition as set forth in Section 5.32.090 and shall continue until a formal written statement of decision is rendered by the board. (Ord. 499 (part), 2004)

5.32.050 Mobilehome rent review board—Powers and duties.

Within the limitations provided by law, the board shall have the following powers and duties:

- A. To receive, investigate, hold hearings on and render opinions upon a dispute relating to this mobilehome and recreational vehicle park rent stabilization ordinance;
- B. To make or conduct such independent hearings or investigations as may be appropriate to obtain such information as necessary to carry out its duties; and
- C. To render after every rent review hearing a written report concerning its activities, holdings, actions, results of hearing, and all other matters pertinent to this chapter which may be of interest to the public in general. (Ord. 499 (part), 2004)

5.32.060 Residential rent increase limitations.

A. Except as provided in subsections C and D of this section, from and after the effective date of the ordinance codified in this chapter, the space rent payable for use or occupancy of any mobilehome space shall not be increased within twelve months of the effective date of any preceding rent increase.

Base rent increase shall not exceed:

- 1. Seventy-five percent of the percent change in the Consumer Price Index for permanent residents; or
- 2. One hundred twenty-five percent of the percent change in the Consumer Price Index for nonpermanent residents who are not exempt from this chapter pursuant to Civil Code Section 798.21.

B. Any dispute as to whether an affected tenant is a permanent or nonpermanent resident or is exempt from this chapter pursuant to Civil Code Section 798.21 shall be resolved pursuant to Section 5.32.190 and the tenant shall have the burden of proof to prove that he or she is a permanent resident or is not exempt from this chapter.

C. An owner shall be exempt from this section and the need to meet and confer as set forth in Section 5.32.090 if the owner is able to obtain written consent of sixty-six percent of all the affected tenants in the park agreeing to the increase in space rent to an amount greater than allowed in this chapter once each year.

D. In the event an owner wishes to increase the rent payable for any mobilehome space within the twelve-month period more than the amount permitted in subsection A of this section and the owner cannot obtain the consent of sixty-six percent of the affected tenants, a mandatory meet-and-confer meeting shall automatically be required to show good cause why such an increase is necessary.

E. Any notice of rent increase given by an owner pursuant to this section shall be given in writing at least ninety days before any rent increase is to take effect.

F. A notice of rent increase incorporating within it a proposed or completed capital improvement which is not otherwise authorized as a pass-through pursuant to Civil Code Section 798.49 must be claimed within twelve months of the completion of the project or construction or the owner's receipt of the final billing for same, whichever occurs later. (Ord. 499 (part), 2004)

5.32.070 Increases upon change of occupancy.

Notwithstanding the twelve-month limitation set forth in Section 5.32.060, upon change of occupancy of a mobilehome, the rent increase upon sale shall be limited to:

For affected tenants who are permanent residents, ten percent of the current existing space rent or the average of the lowest and highest space rent for all the affected tenants of that particular park, whichever is greater.

For affected tenants who are nonpermanent residents, fifteen percent of the current existing space rent or the average of the lowest and highest space rent for all the affected tenants of that particular park, whichever is greater.

Resident status pertains to the selling tenant, not the tenant-to-be.

The limitations of this increase shall not apply if change in occupancy is due to the involuntary eviction of a tenant.

No rent increase under this section shall be allowed due to the death of the tenant wherein the deceased tenant's spouse, parents or children take over the occupancy. (Ord. 499 (part), 2004)

5.32.080 Information to be supplied to tenants.

A. Within thirty days after the effective date of the ordinance codified in this chapter and prior to the re-renting of each mobilehome space thereafter, the owner shall supply each affected tenant with a current copy of this chapter.

B. Whenever the owner serves a notice of rent increase, except a notice of rent increase provided pursuant to Sections 5.32.060(A), (C), or (D) or 5.32.070, the owner shall at the same time and in the same manner serve the affected tenant with a notice that sets forth all of the following information:

1. The amount of the rent increase both in dollars and as a percentage of existing rent and documentation supporting the level of increase desired;
2. The identity of all other affected tenants and the spaces that they rent;
3. The park owner shall place on file with the city manager two copies of documentation supporting the level of increase desired.

C. An owner failing to provide an affected tenant and the city manager with the notices required by this section shall not be entitled to collect any rent increase otherwise authorized by this chapter from that tenant. (Ord. 499 (part), 2004)

5.32.090 The rent dispute resolution process.

A. Mandatory Meet-and-Confer Meeting. Except when a park owner elects rent increases permitted under Section 5.32.060(A) or is able to obtain written consent of sixty-six percent of the tenants as set forth in Section 5.32.060(C), the tenants and park owners must, within thirty working days of the notice of rent increase, meet and confer with each other's representatives. Written notice of the time, place and date of the meeting should be arranged within fourteen days of the notice of rent increase. If the park owners or tenants fail to agree on the time, place and date of the hearing and to provide due notice to the city manager, the meeting shall be set at the convenience of the city manager. At the meeting, representatives of the parties should exchange documentary evidence that the parties in good faith then know will be used to support their respective positions in any rent review board hearing and discuss the issues in dispute. In the case of a park owner, all financial data upon which any proposed increase is claimed shall be supplied to tenant representatives at the time of the meet-and-confer meeting.

1. Meet-and-Confer Information. The park owner has a duty and burden to provide adequate information in regard to the rental increase to allow the tenants to make a reasonably sophisticated inquiry into the requested rental increase.

B. Petition. If discussions between owner and tenants do not resolve the dispute between them, the tenants or their representative shall file with the city manager a petition for space rent review and a copy of the notice of rent increase within thirty days of the meet-and-confer meeting. The city manager shall not accept a petition for filing unless it has been signed by at least fifty-one percent of the affected tenants who are subject to the rent increase. Upon the filing of a petition, the rent increase is not effective and may not be collected until and to the extent it is awarded by the board or until the petition is abandoned. As used in this chapter, the term "abandoned" refers to lack of prosecution of the arbitration by the mobilehome tenants' representative(s). The term "prosecution" refers to actively pursuing necessary steps toward preparing the tenants' case for the arbitration hearing.

C. Contents of Petition.

1. The petition for space rent review shall set forth the total number of affected rented spaces in the mobilehome park, shall identify the space occupied by each tenant and shall state the date upon which the notice of the rent increase was received by the tenant(s).

2. After obtaining the required signatures, the tenant(s) shall deliver the petition or mail it by registered or certified mail to the city manager at the following address: 595 Harbor Street, Morro Bay, California 93442 (or other address as determined by the city manager). No petition shall be accepted unless it is accompanied by the requisite number of signatures and is received in the office of the city manager within the thirty-day period set forth in subsection B of this section. The city manager shall provide a copy of the completed petition form to both parties forthwith or within five working days of the petition's receipt.

D. Assignment to Board and Hearing Date. Upon receipt of the petition, or upon notice of any other dispute that requires board resolution, the city manager shall, within thirty working days, commission a mobile-home rent review board as established by Section 5.32.040. The owner and affected tenant(s) shall be notified immediately in writing by the city manager of the date, time, and place of the hearing and this notice shall be served either in person or by ordinary mail.

E. Rent Review Board Hearing.

1. The owner and tenant(s) may appear at the hearing and offer oral and documentary evidence. Both the owner and tenant(s) may designate up to three representatives to appear for them at the hearing. The board may grant or order one continuance not to exceed five days to each party from the date of the hearing. The burden of proving that the amount of rent increase is reasonable shall be on the owner by a preponderance of the evidence. The hearing need not be conducted according to technical rules relating to evidence and witnesses. The rules of evidence and manner of producing evidence shall be those rules set forth in Section 11513 of the California Government Code for the conduct of hearings under the Administrative Procedure Act. These rules may be relaxed at the discretion of the board in the interests of justice. The board shall have the ability to close the hearing to the general public if confidential financial information may be disclosed during the hearing.

2. The board shall, within fourteen days of the hearing, submit by mail a written statement of decision and the reasons for the decision to the city manager who shall forthwith distribute by mail copies of the decision to the owner and tenant(s). The board shall determine the amount of rent increase, if any, which is reasonable based upon all the provisions of this chapter.

3. Excluding rent increases permitted under Sections 5.32.060(A) and 5.32.070, the board shall not allow more than one rent increase per park per twelve-month period.

4. The decision of the board, rendered in accordance with this section, shall be final and binding upon the owner and all affected tenants. The decision of the board will be subject to the provision of Code of Civil Procedure Section 1094.5.

5. Any party may have electronic recording equipment or a court reporter present to record and prepare a transcript of the hearing before the board; however, such equipment or reporter shall be provided at that party's own expense.

6. The board is authorized to modify the basic time periods set forth in this chapter at its discretion to promote the purposes of this program provided a final decision is rendered within ninety days of the notice of rent increase.

7. Any procedural or jurisdictional dispute regarding the processes set forth in this chapter may be decided by the board. (Ord. 499 (part), 2004)

5.32.100 Standards of reasonableness to be applied to rent increases.

A. The board shall determine whether rent increases that exceed Section 5.32.060(A) are reasonable under the circumstances, taking into consideration that the purpose of this chapter is to protect home owners from arbitrary, capricious, or unreasonable rent increases, and at the same time permit park owners to receive a just and reasonable return on their investment. The board, in making the determination, may, but is not required to, look at the following standards:

1. Beneficial increases in maintenance and operating expenses, including but not limited to the reasonable value of the owner's labor and any increased costs for services provided by a public agency, public utility, or quasi-public agency or utility;
2. The substantial rehabilitation or the addition of capital improvements, including the reasonable value of the owner's labor, as long as such rehabilitation or improvement has been completed and is:
 - a. Distinguished from ordinary repair or maintenance,
 - b. For the primary benefit, use, and enjoyment of the tenants,
 - c. Permanently fixed in place or relatively immobile and dedicated to the use of the property,
 - d. Not coin-operated nor one for which a "use fee" or other charge is imposed on tenants for its use,
 - e. Cost-factored and amortized over the good faith estimate of the remaining useful life of the rehabilitation or improvement, and
 - f. Does not constitute maintenance of the infrastructure of gas or electrical lines within the mobilehome park for which the public utility has permitted the park owner a special premium with the intent that it be used to replace or otherwise maintain the system within the mobilehome park;
3. The rental history of the mobilehome park;
4. The occupancy rate of the mobilehome park in comparison to comparable parks in the same general area;
5. Existing rents for spaces in other Morro Bay mobilehome parks;
6. The physical condition of the mobilehome park, including the quantity and quality of maintenance and repairs performed during the last twelve months, provided, however, that if the home owners raise a lack of maintenance or physical deterioration as an issue, the board shall also consider to what extent the home owners notified the park owner of the physical condition, and to what extent the home owners gave the park owner a reasonable opportunity to cure the physical condition;
7. Any increases or reduction in housing services during the twelve months prior to the effective date of the proposed rent increase;
8. Debt service costs used for the servicing of existing debt;
9. Debt Service Costs Due to Refinancing. If the refinancing is used for extracting equity from the park, the rent increase shall be deemed unreasonable, and the rent increase shall not be allowed. The board may also require that the debt service costs be amortized over a period of years which is determined by the board to be reasonable;
10. A decrease in "net operating income" as defined in Section 5.32.020(P);
11. A decrease in the owner's "just and reasonable return on the property" as defined in Section 5.32.020(H);
12. Other financial information that the owner is willing to provide;
13. Any costs incurred as a result of a natural disaster and only to the extent such costs have not been reimbursed to the owner by insurance or other sources and where such costs could not have been prevented by normal maintenance and repair.

B. In any determination of what constitutes a reasonable rent increase under the circumstances, the board shall consider and weigh evidence establishing the nature and extent of any existing and/or outstanding

violations by either the park owners or home owners. Any rent increase or decrease may be disallowed, reduced, or made subject to reasonable conditions, depending on the severity of such violations.

C. Changes in ownership of the park after the effective date of this chapter shall not entitle any succeeding park owner to higher rents than would have been paid if the original owner had remained the park owner without board approval. (Ord. 499 (part), 2004)

5.32.110 Obligations of the parties.

A. If a final decision by the board finds that a proposed increase or any portion thereof that was previously inoperative is justified, the tenant shall pay the amount found justified to the owner within thirty days after the decision is made or as otherwise ordered by the board.

B. If a final decision by the board finds that an increase or any portion thereof is not justified, the owner shall refund any amount found to be unjustified, but that had been paid, to the tenant within thirty days after the decision is made or as otherwise ordered by the board. If such refund is not made within the applicable time period, the tenant may withhold the amount from the next space rent(s) due until the full amount of the refund has been made. Notwithstanding the foregoing, in the event that the tenancy of tenant is terminated for any reason prior to full credit against rent, the balance of the credit due the tenant shall be paid by the owner within thirty days from the date of the termination of the tenancy.

C. Any sum of money that under the provisions of this section is the obligation of the owner or tenant, as the case may be, shall constitute a debt and, subject to the foregoing provisions of this section, may be collected in any manner provided by law for the collection of debts. (Ord. 499 (part), 2004)

5.32.120 Rights of a "tenant-to-be."

Any person who is a "tenant-to-be" as defined in Section 5.32.020(X) must be offered the option of renting a mobilehome space in a manner which will permit the tenant-to-be to receive the benefits of the mobilehome space rent stabilization program described in this chapter, which includes, but is not limited to, rental of a mobilehome space on a month-to-month basis, and a new base rent. Such a person cannot be denied the option of a tenancy twelve months or less in duration. The park owner shall provide each "tenant-to-be" with a written notification of the option which shall make the following recitation:

UNDER MORRO BAY MUNICIPAL CODE SECTION 5.32 YOU ARE LEGALLY ENTITLED TO ELECT A MONTH-TO-MONTH TENANCY OVER ANY OTHER LONGER PERIODIC TENANCY. YOU ARE ADVISED THAT YOU MAY NOT BE ENTITLED TO RENT STABILIZATION (RENT CONTROL) PROGRAM BENEFITS IF YOU ELECT A LEASE OF MORE THAN TWELVE MONTHS IN DURATION IF THAT LEASE MEETS THE REQUIREMENTS OF CIVIL CODE SECTION 798.17 WHICH HAS BEEN ATTACHED HERETO.

Any effort to circumvent the requirements of this section is unlawful, as well as an unfair business practice subject to enforcement under Business and Professions Code Section 17200 et seq. The rights set forth in this section have no application to mobilehome spaces subject to a more-than-twelve-month lease. By definition, tenants-to-be are prospective "mobilehome tenants," and such "affected tenants" are defined by Section 5.32.020.

Providing a copy of this chapter to tenants shall be deemed compliance with this section.
(Ord. 499 (part), 2004)

5.32.130 Tenants' right of refusal.

A tenant may refuse to pay any increase in rent which is in violation of this chapter, provided a petition has been filed and either no final decision has been reached by the board or the increase has been determined to violate the provisions of this chapter. Such refusal to pay shall be a defense in any action brought to recover possession of a mobilehome space or to collect the rent increase. (Ord. 499 (part), 2004)

5.32.140 Retaliatory acts—Tenants' right to organize.

No owner may retaliate against a tenant or tenant-to-be for the tenant's or tenant-to-be's assertion or exercise of rights under this chapter in any manner, including but not limited to, threatening to bring or bringing an action to recover possession of a mobilehome space; engaging in any form of harassment that causes a tenant to quit the premises; dissuading a tenant-to-be from freely exercising his or her legal options to choose a month-to-month rental; decreasing housing services; increasing the space rent; or imposing or increasing a security deposit or any other charge payable by a tenant. The tenants have a right to organize a tenants' association without hindrance from the park owner to exercise the rights provided under the provisions of the Morro Bay Municipal Code. This association may be referred to as "The Park Tenants' Association at (Park Name)." (Ord. 499 (part), 2004)

5.32.150 Solicitation of any petition by the park owner is without force or legal effect within city's program.

The distribution of a petition or other documents seeking to have mobilehome tenants waive rights, abandon a filed petition or in any way affect the entitlement of the tenants to participate in the rent stabilization process authorized under this chapter shall be without force or legal effect within the city's rent stabilization program. Such documents shall not affect the right of any tenant to participate in the rights, remedies, procedures and processes set forth in this chapter. Efforts to utilize such documents to discourage participation in the city's rent stabilization program may be deemed retaliatory. (Ord. 499 (part), 2004)

5.32.160 Nonwaiverability.

Any provision, whether oral or written, in or pertaining to a rental agreement whereby any provision of this chapter is waived or modified, is against public policy and void, except with respect to any rental agreement complying with all of the terms and conditions set forth in Section 798.17 of the California Civil Code. (Ord. 499 (part), 2004)

5.32.170 Penalties and remedies.

Any owner who demands, accepts, receives, or retains any money as rent from a tenant to which the owner is not entitled under the provisions of this chapter shall be liable to the tenant for any actual damages, attorney's fees, and costs incurred by the tenant as a consequence and the tenant may seek relief in a court of appropriate jurisdiction for injunctive relief and damages. (Ord. 499 (part), 2004)

5.32.180 Rights of affected tenants reserved.

This chapter shall not be construed to limit or curtail any other action or proceeding which may be pursued by an affected tenant against an owner before any court or other body having jurisdiction thereof. (Ord. 499 (part), 2004)

5.32.190 Tenant complaints.

Any affected tenant may file a complaint with the city manager for the purpose of contesting any rent increase and/or to enforce any provision of this chapter. Prior to and as a condition to such filing, the tenant must meet and confer with the owner to attempt to informally resolve their differences. The owner shall make himself or herself available for the meeting and conferring within a reasonable time after being requested to do so by the tenant, but no later than thirty days thereafter. If applicable, the owner shall comply with Section 5.32.080. If such informal resolution cannot be had, then the tenant (hereinafter referred to as "complainant") may file with the city manager (and contemporaneously deliver a copy to the owner) his or her complaint. All such complaints shall describe in detail the basis therefor and shall attach, where available and necessary to a full understanding of the complaint, documents and writings which support the complaint. Upon receiving such a complaint, the city manager shall assign the matter to the board in accordance with Section 5.32.090(D) and the matter shall be arbitrated in conformance with Section 5.32.090(E). (Ord. 499 (part), 2004)

5.32.200 Severability.

The ordinance enacting this chapter shall be liberally construed to achieve its purposes and preserve its validity. If any provision or clause of this chapter or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable and are intended to have independent validity. (Ord. 499 (part), 2004)



**COMMUNITY DEVELOPMENT SERVICES
PLANNING AND BUILDING DEPARTMENT
LONG RANGE PLANNING**

INTEROFFICE MEMORANDUM

Date: March 14, 2018

To: Honorable Board of Supervisors

From: C.J. Freeland *CJF*
Housing, Community and Economic Development

Subject: Mobile Home Park Space Rent Stabilization

As a result of concerns recently expressed by constituents residing in area mobile home parks, the Chief Administrative Office requested County Counsel and the Planning and Building Department to explore the issues surrounding mobile home park rent stabilization ordinances (RSO). On January 17, 2018, the County met with four constituents representing three mobile home parks: Crestview Mobile Home Park in Placerville, Diamond Springs Mobile Home Park in Diamond Springs, and Greenstone Estates Mobile Home Park in Shingle Springs. The representatives expressed concerns regarding unregulated, and what they fear could be excessive space rent increases, that could have the potential to economically displace mobile home park residents, some of whom may be seniors and/or disabled on limited incomes.

The concerns expressed by the mobile home park residents raised questions regarding the law related to rent stabilization ordinances that provide for rent control in mobile home parks, the legal requirements or limitations, the procedure to implement such an ordinance, the positive or negative aspects of adopting such an ordinance and possible alternatives.

It is the intent of this memo to provide a general overview of the main issues surrounding the potential consideration of a rent stabilization ordinance. Whether the identified issues are relevant to El Dorado County is unknown at this time because the County does not have current data on mobile home space availability, existing space rents, comparable and alternative rents, historic rent increases, what is included in rent, affordability, demographics, park amenities, or the condition of existing mobile home parks, including park infrastructure, etc. This type of data is needed in order to put any discussion regarding rent stabilization into context.

The Unique Predicament of Mobile Home Owners in Mobile Home Parks

State regulation of mobile home parks occurred as a result of the recognition that mobile home owners are in a unique situation due to the fact that they own the home (the physical building) but they rent the space that the home sits on. This circumstance makes mobile home owners vulnerable to being economically displaced by unreasonable requirements or unreasonable space rent increases because, despite their name, mobile homes are not that mobile. The cost to move a mobile home is substantial, there is significant risk of damage to the home during the move, and there may not be available space in another suitable location. As a result, mobile homes are rarely moved once placed in a park; if residents move they sell their home in place.

Though the state has addressed a wide variety of issues related to mobile home parks, residency and ownership, the state has left it up to the discretion of each local jurisdiction to determine whether a rent stabilization ordinance is needed and/or desired. Even though the mobile home park residents may be in an unequal bargaining position in relation to the park owners, any consideration of a rent stabilization ordinance must also acknowledge the park owner's property rights and the park owner's ability to make a fair return on their investment. Rent stabilization is obviously an emotional and frequently contentious and litigious issue. Any consideration of such an ordinance will require a thoughtful and delicate balancing of competing interests because all stakeholders have legitimate and understandable concerns.

Mobile Home Park Laws and Regulations¹

The California Department of Housing and Community Development (HCD) is the licensing agency for mobile home parks throughout the state. HCD currently maintains a list of 84 mobile home and RV parks in El Dorado County. Of those listed, 57 are mobile home parks located throughout the county that provide 2,980 mobile home spaces, including 586 spaces in the cities of Placerville and South Lake Tahoe. Any potential rent stabilization ordinance adopted by the County would only apply to mobile home parks in the unincorporated area of the county.

As noted previously, mobile home residency and parks are heavily regulated by state law. However, state law does not regulate the amount of rent that can be charged to a homeowner to lease a space in a mobile home park.

California law governing mobile home parks is entitled "Mobilehome Parks Act" and may be found in Division 13, Part 2.1 of the California Health and Safety Code, commencing with

¹ Information provided by the California Department of Housing and Community Development at <http://www.hcd.ca.gov/manufactured-mobile-home/mobile-home-parks/laws-and-regulations.shtml>

Section 18200. California law governing Special Occupancy Parks² is entitled "Special Occupancy Parks Act" and may be found in Division 13, Part 2.3 of the California Health and Safety Code, commencing with Section 18860. These laws are essentially building codes for mobile homes and mobile home parks. They establish requirements for permits, fees, and responsibilities of park operators and enforcement agencies, including HCD, and require HCD to develop and enforce both the regulations and the laws.

The rights and obligations of mobile home park owners, tenants and management may be found in the "Mobilehome Residency Law" (MRL), (California Civil Code Section 798 et seq.)³. The MRL is extensive and addresses, among other things, specific notice requirements for rent adjustments, rental agreement requirements and restrictions, park rules and regulations, fees and charges, utilities, exemptions from rent control, homeowner communications and meetings, homeowner meetings with management, termination of tenancy, transfer of mobile home or mobile home parks, enforcement, and rights of residents in resident owned subdivisions, cooperatives and condominium parks. Most of the provisions of the MRL were enacted piecemeal over a number of years and eventually codified under Chapter 2.5 of the Civil Code in 1978. Since 1978, a number of sections have been amended and others added to the Code.

HCD does not have authority to enforce Civil Code provisions; therefore, MRL statutes are enforced through the courts. For example, a mobile home park owner must utilize an unlawful detainer procedure (eviction procedure) in a court to evict a homeowner for non-payment of rent or failure to abide by reasonable park rules. By the same token, a mobile home owner must bring legal action, in court, to enforce a notice or other MRL requirement, or obtain an injunction, if the management will not otherwise abide by the MRL.

Mobile home parks are not subject to the Costa-Hawkins Rental Housing Act, a law passed by the California Legislature and signed by the Governor in 1995. This law allows apartment owners in rent control communities to establish initial rental rates when there is a change in occupancy at a dwelling unit – a policy known as "vacancy decontrol." Vacancy decontrol means that a landlord may charge any amount of rent for a unit that is under rent control following a legal vacancy. Current state law prohibits any locality in California from imposing rent control on single family homes and other units like condominiums or townhomes that were built after 1995.

² Health and Safety Code Section 18862.43 defines a Special Occupancy Park as a recreational vehicle park, temporary recreational vehicle park, incidental camping area, or tent camp.

https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=HSC§ionNum=18862.43.

³ Mobilehome Residency Law: <http://www.hcd.ca.gov/manufactured-mobile-home/mobile-home-ombudsman/docs/MRL.pdf>. Courtesy of the California Senate Select Committee on Manufactured Home Communities.

Rent Stabilization Ordinances

There are approximately 482 incorporated cities⁴ and 58 counties in California. According to the Mobile Home Park Homeowners Association⁵ (MHPHOA), approximately 92 cities (19 percent) and eight counties (13 percent) in California have some type of rent control or rent stabilization ordinance (RCOs/RSOs). A majority of these ordinances were initiated between the early 1980's and late 1990's. RCOs/RSOs limit allowable space rent increases both in amount and frequency, and some limit the initial space rent that can be charged following a vacancy.

RCO and RSO laws are known primarily for favoring tenant's rights, because these laws help stabilize rent levels. Typically, park owners do not favor rent control laws because it can greatly limit returns on their investment property. Some cities and counties have included vacancy decontrol regulations into their RCO/RSO to protect landlords. Vacancy decontrol regulations set space rent at market or near market rate levels following a legal vacancy and regulates the raising of rent thereafter. In some cases, vacancy decontrol provides guidelines as to how much higher the new rent can exceed the previous rent on the unit (for example, 10 percent), which takes effect when a new tenant signs the lease.

Just as the needs of each jurisdiction are unique, the provisions in each RSO will vary concerning the limits on annual space rent increases, full or partial vacancy controls or decontrols, fair rate of return determinations, and administrative fees imposed.

Although rent control ordinances have withstood legal challenge, litigation is still prevalent in this area because the concept of a "fair return" or a constitutional minimum rate of return does not lend itself to a precise definition. Existing ordinances utilize varying formulas for allowable rent increases and varying methodologies for determining a fair rate of return for the park owner. Litigation arises either as a facial challenge to the ordinance or as an as-applied challenge which is frequently related to situations in which owners seek rent increases above the normally allowable increase under the ordinance (fair return petition process).

RSOs do not apply to mobile home owners who have signed a lease greater than 12 months duration (Civil Code Section 798.17) or to newly constructed spaces initially held out for rent after January 1, 1990. With certain specified exceptions, the mobile home space is also exempt if it is not a principal residence of the homeowner and the homeowner has not rented the mobile home to another party (Civil Code Section 798.21).

Even though cities and counties have the authority to enact mobile home park rent stabilization ordinances, public entities must show that a legitimate government purpose exists to adopt such

⁴ League of California Cities (as of 2011) <http://www.cacities.org/Resources/Learn-About-Cities>

⁵ Mobile Home Park Homeowners Association web site: <https://mhphoa.com/ca/rso/>

an ordinance. Most public entities that have adopted mobile home park RSOs conducted detailed surveys of both mobile home owners and park owners in order to obtain factual information to support adoption of the ordinance. Just as all mobile home parks are not created equal, RSOs must be fashioned to balance the limits on rent increases with the increasing costs of park utilities, infrastructure, amenities and maintenance.

Recent Case Studies

Alameda County and Humboldt County have recently amended or adopted rent stabilization ordinances. The case studies discussed below provide examples of a County-initiated and a voter-initiated RSO program.

In March 2017 the Alameda County Board of Supervisors amended their 1990 Mobile Home Park Rent Stabilization Ordinance⁶ for the first time to, among other things, reduce the annual allowable space rent increase from five percent (5%) to a flat four percent (4%) and to provide full vacancy decontrol that allows park owners to charge a new space rent of any amount for a mobile home space whenever a lawful space vacancy occurs. The staff report to the Alameda Board that accompanied the item stated that the motion being presented (to adopt the revisions) “was the culmination of two years of public process, including stakeholder meetings, public meetings and discussions with District staff and related parties.”

In November 2016, Humboldt County voters passed Measure V, adopting an ordinance to regulate rent increases for spaces in their 42 mobile home parks with 10 or more spaces in the unincorporated area of Humboldt County. The Humboldt Board of Supervisors certified the election results on December 13, 2016, incorporating the Mobile Home Rent Stabilization⁷ Ordinance into the County Code. Measure V obligated Humboldt County to administer the ordinance.

The Humboldt Ordinance locked in space rents as of November 1, 2016, allowing future rent increases as follows: annual increases after May 1, 2017, will be based on 100 percent of Consumer Price Index (CPI) for all items for all urban consumers for the San Francisco-Oakland-San Jose area as reported by the Department of Labor, Bureau of Labor Statistics (the CPI for 2018, published January 12, 2018, is 3.2 percent); rent increase upon sale or move in of a new tenant is limited to a maximum 5 percent; rent increases for new capital improvements,

⁶ Alameda County Housing & Community Development Department, Mobile Home Parks web site: <http://www.acgov.org/cda/hcd/mobilehome/index.htm>

⁷ Humboldt County Mobile Home Rent Stabilization web site: <https://humboldtgov.org/2283/Mobile-Home-Rent-Stabilization-Ordinance>

with approval of a majority of the tenants; and, increase due to right of fair return, with proper noticing as determined by a county-appointed hearing officer.

Space Rent

Rent increases under an RSO are often linked to a percent of the increase in the Consumer Price Index and/or set through a hearing process. From 2011 to 2017 the Consumer Price Index (CPI)⁸ for California increased an average of 2.1 percent. The El Dorado County Health and Human Services Agency, through cooperation with the former Board-appointed Mobile Home Task Force, conducted space rent surveys of mobile home parks located in the county in 2002 and 2007. Current data on local space rents is not available to determine if rent increases have significantly exceeded increases in the CPI or other economic indicators.

Affordable Housing

The Housing Element of the El Dorado County General Plan includes provisions for the County to provide for the development and preservation of affordable housing in the unincorporated areas of the county. Affordable housing is defined by the Federal Department of Housing and Urban Development (HUD) standard as having a total housing cost that does not exceed 30 percent of household income. Housing costs that exceed 50 percent of household income is considered overburdened.

Because some seniors live on fixed incomes dictated by Social Security and other retirement benefits, those who do not own their homes are significantly affected by rising housing costs. Also, while some seniors may prefer to live in single-family detached homes, others may desire smaller, more affordable homes with less upkeep, such as condominiums, townhouses, apartments, or mobile homes. As reported in the most recent Housing Element, as of 2007 nearly 87 percent of unincorporated El Dorado County's housing stock was made up of single-family detached homes, leaving only 15 percent of the housing stock for those who choose to or must live in other forms of housing. Recent construction activities have been primarily for single-family detached homes. There has not been significant development of multifamily housing or other alternative forms of housing over the past 10 years.

Three Housing Element Policies specifically address mobile home parks: Policy HO-2.5: The County shall encourage manufactured home subdivisions; Policy HO-3.3: The County shall support efforts to convert mobile home parks where residents lease their spaces to resident ownership of the park; and, Policy HO-3.4: The conversion of mobile home parks to housing that is not affordable to very low-and low-income households shall be discouraged.

⁸ California Department of Industrial Relations, Consumer Price Index, historic data (1914-2017) at: <https://www.dir.ca.gov/OPRL/capriceindex.htm>

As stated earlier, the County does not have current data on space availability, existing space rents, comparable and alternative rents, historic rent increases, what is included in rent, affordability, demographics, park amenities, or the condition of existing mobile home parks, including park infrastructure, etc. The lack of current data for local mobile home park rents and alternatives rents prevent any conclusion that mobile home parks are or are not affordable to those residents.

County Ordinance Proposal

In accordance with Board Policy A-3⁹, Ordinances – New or Amended, new ordinances and ordinance amendments must be presented to the Board for conceptual review and authorization to prepare the draft ordinance or ordinance amendment. There is an exception for minor amendments to existing ordinances that are the result of changes in state or federal laws or regulations, or in the case of urgency ordinances governed by Government Code Section 25120.

The preparation necessary for the Board to consider adoption of a countywide mobile home park rent stabilization ordinance would require a significant commitment of County resources to conduct surveys, analyze data, and conduct public and stakeholder meetings.

The cost of administering an RSO would depend on the program design. Many California jurisdictions have instituted rent review boards, rent administrators, or mobile home park mediation boards to administer their RSO program. The cost to administer a RSO is usually passed along to park owners and residents in the form of an administration fee per space for those protected by the RSO. Other costs associated with hearings and appeals are passed on to the parties bringing the action forward.

Mobile Home Park Conversions

A mobile home park "conversion" usually refers to a change in the ownership structure of the park from a rental park owned by a park operator/investor to a resident owned community. It can also refer to the conversion of a park to a different use where a park ceases to be operated as a mobile or manufactured home park.

The California Civil Code Section 798.56 (MRL) and Government Code Section 65863.7 (Planning and Land Use) establish requirements regarding notification of mobile home park residents when conversion to a different use, closure of a mobile home park, or cessation of use of the land as a mobile home park is proposed.

⁹ El Dorado County Board of Supervisors Policy Manual web site:
https://www.edcgov.us/Government/BOS/Policies/Pages/policy_manual.aspx#SectionD

Government Code 65863.8 sets forth requirements for analysis of the impact of the conversion, closure or cessation of use on the displaced residents. The availability of adequate replacement housing in mobile home parks and relocation costs, among other things, must be addressed. If conversion to a resident owned community is done under the Subdivision Map Act¹⁰ (SMA), specific SMA statutes apply regarding notices, impact reports, rights to purchase, and increases in rent for non-purchasers. The SMA establishes a minimum standard for local regulation of conversions of mobile home parks into other uses; however the code does “not prevent a local agency from enacting more stringent measures.”

The conversion of mobile home parks into condominium subdivisions under the SMA requires the park owner to convert each pad into a separate property interest, or “condominium.” Once the separate interests are created, the park operator must offer each existing tenant the option to either purchase the space or condominium or to continue residency as a tenant. This conversion process can take anywhere from 18 months to several years.

This has become controversial because the conversion process is said to effectively nullify the application of the local RSO once the park is converted; however, the law provides protections for residents who do not or cannot purchase their spaces. To minimize economic displacement of non-purchasing residents, the SMA requires the park operator to phase out rent control over a four year period for non-lower income non-purchasing residents. Rent increases that may be charged to lower income non-purchasing residents are limited to the lower of a CPI increase or the average space rent increase for the last four years. This rent increase protection remains as long as the resident resides in the park and is low income; however, it does not carry forward to new tenants.

The Golden State Manufactured Home Owners League (GSMOL)¹¹ reports that there are over 40 jurisdictions in California, primarily cities that have Mobile Home Park Closure and/or Conversion Ordinances. These closure ordinances outline more stringent procedures to be followed in the event a park owner applies for a permit to close or convert the park to another use. This type of ordinance became important several years ago when real estate prices skyrocketed and developers became very interested in purchasing mobile home parks to convert them to commercial and other uses.

According to GSMOL, state code only loosely protects mobile home residents in case of a park closure so it became critical for jurisdictions to design special ordinances to protect the rights of

¹⁰ Subdivision Map Act - Government Code Section 86410

https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=2.&title=7.&part=&chapter=1.&article=1

¹¹ GLMHOL Mobile Home Park Closure Conversion Ordinances <https://www.gsmol.org/resources/ordinances/>

mobile home owners who are frequently lower-income seniors and families on fixed incomes. Key provisions of most conversion ordinances include expanded criteria for an impact report, relocation counselor requirements, in-place market value to be used as a standard for reimbursement of home value to the displaced resident, comparable relocation provisions, and payment of full costs of moving the mobile home and fixtures.

The Housing Element of the County General Plan under Measure HO-2013-23 directs the County to develop a mobile home park conversion policy with measures to encourage retention of mobile home and manufactured home housing, aid in relocation, and provide compensation to owners and residents. The County prepared a draft ordinance in 2007 with the cooperation of a Board-appointed Mobile Home Task Force, but the effort was unsuccessful. The County does not have a Mobile Home Park Closure or Conversion Ordinance in place at this time.

Arguments For and Against Rent Stabilization

Following a limited on-line document review, the occurrence of the same general arguments for and against rent stabilization can be found. In the absence of local data, there are no compelling arguments for or against a countywide RSO.

Mobile home owners in favor of RSOs contend that: 1) mobile home park rent stabilization provides relief to mobile home park tenants from excessive rent increases; 2) a shortage of mobile home spaces exists in the area causing artificial increase in space rent; 3) mobile homes are costly and difficult to move; 4) excessively high space rent drives down the price of mobile homes should an owner elect to sell a mobile home; and 5) high rental rates will more negatively impact seniors and other persons on a fixed income.

Park owners and others opposed to RSOs contend that: 1) mobile home park rent rates should be left to adjust themselves by operation of market forces without government intervention; 2) rent control imposes a severe and continuing burden on the landowner. For example, if rent restrictions are too onerous, rents cannot keep up with inflation; repair and/or replacement of aging infrastructure is difficult; no incentive to make new investments; concern about pass-through of increases in taxes, assessments and fees; pass through of major improvements; maintenance and repair costs are always increasing; 3) RSOs are technical and complicated, are costly to prepare, and implementation requires considerable staff time and public hearing time; 4) RSOs require administrative oversight thus requiring additional staff which must be managed, supervised and funded by a public entity; and 5) RSOs have been the subject of a great deal of litigation and a public entity may incur substantial legal expenses and costs to defend a lawsuit.

Additional arguments for and against a RSO can, and have been made. Providing an exhaustive list would be impossible, and as stated earlier, all stakeholders have legitimate and understandable concerns.

Alternatives to Rent Stabilization

Several jurisdictions around the state have adopted alternative measures to an RSO in order to address rent insecurities in their communities. These RSO alternatives include Model Leases and Memorandums of Understanding (MOU); Resident Assistance Programs (Space Rent Subsidy); conversion to resident ownership; County purchase of mobile home parks to stabilize rents; and purchase by non-profit entities.

The City of West Sacramento has adopted a voluntary program as an alternative to a RSO. A Mobile Home Park Task Force was established in 2008 to develop a Mobile Home Park Improvement Plan¹² consisting of a standardized rental agreement (Model Lease), operating standards, and an infrastructure improvement fund. The program was amended in 2009 with an ordinance to require park owners in the jurisdiction to report rent increases annually to ensure the City stays informed of and continues to monitor rent increases in mobile home parks.

Other cities have adopted RSOs with a provision that park owners that have executed a Memorandum of Understanding (MOU) with the jurisdiction would be exempt from the RSO. The MOUs might specify that all residents will be offered long term leases including moderate rent increase limits. For example, the Model Lease provides for space rents to rise at the CPI plus the pass-through of property taxes and capital improvements, and by 15 percent on vacancy. The public cost to develop and implement the RSO was not mitigated in this case by the MOU option. However, an MOU option without a RSO would more closely resemble the West Sacramento model.

In some rare cases, cities have used local redevelopment funds (no longer available in California) or public housing authority funds to either purchase mobile home parks outright to manage rents or to create a subsidy program to assist rent-challenged, low income mobile home owners. Some subsidy programs have been funded through agreements with park owners in lieu of RSOs or as part of the RSO.

¹² City of West Sacramento, Community Development, Mobilehome Parks at http://www.cityofwestsacramento.org/city/depts/comdev/hci/community_investment_activities/mobilehome/default.asp

As described in a case study included in the 2008 Marina Mobile Home Report by Michael St. John¹³, Stanislaus County formed an Ad Hoc committee to negotiate with a park ownership group to address substantial rent increases in those parks the group owned in Ceres, Modesto and Riverbank. Negotiations ultimately failed. The Committee proceeded to draft a mobile home park rent control ordinance for consideration by the County culminating a year of meetings with tenant groups and mobile home park owners. No countywide RSO was agreed upon at the time¹⁴.

Conclusion

As previously stated, in the absence of local data, there is no compelling argument for or against a countywide RSO. It is unclear if the group of constituents who met with County staff in January 2018 represents a significant number of mobile home park residents with rent increase concerns, or if there is significant or compelling evidence for the County to divert its limited resources to undertake a lengthy and time consuming RSO process. To determine if El Dorado County mobile home park residents require legal protection from excessive space rent increases, a study of current space rent, historic annual rent increases, demographics, and comparable rents must be explored.

When the City of Marina commissioned a study in 2007 to look into the status of mobile home park residency in the City, they began by asking relevant questions to inform their study. Many of these same questions could help inform the County of El Dorado, should the Board of Supervisors provide direction to staff to move forward with a study for a countywide RSO.

1. Are the mobile home space rents in the County too high, too low, or about average?
2. Is there a problem about space rents that the County should address?
3. Are the prices at which mobile homes are selling reasonable, considering the overall market?
4. Is there an actual or perceived problem that rent control might address?
5. Is there a rent problem or an income problem that can be addressed?
6. Has something changed from the situation that has prevailed, without rent control, for many years?
7. Are park owners in any way exploiting the "captive" nature of the mobile home resident/mobile home park relationship?
8. Are mobile home residents more financially challenged than homeowners or apartment dwellers in the County?

¹³ St. John & Associates, Articles & Reports, Marina Mobile Home Report, December 2008, Michael St. John, et al. at <http://stjohnandassociates.net/propertyManagementArticles.html>

¹⁴ Board of Supervisors of the County of Stanislaus Agenda Summary at <http://www.stancounty.com/bos/agenda/2007/20070327/e01.pdf>

9. Is it possible or likely that space rents in the County would increase significantly in the foreseeable future?
10. Have space rents increased significantly in surrounding communities?
11. How do mobile home parks fit into the County's plans for future development, including plans for creating and preserving affordable housing?
12. What might be the effects of rent control on residents, park owners, taxpayers, and the County?
13. How do the costs of mobile home residency compare to the costs of living in a single-family home or an apartment in the county?
14. Are there alternative programs that might balance the market and address financial insecurity more effectively than rent control?
15. Are there mobile home residents for whom paying space rent is a financial burden?

While development of a rent control ordinance will require significant and difficult decision points regarding issues such as determining the amount of allowable increases, frequency of increases, and vacancy control or decontrol, there are a fair number of existing ordinances that the County can draw from in drafting a proposed ordinance.

The more fundamental and difficult questions are whether or not rent control is appropriate for El Dorado County and whether or not rent control will have the intended effect of advancing and preserving affordable housing. Answering these questions is complicated by the fact that there are numerous studies and papers written to address some of the multitude of issues and economic impacts associated with rent control ordinances. As would be expected with such a contentious subject, there are varying expert opinions as to the effectiveness of rent control to advance and preserve affordable housing.

Developing a countywide RSO will require an extensive amount of research and analysis and stakeholder engagement. The experience of other jurisdictions that have considered adopting a rent control ordinance, whether successfully or not, demonstrates that it is a long complicated process because housing insecurity stirs deep emotions, but at the same time, all stakeholders have legitimate and understandable concerns and arguments for and against this type of ordinance.

Please let me know if you have any questions or require additional information relative to this matter.

- c. Karl Weiland
Don Ashton
Michael Ciccozzi
Roger Trout
Patricia Charles-Heathers
Jim Mitrisin

CA JURISDICTIONS with Mobilehome Park Rent Stabilization Ordinances
(Revised 2013)

<u>City/County</u>	<u>DATE</u>	<u># Pks/Spaces</u>	<u>% Increase</u>	<u>*Vacancy Control</u>	<u>**Committee/Board</u>	<u>Adopted by</u>
Alameda County	12/1965	22 / 712	Automatic up to 5%	YES		Ordinance
Azusa	01/1992	6 / 548	8%/75% of CPI	NO		Ordinance
Beaumont	10/1984	8 / 459	Established by Hearing	NO	2-2-1	Ordinance
Benicia	09/1978	4 / 317	Established by Hearing	NO	2-2-1	Ordinance
Calistoga	08/1984	5 / 569	Established by Hearing	NO	1-1-3	Ordinance
Camarillo	12/1981	4 / 747	Established by Hearing	NO	1-1-3	Ordinance
Capitola	11/1979 Repeal'd 8/11	8 / 623	Lesser of 5% or 60% CPI	YES	City Council	Ordinance
Carpinteria	03/1982	7 / 866	75% of CPI	YES		Ordinance
Carson	08/1979	28 / 2565	Set by Board	YES	2-2-3	Ordinance
Cathedral City	03/1983	10 / 2064	75% of CPI	YES	0-0-5	Initiative
Chino	08/1983	5 / 554	66% of CPI	NO	1-1-3	Ordinance
Cloverdale	08/1986	4 / 165	Set by Board	YES to 10%	0-0-3	Ordinance
Clovis	09/1978	6 / 582	Rent Review Commission	NO	1-1-3	Ordinance
Colton	06/1990	8 / 916	60% of CPI	NO		Ordinance
Cotati	11/1979	3 / 106	Set by Board	YES		Ordinance
Daly City	06/1980	1 / 501	Set by Board	NO	1-1-3	Ordinance

Delano	11/1984	4 / 310	50% of CPI	YES	1-1-3	Initiative
East Palo alto	11/1983	4 / 274	Set by Board	YES		Initiative
Escondido	06/1988	30 / 3585	Set by Board	YES	City Council	Initiative
Fairfield	11/1984	9 / 883	Set By Board	NO	1-1-3	Ordinance
Fontana	02/1987	10 / 684	7% unless CPI>7%	NO	Rent Admin.	Ordinance
Fremont	02/1987	3 / 732	Greater \$10 or 70%CPI	YES		Ordinance
Fresno	12/1987	30 / 3942	Rent Review Commission	YES	1-1-3	Ordinance
Gardena	04/1987	27 / 1156	Rent Mediation With Arbitration	NO	3-3-3	Ordinance
Gilroy	05/1987	4 / 336	Less of 5% or 80% CPI	NO	NONE	Ordinance
Grover Beach	12/1987	3 / 140	Graduated CPI	YES 5%	City App. Mediator	Ordinance
Hawthorne	06/1979	11 / 327	Rent Mediation Board	NO	Rent Board	Ordinance
Hayward	02/1980	16 / 2160	Lesser of 3% or 60%CPI to 8%	NO	NONE	Ordinance
Hemet	05/1979	20 / 2805	Set by Board	NO	1-1-3	Initiative
Hollister	05/1989	1 / 235	Lesser of 8% or 80% CPI	NO	1-1-3	Ordinance
Indio	03/1984	6 / 528	75% of CPI	NO		Initiative
Lancaster	03/1985	27 / 2584	Set by Board	YES	1-1-3	Initiative
La_Verne	10/1994	8 / 1762	Lesser of 7% or CPI	No	Rent Admin	Ordinance
Lompoc	12/1983	7 / 654	75% of CPI to 10%	No	2-2-1	Ordinance
LA City	8/1978	62 / 5885		<u>No</u>	Detrmd by Board	Ordinance

LA County	03/1988	62 / 5885	Less of 8% or 75%CPI	NO	0-0-5	Ordinance
Los Gatos	10/1980	2 / 137	100% CPI or 5%	\$25 or average		Ordinance
Malibu	12/1991	2 / 527	75% of CPIO	To 10%		Ordinance
Marina	11/2011	5 / 399	100% CPI	5% every 2 yrs	Rent Admin	Ordinance
Merced	5/1982	3 / 574	Set by hearing	NO	2-2-1	Ordinance
Milpitas	8/1992	3 / 521	50% CPI or 8%	Avg Rent	City Council	Ordinance
Modesto	10/2007	9 / 1400	100% CPI	10% every 5 yrs	Hearing Board	Ordinance
Montclair	11/1985	8 / 620	Lessor of 6% or 6% of CPI	NO	2-2-1	Ordinance
Moreno Valley	7/1987	7 / 809	Lessor of % or 65% CPI	With Limit	Park or Res Committee	Ordinance
Morgan Hill	03/1983	9 / 875	75% CPI	YES	1-1-3	Ordinance
Morro Bay	8/1986 Rev'sd 2004	15 / 641	75% of CPI 125% CPI Non-perm res	10-15% Cap	2-2-3	Ordinance
Napa	12/1983	22 / 1605	8% cap		1-1-5	Ordinance
Oakland	9/1980	3 / 49	Automatic 5%	NO		Ordinance
Oceanside	5/1982	20 / 2401	Lesser of 8% or CPI	YES	0-0-5	Ordinance
Oxnard	3/1983 Rev'sd '98	25 / 2780	75% CPI or 4% (greater of these)	YES 15% of average space rent	HeargAdm/ RentRev Bd	Ordinance
Pacifica	09/1991	1 / 93	75% of CPI	NO	NONE	Ordinance
Palmdale	10/1985	15 / 1455	CPI or Arb Award	NO	1-1-3	Ordinance
Palm Desert	04/1980	4 / 676	75% of CPI	YES	5 picked	Ordinance
Palm Springs	04/1980	14 / 2242	75% of CPI	YES	0-0-5	Ordinance
Paramount	07/1987	17 / 1228	100% CPI	NO	2-2-0	Ordinance

Petaluma	02/1994	9 / 1006	100% CPI or 6%	NO	Arbitration	Ordinance
Pismo Beach	04/1981	2 / 412	Less of 6% or 75% of CPI	YES 10%		Ordinance
Pleasanton	02/1993	4 / 412	100% CPI or 5%	To 25% in 5 years	2-2-1	Ordinance
Pomona	05/1992	19 / 1836	Mediation	NO		Ordinance
Rancho Mirage	07/1982	6 / 882	75% of CPI	Avg Rent	1-1-5	Initiative
Redlands	12/1982	8 / 684	Less of 6-9% or 75% CPI	NO	0-0-3	Ordinance
Rialto	03/1992	12 / 1425	Rent Review Commission	YES	0-0-5	Ordinance
Riverside County	08/1983	124/12376	100% CPI	NO	2-2-1	Ordinance
Rocklin	05/1982	3 / 384	Guaranteed CPI	NO	1 and up	Ordinance
Rohnert Park	12/1987	5 / 1314	75% CPI or 4% cap	YES	5	Initiative
Salinas	10/1990	11 / 1437	75% CPI or 8% cap	NO		Ordinance
San Bernardino	09/1984	16 / 1487	Less of 4% or 75 % CPI	NO	None	Ordinance
San Francisco	06/1970	1 / 56	4-7% or 60%CPI	YES		Ordinance
San Jose	07/1985	70 / 11435	3-7% or 75% of CPI	YES	None	Ordinance
San Juan Capistrano	03/1979	7 / 1209	100% CPI	YES	2-2-1	Ordinance
San Luis Obispo City	06/1988	15 / 1551	Graduate CPI with 9 % cap	YES 10% (1x in 3 yrs)	Hearing Officer	Initiative
San Luis Obispo County	06/1988	39 / 2408	60% CPI	YES 10%	3 Rent Review Bd	Initiative
San Marcos	11/1980	17 / 3216	CPI or NOI	With Limit		Ordinance
San Raphael	04/1990	1 / 397	3-7.5% of CPI	YES	None	Ordinance

Santa Barbara County	09/1994	19 / 2161	75% CPI	10% 1-5 yrs	Arbitration	Ordinance
Santa Clarita	12/1990	15 / 2070	100% CPI with 6% cap	NO		Ordinance
Santa Cruz County	01/1979	36 / 2212	50% of CPI + pass through	YES		Ordinance
Santa Monica	04/1979	3 / 283	Set by Board	NO		Initiative
Santa Paula	06/1984	9 / 838	Less of 7% or 75% of CPI	10% 1-3 yrs	0-0-3	Ordinance
Santa Rosa	2004	8/	100% CPI or up to 6%	YES	Arbitration	Ordinance
Scotts Valley	11/1980	5 / 527	75% of CPI	YES	0-0-5	Ordinance
Sebastopol	Revised 08/1992	6 / 173	100% of CPI	NO	Arbitration	Ordinance
Simi Valley	03/1983	6 / 354	Rent Review Commission	NO		Ordinance
Sonoma County	06/1987	51 / 3736	100% CPI	YES	Arbitration	Ordinance
Thousand Oaks	07/1980 Rev'sd 2011	8 / 897	Designated 10 Yr Plan - Rent Increases	YES 10-15%	Rent Review Board	Ordinance
Union City	05/1980	3 / 918	90% of CPI or 7%	YES		Ordinance
Upland	12/1985 Rev'sd 1992	6 / 866	80% CPI or 7%	7% cap	Arbitration	Ordinance
Vacaville	12/1977	12 / 1126	Graduated CPI	NO	0-0-3	Ordinance
Vallejo	02/1982	17 / 1990	5%	NO	1-1-3	Ordinance
Ventura City	06/1981	18 / 1087	Less of 7% or 75% CPI	YES to 15%	Rent Review Bd.	Ordinance
Ventura County	02/1983	24 / 1421	Automatic 5%	YES to 15%	0-0-3	Ordinance
Watsonville	03/1989	5 / 717	70% of CPI or 5%	NO		Ordinance
West Covina	09/1984	2 / 265	Less of 5-9% or 100% CPI	NO	Human ResourcesComm.	Ordinance



MEMORANDUM

TO: CITY COUNCIL

VIA: ROBERT L. HUNT, CITY MANAGER *RLH*

FROM: DOREEN LIBERTO-BLANCK, AICP, COMMUNITY DEVELOPMENT DIRECTOR *DLB*

SUBJECT: PRELIMINARY DRAFT MOBILE HOME RENT CONTROL ORDINANCE

DATE: SEPTEMBER 23, 1997

RECOMMENDATION:

It is recommended the Council provide direction to staff.

FUNDING:

There would be no fiscal impact from the proposed actions.

DISCUSSION:

On February 25, 1997, the City Council directed the City Attorney to revise the City's Mobilehome Rent Stabilization Ordinance. In researching the issue, it became clear that the current Mobilehome Rent Stabilization Ordinance needed significant amendments. On May 27, 1997, the City Council authorized distribution to interested parties of a preliminary draft Ordinance repealing and replacing Chapter 16 of Title 5 of the Arroyo Grande Municipal Code and Establishing a System of Mobilehome Rent Control (reference attachment). On June 3rd, staff mailed 317 copies of the Ordinance to interested individuals.

Some of the major differences between the existing Ordinance and preliminary draft Ordinance include:

- Detailed hearing procedures for tenant complaints and rent adjustment petitions (Section 5-16.09 and 5-16.13).
- Use of an administrative hearing officer (Section 5-16.08B).
- Specific exemptions to the Ordinance (Section 5-16.02).
- Mandatory decrease or permissive increase in rent by seventy-five percent of the annual Consumer Price Index (CPI) each January 1st (Section 5-16.04).
- Definition of "fair return standard" (Section 5-16.10).
- Clarifies the tenant complaint procedures (Section 5-16.13).

City Council
Preliminary Draft Mobile Home Rent Control Ordinance
September 23, 1997
Page 2

The Council indicated that depending on the number and nature of comments received, workshops to discuss, hopefully resolve, the issues/concerns with the Preliminary Draft Ordinance may be scheduled. Staff has received 101 letters in opposition to, and 46 letters in support of the Preliminary Draft Ordinance. The two predominate issues are the provisions to exclude resident owned mobile home parks (Section 5-16.02 E.6.), and the use of an administrative hearing officer instead of a mobile home rent review board (Section 5-16.08 B).

The Mayor has met on four occasions with representatives (owners and renters) of the Sunrise Terrace Mobile Home Park in an effort to mediate differences. The Mayor's notes from those meetings are attached. In addition, individually, Council Members have met with local park owners and a representative from the Western Mobilehome Parkowners Association (WMPA) to discuss a lease proposal offered by WMPA.

Owners and Renters from Sunrise Terrace have submitted a letter dated September 17th requesting a minimum 90 day continuance. According to the letter, the Owners and Renters have reached a tentative agreement on a proposed long-term lease.

Alternatives:

Staff offers the following alternatives for Council consideration:

1. Direct staff to establish workshops on the Preliminary Draft Ordinance during the month of October;
2. Direct staff to schedule a public hearing for October 14th on the Preliminary Draft Ordinance as drafted;
3. Direct staff to amend the Preliminary Draft Ordinance and schedule a public hearing on an amended Ordinance; or
4. Do not amend the existing Ordinance.

Attachments: Preliminary Draft Ordinance

May 27, 1997 Staff Report

September 17, 1997 Sunrise Terrace Letter

Mayor's Notes

Letter from WMPA

August 13, 1997 Memo from Tim Carmel

List of Letters Received on the Preliminary Draft Ordinance

Letters Received on the Preliminary Draft Ordinance



MEMORANDUM

TO: CITY COUNCIL

VIA: ROBERT L. HUNT, CITY MANAGER *RLH*

FROM: DOREEN LIBERTO-BLANCK, AICP, COMMUNITY
DEVELOPMENT DIRECTOR *HME for DLB*

SUBJECT: CONSIDERATION OF MOBILE HOME RENT CONTROL
ORDINANCE

DATE: JANUARY 13, 1998

RECOMMENDATION:

Staff recommends the City Council provide direction regarding the introduction of an ordinance replacing or repealing Chapter 16 of Title 5 of the Arroyo Grande Municipal Code.

FUNDING:

If the Council repealed Chapter 16, there would be no Mobile Home Rent Control Board to staff. Over the past year, staff spent approximately 100 hours working on this program. This calculated to a cost in excess of \$3,000 (exclusive of City Attorney time).

DISCUSSION:

On February 25, 1997, the City Council directed the City Attorney to revise the City's Mobilehome Rent Stabilization Ordinance. The City Council authorized staff to distribute the preliminary draft ordinance repealing and replacing Chapter 16 of Title 5 to interested parties. The Council indicated that depending on the number and nature of comments received, workshops to discuss the issues/concerns with the preliminary draft ordinance may be scheduled. Staff received 101 letters in opposition to, and 46 letters in support of the Preliminary Draft Ordinance. The two predominate issues addressed in the letters were the provisions to exclude resident owned mobile home parks (Section 5-16.02 E.6.), and the use of an administrative hearing officer instead of a mobile home rent review board (Section 5-1608 B). Considering that the comments received centered primarily on two issues, it was decided to schedule a public meeting to review the proposed revised ordinance (September 23, 1997). The Council considered the approximately 150 letters received addressing the preliminary draft ordinance, and took substantial public testimony (reference attachment).

City Council
Repeal Chapter 16 of Title 5
January 13, 1998
Page 2 of 2

The Mayor met on four occasions with representatives (owners and renters) of the Sunrise Terrace Mobile Home Park in an effort to mediate differences. In addition, individually, Council Members met with local park owners and a representative from the Western Mobilehome Parkowners Association (WMPA) to discuss a long term lease proposal sponsored by WMPA.

At the September 23rd meeting, the City Council considered a letter dated September 17th from the Owners and Renters from Sunrise Terrace requesting a minimum 90 day continuance because they had reached a tentative agreement on a proposed long-term lease. Since the September 23rd meeting, and based on contacts made by staff at the time of finalizing the staff report, 10 of the 12 spaces in Arroyo Trailer Park have lease agreements, or 83%; 6 of the 11 spaces in the Vagabond Mobile Home park have lease agreements, or 55%; and 104 of the 115 spaces in Sunrise Terrace Mobilehome Park have lease agreements, or 91%. Examples of lease agreements for the Arroyo Trailer Park, Sunrise Terrace, and Vagabond Mobilehome Park are attached.

Alternatives:

Staff offers the following alternatives for Council consideration:

1. Introduce for first reading an ordinance repealing and replacing the existing Mobile Home Rent Stabilization Ordinance as addressed in the September 23, 1997 staff report;
2. Introduce for first reading an Ordinance repealing the existing Mobile Home Rent Stabilization Ordinance;
3. Take no action thereby retaining the current Mobile Home Rent Stabilization Ordinance;
4. Make modifications to the proposed revised Mobile Home Rent Stabilization Ordinance and introduce for first reading;
5. If an Ordinance is introduced for first reading, at the Council's sole discretion, schedule the second reading as a public hearing for February 10th (a public hearing is not a legal requirement); or,
6. Provide additional direction to staff.

Attachments: Proposed Ordinance Repealing Chapter 16 of Title 5
Proposed Ordinance Repealing and Replacing Chapter 16
of Title 5
September 23, 1997 Council Staff Report and Minutes
Current Mobile Home Rent Stabilization Ordinance
Lease Agreements

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ARROYO GRANDE
REPEALING CHAPTER 16 OF TITLE 5
OF THE ARROYO GRANDE MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DOES ORDAIN AS
FOLLOWS:

SECTION 1: Chapter 16 of Title 5 of the Arroyo Grande Municipal Code is hereby
repealed and deleted in its entirety.

SECTION 2: Within fifteen (15) days after passage of this Ordinance, it shall be
published once, together with the names of the Council members voting thereon, in a newspaper
of general circulation within the City.

SECTION 3: This Ordinance shall take effect thirty (30) days after its final passage.

On motion of Council Member _____, seconded by
Council Member _____ and on the following roll call vote, to-wit:

AYES:
NOES:
ABSENT:

the foregoing Ordinance was adopted this _____ day of _____, 19 .

A. K. "Pete" DOUGALL, MAYOR

ATTEST:

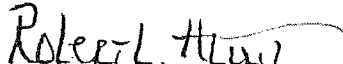
NANCY A. DAVIS, CITY CLERK

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

LYON & CARMEL

BY: _____
TIMOTHY J. CARMEL
CITY ATTORNEY



ROBERT L. HUNT, CITY MANAGER

I, NANCY A. DAVIS, City Clerk of the City of Arroyo Grande, County of San Luis Obispo, State of California, do hereby certify under penalty of perjury that the foregoing Ordinance No. _____ is a true, full and correct copy of said Ordinance passed and adopted at a regular meeting of said Council on the _____ day of _____, 19 ____.

WITNESS my hand and Seal of the City of Arroyo Grande affixed this _____ day of _____, 19 ____.

NANCY A. DAVIS, CITY CLERK



MEMORANDUM

TO: CITY COUNCIL

VIA: ROBERT L. HUNT, CITY MANAGER *RLH*

FROM: DOREEN LIBERTO-BLANCK, AICP, COMMUNITY *DLB*
DEVELOPMENT DIRECTOR

SUBJECT: ADOPTION OF AN ORDINANCE REPEALING
CHAPTER 16 OF TITLE 5

DATE: JANUARY 27, 1998

RECOMMENDATION:

It is recommended that the City Council adopt an Ordinance repealing Chapter 16 of Title 5 of the Municipal Code.

FUNDING:

Adoption of the proposed Ordinance will save approximately \$3,000 per year in staff time (exclusive of City Attorney time).

DISCUSSION:

The City Council, at its meeting of January 13, 1998 introduced the attached Ordinance for first reading with no modifications.

Therefore, it is recommended the City Council adopt the Ordinance.

ITEM NUMBER: C-1
DATE: 10/22/19
ATTACHMENT: 5

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF ARROYO GRANDE
REPEALING CHAPTER 16 OF TITLE 5
OF THE ARROYO GRANDE MUNICIPAL CODE

THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DOES ORDAIN AS
FOLLOWS:

SECTION 1: Chapter 16 of Title 5 of the Arroyo Grande Municipal Code is hereby
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published once, together with the names of the Council members voting thereon, in a newspaper
of general circulation within the City.

SECTION 3: This Ordinance shall take effect thirty (30) days after its final passage.

On motion of Council Member _____, seconded by
Council Member _____ and on the following roll call vote, to-wit:

AYES:
NOES:
ABSENT:

the foregoing Ordinance was adopted this _____ day of _____, 19 .

A. K. "Pete" DOUGALL, MAYOR

ATTEST:

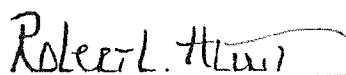
NANCY A. DAVIS, CITY CLERK

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

LYON & CARMEL

BY: _____
TIMOTHY J. CARMEL
CITY ATTORNEY



ROBERT L. HUNT, CITY MANAGER

I, NANCY A. DAVIS, City Clerk of the City of Arroyo Grande, County of San Luis Obispo, State of California, do hereby certify under penalty of perjury that the foregoing Ordinance No. _____ is a true, full and correct copy of said Ordinance passed and adopted at a regular meeting of said Council on the _____ day of _____, 19 .

WITNESS my hand and Seal of the City of Arroyo Grande affixed this _____ day of _____, 19 .

NANCY A. DAVIS, CITY CLERK

APP

MARINA MOBILEHOME REPORT

Michael St. John, Ph.D.

December 2008

A Report Commissioned by the City of Marina

[The information and opinions presented are the views of the author, not the City of Marina, informants, or any of the stakeholders.]

EXECUTIVE SUMMARY

This report describes economist Michael St. John's findings about mobilehomes, mobilehome park residents, space rents, and mobilehome values in Marina, California. The findings are based on survey responses by residents and park owners, interviews with stakeholders and others involved in the mobilehome market, and mobilehome sales data.

The report is responsive to the Marina City Council's search for information and perspective on mobilehome space rents. It addresses the insecurity some mobilehome residents feel about space rent increases – insecurity triggered by fairly major space rent increases at one Marina mobilehome park in 2007.

The report finds that space rents in Marina are moderate. Space rents in Marina are lower than space rents elsewhere in Monterey County. Space rents in four out of five parks have increased by less than the consumer price index for apartment rents (CPI-Rent) over the past twenty years. Even the relatively high space rents at the highest rent park are not higher than space rents in some parks in Salinas and elsewhere in Monterey County.

The report finds that mobilehome values, on the other hand, have increased in the past twenty years by more than the both the CPI and the CPI-Rent index, such that sales prices in some cases exceed the intrinsic value of the mobilehomes.

Mobilehome values and space rents are inversely related. Leaving market fluctuations aside, high space rents tend to decrease mobilehome values and low space rents tend to increase mobilehome values. To assure market stability, mobilehome values and space rents should be in balance. The report finds that the mobilehome / space rent market in Marina may be out of balance in the sense that increases in mobilehome values have, over the past 20 years, exceeded increases in space rents.

The report concludes with the following recommendations:

1. That the City sponsor a transparent, inclusive process involving all stakeholders in order to work out a cooperative solution to residents' insecurity regarding mobilehome space rents and mobilehome values.
2. That the City, mobilehome park residents, and mobilehome park owners explore the possibility that a renegotiated memorandum of understanding (MOU) and model lease would bring stability and balance to the mobilehome market.
3. That the City abandon the proposal to re-zone mobilehome parks and continue to seek locations for additional mobilehome park space outside the downtown revitalization project area.
4. That the City cover the administrative costs and consider making a matching contribution to a rent subsidy program funded by park owner contributions of 3% of gross space rentals, in order to address the income needs of the lowest-income mobilehome park residents.

EXECUTIVE SUMMARY

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December 31, 2008

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[Mobilehome Parks and Mobilehome Space Tenancies in Marina]

This report was commissioned by the City of Marina. The opinions and conclusions herein are those of the authors and do not necessarily represent the views of the City.

SUMMARY

The City has five mobilehome parks with a total of 399 mobilehomes. These homes are nearly evenly divided between singlewides and doublewides. The sizes of parks are similar, ranging from 61 to 99 spaces.

Average space rents in the parks range from \$349 to \$608 per month. Apart from space rents, mobilehome owners pay for utility costs, which in most parks include water, sewer, and trash costs, as well as gas and electricity. These costs are typically in the range of \$100 per month. Also, mobilehome owners pay property taxes and have insurance costs.

Long term residents typically paid prices in the range of \$20,000 to \$40,000 for their homes. Residents who have moved in since 2000 have paid an average of \$95,000 for their mobilehomes. The majority of mobilehomes were manufactured before 1980. However, 27% were manufactured since 2000.

The mobilehome park owner-mobilehome owner landlord-tenant relationship is not a market relationship in the conventional sense. Mobilehome owners have homes which as a practical matter are "immobile", and therefore, they have no bargaining power as long as they desire to retain their mobilehomes or recover their investments in their mobilehomes. Current rent levels vary among the parks and may be considered reasonable or unreasonable depending on what standard of reasonableness is used. However, in any case, mobilehome owners have no security against exceptional rent increases in the future. Since mobilehomes are "immobile", conventional market deterrents to exceptional increases in space rents are undercut by the fact a substantial portion or virtually all of the value of a mobilehome may be capitalized into the rents for the underlying land.

Exceptional rent increases can lead to a situation in which mobilehome owners cannot afford to remain in their mobilehomes and/or lose most of the value of their mobilehomes.

A substantial portion of the mobilehome owner households are low income. 33% of the households have an annual income of less than \$20,000. 28% have an annual income between \$20,000 and \$29,999.

A substantial portion (60%) of the mobilehome occupants are senior citizens.

A substantial portion of the mobilehome owner households have housing cost burdens in excess of federal affordability standards (30% of income). This phenomenon is standard among low-income households in all types of housing.

Consistent with trends in house prices (but not consistent with trends in apartment rents), since 2002 rent increases in the mobilehome parks have substantially exceeded the percentage increase in the CPI. In four of the five parks, rent increases have exceeded 40% compared to a 16% increase in the CPI. In one park, rents have increased by 64% during this period.

The Authors

Kenneth Baar has a Ph.D in urban planning and is an attorney. Dorina Pojani has a Master's degree in urban planning.

Baar has researched and published extensively on housing policy and other public policy issues. His publications have been cited frequently by California Courts of Appeal and the State Supreme Court.

He has served as a consultant to the following cities on issues related to mobilehome park space rents: Azusa, Capitola, Carpinteria, Carson, Ceres, Citrus Heights, Clovis, Cotati, Escondido, Fremont, Fresno, Healdsburg, Milpitas, Modesto, Montclair, Oceanside, Palmdale, Palm Desert, Riverbank, Rohnert Park, Salinas, San Marcos, Santa Rosa, Santa Cruz County, Santee, Simi Valley, Sonoma, Vallejo, Ventura, Watsonville, and Yucaipa.

His curriculum vitae is attached as an Appendix to this report.

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Furthermore, the Court stated that: "The notion that ... a regulation ... 'takes' private property for public use by virtue of its ineffectiveness or foolishness is untenable." In addition, the Court noted that the application of the "substantially advances" test would present "serious practical difficulties..." and "... would require courts to scrutinize the efficacy of a vast array of state and federal regulations - a task for which courts are not well suited."

In turn, the Ninth Circuit withdrew its opinion and affirmed the District Court's opinion upholding the Cotati ordinance.²⁷

D. As Applied Challenges

On the other hand, there have been successful challenges to administrative decisions in the review of fair return petitions. Commonly, these challenges have emerged in situations in which an ordinance has not provided for annual increases and cities have only permitted small rent increases for park owners who have not obtained any rent increases for years.

E. Potential Challenges

There is no bar to bringing a legal challenge against any ordinance that Marina may adopt. However, at this time there is no precedent to support a holding that a typical ordinance would be invalid.

If a fair return petition is filed, a challenge to the administrative decision could be filed. However, Marina does not face the types of situations which are inductive to difficulties with fair return issues, such as cases in which park owners have not raised rents for years prior to the adoption of an ordinance (historically low rents) or a recent park purchaser is locked into rents set prior to the purchase of the park.

Nevertheless, any discussion of legal issues related to mobilehome space rent controls must be subject to the caveat that judicial outcomes in this area has brought surprises and numerous instances in trial court and appellate courts have differed in their conclusions about the law. Furthermore, challenges are repeatedly brought even though the success rate for such challenges has been very low.

XIII. Recommendations Regarding Rent Regulation

In the Event that the City Elects to Adopt Rent Regulations – Drafting Guidelines

A. The Need for Objective Standards

Mobilehome space rent control ordinances and/or implementing regulations should, to the degree feasible, contain objective standards, as opposed to subjective and/or open ended standards. Discretion provides fuel for complicated, costly, and lengthy disputes. The differences between ordinances in terms of objectivity are drastic. A substantial portion of ordinances do not state how fair return shall be determined or use standards that are unworkable and/or circular in the context of a price regulation; thereby virtually assuring that fair return

²⁷ Cushman v. Cotati 415 F.3d. 1027 (2005)

hearings will turn into lengthy debates about what standard should be used and commonly leading to litigation. A less complex example is the difference between an ordinance (and/or implementing regulations) governing the treatment of capital improvements which sets forth the allowable interest rate and the amortization periods for various types of improvements and an ordinance which simply states that cost allowances or rent increases are authorized for capital improvements.

B. Copy Machines Are Poor Tools for Drafting Legislation

Cities should not simply copy ordinances of other jurisdictions. Often provisions from other ordinances are copied verbatim without any understanding of their meaning or implications or how they operate in practice.

C. Automatic Annual Rent Adjustments

Ordinances should provide for automatic annual increases tied to the Consumer Price Index (CPI). The purpose of mobilehome space rent regulations is to prevent excessive rent increases, rather than to stop all rent increases. In the absence of annual rent increase provisions a petition is required for each rent increase. Due to the burdens associated with filing an individual rent adjustment petition the time periods between rent increase petitions, are usually substantial. As a result, large rent increases are commonly required to cover cost increases and provide growth in net operating income since the last rent increase. At the same time, such increases commonly are shocking to lower income households that have difficulty making ends meet, especially if their incomes are shrinking in real terms. Sometimes rent commissions find that no rent increase or only a small increase is warranted until a park owner moves for judicial intervention and a court finally finds that a large rent increase is required in order to permit a fair return.

There is no single correct answer as to what "automatic" annual increase is the best or fairest policy. There are rationales for no annual general adjustment and for increases ranging up to 100% of the rate of increase in the CPI. To the extent that annual across-the-board increases are below the increases authorized under the fair return standard, the system may become increasingly dependent on rent adjustments through fair return individual hearings.

A significant portion of California's mobilehome space rent ordinances do not include any provisions for annual across-the-board rent increases. In Carson Mobilehome Park Owners Ass'n v. City of Carson, the State Supreme Court ruled that annual across-the-board increases are not constitutionally required. The Court set forth possible rationale for a system of rent increases solely through individual park hearings that allows a rent board to tailor rent increases to the actual operating cost circumstances of a park.²⁸

At the same time, there is strong rationale for annual "automatic" increases tied to the CPI.

²⁸ 35 Cal.3d. at 195 (1983).

which are adequate to allow most owners to realize growth in net operating income without having to make individual rent adjustment applications. Although the CPI might not be a precise measure of operating cost increases, it is seen as an impartial measure which reflects average cost increases and inflation in the overall economy that is not subject to manipulation. Therefore, its results are generally accepted as reasonable. Also, in times of moderate inflation annual increases tied to the CPI are consistent with the objective of preventing excessive increases. In contrast, public commissions commonly face strong pressures to not grant annual increases.

Under ordinances that tie allowable annual increases to increases in the CPI, ceilings and/or floors for those increases are common. Typically the ceiling is 6%.²⁹ Floors are typically set at 2% or 3%.³⁰

D. Vacancy Decontrols, Vacancy Controls and Limited Increases upon Vacancies

Most mobilehome rent ordinances contain vacancy control provisions. Some ordinances allow unlimited rent increases when a mobilehome is sold in-place. After the new mobilehome owner assumes ownership future rent increases are subject to regulation; however, the initial rent is set by the park owner. Under vacancy decontrols, current owners are protected; however, they may lose their equity in their mobilehomes if excessive rent increases are imposed at the time of a sale.

Some ordinances authorize limited increases upon vacancies - typically about 10%. Often the provisions authorizing limited increases upon vacancy, place a limit on the frequency of vacancy increases (e.g. not more than one vacancy increase in a 36 month period); others place a dollar ceiling and/or provide a floor on the amount of the vacancy increases.

²⁹ E.g. Fairfield Municipal Code, Sec. 29.4(d)(v); Petaluma Municipal Code, Sec. 6.50.040.A.2; Sonoma County Code, Sec. 2-193(a)ii.

³⁰ E.g. Contra Costa County has a floor of 2%. (Contra Costa County Code Sec. 540-2.404(a)(1).)



Atascadero City Council

Staff Report – Community Development Department

Sphere of Influence MOA Update

RECOMMENDATION:

Council adopt Draft Resolution approving a Memorandum of Agreement between the City of Atascadero and the County of San Luis Obispo regarding the City's Sphere of Influence and other study areas adjacent to the City Limits.

DISCUSSION:

Background

The City has been working with the San Luis Obispo Local Agency Formation Commission (LAFCO) and the County of San Luis Obispo in reviewing the City's Sphere of Influence boundary and Memorandum of Agreement (MOA) between the City and the County. The Sphere of Influence (SOI) is simply a boundary established outside of the City limit line that illustrates where the City might grow and where City services may be extended to. LAFCO is required to update a jurisdiction's SOI every five years, or as needed. The previous review and update of the SOI for Atascadero occurred in 2011. State regulations also encourage the City and County to reach an agreement regarding SOI boundaries and speak to policies in guiding development that that may impact each of the jurisdictions. These policies are typically ratified in an MOA that is approved by both the City and County.

This process engages both the City and the County in discussions regarding the appropriate treatment of properties at the City's boundaries, along with the future provisions surrounding annexations. The establishment of a sphere of influence has many components and criteria that should be considered before forming a boundary. Each jurisdiction is different and has varying goals and abilities to serve an area. The update process serves as a good starting point to identify issues and discuss solutions. The process allows LAFCO to act as a facilitator delving into the topics and using the information to guide the sphere of influence boundary decision. At the end of the day, the purpose is to implement LAFCO's stated legislative intent while also helping jurisdictions achieve their goals.

On April 23, the City Council heard testimony from City and LAFCO staff and provided direction towards the sphere update. It was determined that efforts should be focused on ensuring that the City and County can mutually mitigate development and land use

projects that occur in close proximity to the City. Several study areas were evaluated including the area south of the City limits between Highway 101 and EL Camino Real, areas east of the Salinas River and the Eagle Ranch area. These areas are known as study areas 1-4. For each of the study areas City and LAFCO staff have evaluated the potential for inclusion within the sphere of influence.

Sphere of Influence Boundary Adjustments

Each of the potential study areas were analyzed for their potential for near term annexation. The area south of the City Limits between Santa Barbara Road and the area known as Garden Farms was not found suitable for annexation because it is already substantially developed with single family residential homesites and there are no provisions or financial ability to extend City services further into this area while retaining fiscal sustainability. The area east of the City limits is constrained by access as there is only one route over the Salinas River. The area East of the river is primarily agriculture and rural residential and does not have the service or transportation connections to further the ability of the City to extend services. Areas to the west of the City are heavily constrained by significant slope and do not have the ability to link to City sewer services or adequate road access. Therefore, it is being recommended to retain our existing Sphere Boundary at this time.

The Eagle Ranch area is not intended to annex in the near future, however, it is recommended that this area stay within the sphere of influence due to the fact that it contains 452 colony lots with service to Atascadero Mutual Water company. It's potential that development will create significant service impacts to the City whether or not it is annexed to the City is significant. Therefore, keeping this area within the sphere is logical at this time. Eagle Ranch and the other study areas are most appropriately addressed through and MOA with the County instead of through the adjustment of our sphere boundary. The MOA can address items such as mitigation, tax agreements and expectations for development within the areas adjacent to each jurisdiction's boundary. The following discussion outlines the MOA update process and highlights the proposed amendments to the existing MOA between the City and the County.

MOA Update

City and County staff recently met to provide amendments to the Memorandum of Agreement that was originally drafted in 2011 for consideration by the City Council and the County Board of Supervisors. This document will continue to provide for cooperative planning of areas outside the City's jurisdiction that are either within the City's sphere of influence or within specific areas of interest near the City limits (study areas).

LAFCO staff facilitates the development of a Memorandum of Agreement between the County and the City. The MOA can help create a mutual understanding regarding the development of unincorporated areas that surround the City. In fact, the MOA has a greater weight on the treatment of development outside the City's boundary than an SOI boundary line. Through the MOA process, specific **study areas** and **areas of interest** are considered by the City and County to determine whether or not they are in the SOI. Areas of interest may also serve as planning referral boundaries between the County and City for discretionary land use entitlements. When the County receives an application for a discretionary review (use permit), the County forwards their review of the application to

the City for comments if it is within the City's area of interest. In another example, the current MOA between the City and the County discusses development in the Eagle Ranch area and encourages annexation of the area instead of development under County jurisdiction. Areas of interest can be reviewed and updated periodically when a SOI/MSR (Municipal Service Review) Update is prepared. Areas of interest can be separate from study areas, greenbelts, and spheres of influence. Some cities have studied and identified areas of interest as part of their General Plan update process. Areas of interest or study areas need not be within a City's SOI boundary.

The focus of the MOA amendments (Attachment 2) highlights the following areas:

- **Fair distribution of mitigation/impact fees for projects;** A new section has been added to the MOA that addresses interagency cooperation. It asks that the City and County consider the creation and implementation of financing mechanisms for the construction and maintenance of public improvements, such as roads, utilities, recreation and trail improvements, parks and open space, and similar improvements that could serve visitors and residents of the City and the County when a project moves forward at the boundary of the City and the County. This section also emphasizes adequate project referral for projects that occur outside of the boundary of each jurisdiction. Additionally, the impact mitigation section of the MOA has been amended to specify that fees must be paid to the jurisdiction in which impacts are created due to development or new vehicle trips.
- **Special attention related to fire and law enforcement services;** A new section for Fire and Law enforcement has been drafted to help outline the provision of services that can address the impacts of development outside the boundary of the City or at the fringes.
- **Focus areas related to the Study Areas in the service review surrounding the City;** A new section that describes each of the focus areas outside of the City has been added to help describe where interagency cooperation should be focused when development or land use changes are proposed.
- **Property tax agreement and process;** This important new section clarifies that the City and County may consider a separate new tax allocation formula for new annexation areas to appropriately address the compensation for new service areas such as the Eagle Ranch area.
- **Future development of Study Area 4 (formerly the Eagle Ranch project) to meet certain provisions;** Similar to the tax allocation discussion above, this new section clearly describes the factors that should be taken into account prior to development within the Eagle Ranch area.
- **Preservation of agricultural land and open space.** This section clarifies one of LAFCO's primary goals which is the preservation of Agriculture and Open space and says that the City and County shall work together to ensure the preservation of these resources within any sphere of influence area.

Sphere of Influence update

LAFCO defines a sphere of influence as, “a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission.” Typically, a sphere of influence is the territory a city or district is expected to annex and supply services to in the future. Thus, spheres of influence are usually larger in area than the actual boundaries of a city or district, although they can be the same as the city or district boundaries. It is very important to understand that:

Spheres of Influence do not give a jurisdiction any more legal authority or regulatory control in a particular area and should not be used as a protective or defensive boundary.

However, annexation of land into the City may be made only if the property to be annexed is already within the sphere of influence of the annexing agency. It is possible, however, to request an adjustment the City’s sphere at any time, even if it is outside of the sphere of influence update study period.

LAFCO, the City of Atascadero, and the County of San Luis Obispo have worked together in evaluating potential changes to the City’s sphere of influence. At this time, there are no recommended changes to the City’s sphere of influence boundary. This is because there are no planned annexations, and the City is not in the position to expand the jurisdiction in which we provide services. The City’s natural boundaries, including the varied topography of the west side, the Salinas River on the east side, and limited road access north and south, already form a natural growth boundary. The Eagle Ranch area is currently the only significant property that is outside of the City Limits and within the sphere of influence boundary. This sphere of influence boundary surrounding Eagle Ranch is proposed to remain unchanged as there are 452 legal lots that were part of the original Atascadero Colony that have rights to water service from the Atascadero Mutual Water Company. Eagle Ranch relies on access through the City and would likely need to rely on City services if it were to be developed. Therefore, potential development of this area could significantly impact City resources and a specific plan and cost sharing agreement with the County is crucial in ensuring fiscal sustainability and the adequate provision of services.

FISCAL IMPACT:

As there are no changes proposed to the sphere of influence, there are no anticipated fiscal impacts associated with maintaining the status quo. However, the decision to approve the new MOA does have the potential to create a positive fiscal benefit to the City as it addresses the opportunity to adjust the tax proportion for the future annexation of the Eagle Ranch SOI area and it addresses the opportunity to require mitigation for projects that may impact City resources. The MOA sets up the framework for each jurisdiction to work together to provide services and accomplish cost recovery.

ATTACHMENTS:

1. Draft Resolution adopting revisions to the City/County MOA
2. Redlined copy of City/County MOA

DRAFT RESOLUTION

**A RESOLUTION OF APPLICATION BY THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA, REQUESTING
THE SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION
TO INITIATE PROCEEDINGS OF ITS SPHERE OF INFLUENCE
AND SERVICE UPDATE**

WHEREAS, the San Luis Obispo Local Agency Formation Commission will complete its determination of the updated Sphere of Influence pursuant to Government Code Section 56425 as part of its periodic review of Sphere of Influence for every City and Special District in the County of San Luis Obispo; and

WHEREAS, the Atascadero General Plan includes Land Use Policy 1.2 and Programs LOC 1.2.8, 9, 10, and 11 that direct the City to cooperate with LAFCO and the County of San Luis Obispo on the eventual annexation of previously subdivided land within the Atascadero Colony map that is included in the City's Urban Reserve Line as shown on Figure II-5 of the General Plan; and

WHEREAS, the Eagle Ranch area was added to the City of Atascadero's Sphere of Influence in 2003 and is currently recognized by LAFCO and San Luis Obispo County as an area to be annexed into the City of Atascadero; and

WHEREAS, the proposed sphere of influence has been analyzed adequately in the 2002 General Plan EIR pursuant to applicable standards and impacts have been avoided or mitigated pursuant to the that EIR; and

WHEREAS, the proposed Memorandum Of Agreement has been evaluated by the City of Atascadero and the County of San Luis Obispo and adequately addresses the potential impacts of future development that is adjacent to but outside of each jurisdiction's boundary.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. The foregoing recitals are true and correct and the City Council so finds and determines.

SECTION 2. The City Council of the City of Atascadero hereby adopts and approved this Resolution of Application, and the San Luis Obispo Local Agency Formation Commission is hereby requested to initiate proceedings for the Sphere of Influence Update as authorized and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 consistent with the City's Urban Reserve Line and as shown in Exhibit A.

PASSED AND ADOPTED at a regular meeting of the City Council held on the 22nd day of October, 2019.

On motion by Council Member _____, and seconded by Council Member _____ the foregoing resolution is hereby adopted by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

Heather Moreno, Mayor

ATTEST:

Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

Brian A. Pierik, City Attorney

**DRAFT MEMORANDUM OF AGREEMENT
BETWEEN THE CITY OF ATASCADERO AND
THE COUNTY OF SAN LUIS OBISPO
REGARDING THE CITY'S SPHERE OF INFLUENCE**

This Agreement is entered into on this _____ day of _____, ~~2011~~2019, by and between the City of Atascadero (hereafter "City") and the County San Luis Obispo County (hereafter "County").

WITNESSETH

WHEREAS, the Cortese/Knox/Hertzberg Act ("the Act") requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence for all applicable jurisdictions in the County every five years, as needed; and

WHEREAS, the City and County entered into this a Memorandum of Agreement (MOA) in 2003, and 2011 as part of updating the City's Sphere of Influence (SOI) Update; and

WHEREAS, the City and County have been working together to implement the existing MOA with regard to the SOI and specifically the proposed Eagle Ranch project; and

WHEREAS, ~~this an~~ updated MOA assists in clarifying the roles, responsibilities, and intentions of each the jurisdictions and identifies the processes for working together in the future; and

WHEREAS, a Sphere of Influence is defined by Government Code 56076 as a plan for the probable physical boundaries and service area of a local agency, and pursuant to Government Code 56425 has been identified and agreed to by the County of San Luis Obispo and the City of Atascadero as shown contained in Exhibit A; and

WHEREAS, the Act further requires that a Municipal Service Review be conducted prior to or, in conjunction with, the update of a Sphere of Influence and such a Municipal Service Review has been prepared by LAFCO staff in accordance with Section 56430 of the California Government Code as a means of identifying and evaluating public services provided by the City of Atascadero and changes to the City's Sphere of Influence; and

WHEREAS, the City and County have reached agreement regarding the Sphere of

Influence boundaries (Exhibit A), and the provisions that should guide development (Exhibit B) to ensure that development within the SOI occurs in an orderly and logical manner; and

WHEREAS, the City's General Plan provides a clear policy base for growth and development in the Sphere of Influence areas and defines programs that the City will implement to ensure the orderly development of preservation of the agricultural land, open space and the rural character of the City of Atascadero; and

WHEREAS, the County's General Plan goals in Framework for Planning and the Salinas River and El Pomar-Estrella Area Plans call for Community Separators to provide for a community's distinctive identity and preserve the rural character of the areas between and on the fringes of communities and cities; and

WHEREAS, the Study Area # 4 (Eagle Ranch Area) includes approximately 452 original colony lots that much of the Eagle Ranch Area could be developed in the County if issues associated with access, fire hazards, wastewater and other infrastructure are resolved and appropriate mitigation is incorporated for the City~~the Eagle Ranch Area includes approximately 452 original colony lots, which have been certified as legal by the County, and the Atascadero Mutual Water Company is able to provide water service to these lots, therefore much of the Eagle Ranch Area could be developed in the County using the existing lot configuration~~; and

WHEREAS, LAFCO is required by Government Code 56425 (b) to give "great weight" to this agreement in making its final determination regarding the City's Sphere of Influence.

NOW, THEREFORE, the parties agree as follows:

1. The Sphere of Influence boundary contained in Exhibit A provides for the orderly and logical growth for the City of Atascadero and represents an appropriate 20-year growth boundary based on existing information and current circumstances.
2. The provisions contained in Exhibit B provide guidance for orderly development of the completing updates to the General Plans of both the City and the County for the area within the Sphere of Influence while considering the General Plan for the City and the County.
3. The provisions contained in Exhibit B are intended to provide the City and the County

with the basis for developing specific land use policies and standards for the areas in the City of Atascadero's Sphere of Influence and do not supersede or limit the planning or environmental review process of either jurisdiction or legally bind either jurisdiction.

4. The City and County shall use their ~~its~~ General Plans ~~policies~~ to guide the logical and orderly development of these Sphere Areas while protecting agricultural and open space lands.

CITY OF ATASCADERO

Mayor, City of Atascadero

APPROVED AS TO FORM AND LEGAL EFFECT:

City Attorney

Dated: _____

ATTEST:

City Clerk

Dated: _____

COUNTY OF SAN LUIS OBISPO

Chair, Board of Supervisors

~~County of San Luis Obispo~~

ATTEST:

WADE HORTON

Ex-Officio Clerk of the Board of Supervisors

By: _____

Deputy Clerk

~~County Clerk~~

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL

County Counsel

By: _____

Deputy County Counsel

Dated: _____

ITEM NUMBER: C-2
DATE: 10/22/19
ATTACHMENT: 2

EXHIBIT A
SPHERE OF INFLUENCE BOUNDARY MAP (To be Updated)

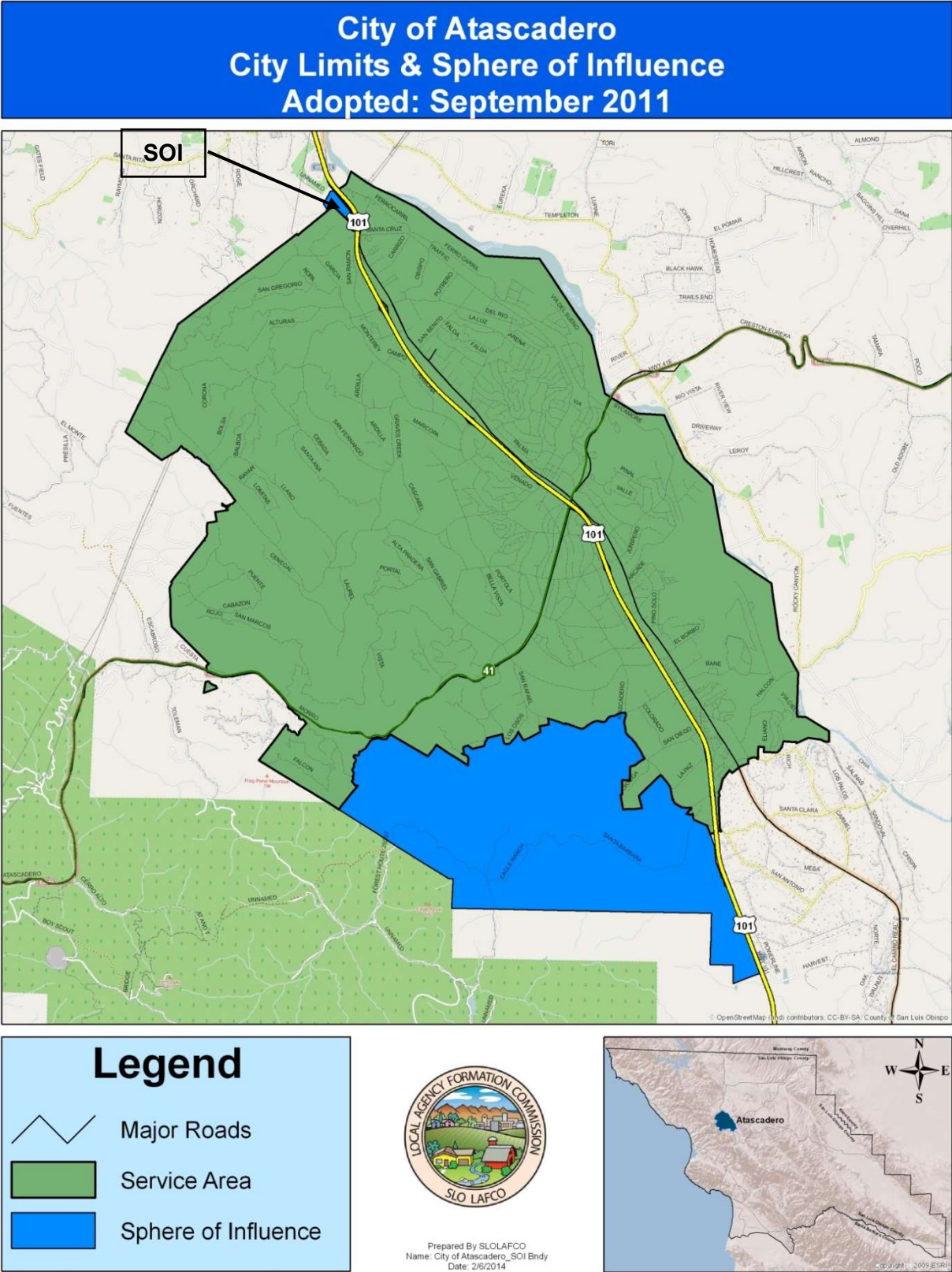


EXHIBIT B
PROVISIONS (Draft Update)

The following provisions are agreed to and shall be considered by the City of Atascadero and the County of San Luis Obispo when guiding development within the proposed Sphere of Influence as described in Exhibit A and updating when updating their General Plans.

1. **Intent.** It is the intent of the County and the City to work cooperatively towards the goal of the orderly development of the agreed upon Sphere of Influence (as shown in Exhibit A) ~~in an orderly and logical manner~~ consistent with the Cortese/Knox/Hertzberg Act, the City and County General Plans, the California Environmental Quality Act and any other applicable laws and regulations.
2. **Interagency Cooperation.** The City and the County shall work cooperatively to plan for future land uses and public services and facilities to improve and maintain area circulation connections, and to preserve agricultural land and open space. The City and County will consider the creation and implementation of various assessment and financing mechanisms for the construction and maintenance of public improvements, such as roads, utilities, recreation and trail improvements, parks and open space, and similar improvements that could serve visitors and residents of the City and the County. Discretionary development projects and General Plan Amendments within each agency's jurisdiction shall be referred to the other for review and comment prior to action on a development proposal. The County shall seek the City's comment regarding projects in the referral area identified in Exhibit C. Per provision 12 below a higher level of coordination should take place for projects in the areas of focus described in that section. The City shall seek the County's comment regarding projects that affect unincorporated areas surrounding the fringe area of the city. Face to face meetings, upon request from either the City or the County, are encouraged for any high-level projects to ensure the goals of each agency are being met. When a discretionary project application is accepted for processing, it shall be referred immediately to the following contact person(s) for early review and comment:

<u>Deputy Director,</u>	<u>Community Development Director</u>
<u>Department of Planning and Building</u>	<u>Community Development</u>
<u>County of San Luis Obispo</u>	<u>City of Atascadero</u>
<u>County Government Center</u>	<u>6500 Palma Ave</u>
<u>976 Osos Street, Room 300</u>	<u>Atascadero, CA 93422</u>
<u>San Luis Obispo, CA 93408</u>	

This provision shall not supersede other methods of commenting or providing feedback regarding a proposal or project.

- 4.3. Impact Mitigation.** In evaluating any proposed development, the agency considering approval (City or County) should rely solely on its own capability to provide the required services to that development. The City and the County shall not presume any services will be provided by the other agency without documenting that such services will be provided.

Development/mitigation fees needed to offset the impacts from development projects approved by either jurisdiction in the Referral Area (Exhibit C) shall be collected and distributed in a fair and equitable ~~manner~~ manner pursuant to the requirements of impact fee ordinances, statues and financing plans. ~~These fees shall be paid to the City and/or the County~~ Payment of these fees should be made in proportion to the location and degree of project impacts; however the total fees paid shall not exceed the cost to mitigate the specific project impact. Mitigation to offset significant impacts to fire, law enforcement, emergency medical services, water and wastewater treatment services, roads and streets, other public services, and housing, should be incorporated into the conditions of approval for projects on a case by case basis. Documentation should be provided that identifies the project's fiscal, infrastructure, housing, and services impacts to both the City and the County and shall be considered as part of the development review process. The documentation ~~may~~ shall be used to prepare conditions of approval and to allocate impact fees where allowable and as appropriate.

- 4. Fire and Law Enforcement Services. Service Levels and Costs** associated with fire and emergency response services shall be given special attention. The County and City Planning Staff shall develop a mutual aid agreement specific to the SOI area meet with the City's Police and Fire Department Chief and the County Sheriff and Fire Department County Fire/Cal Fire Chief regarding development in the unincorporated areas that would impact the fire and emergency response service levels. This agreement should include the provision of those services to include including those services to open space and trails. The purpose of this meeting agreement is to identify and discuss fiscal and resource impacts of development related to fire and emergency services, service delivery impacts of development on the fringe, and appropriate mitigation and cost sharing measures.

2.5. Mutual Agreements for Study Area #4 (Eagle Ranch). The County shall limit the development in the Sphere of Influence area to that which is allowed by the current land use designations unless General Plan and land use ordinance amendments are approved. The County and City acknowledge that the proposed SOI area includes several hundred parcels not under Williamson Act Contracts that could be developed with single-family homes. Residences and other currently allowable uses may be permitted pursuant to the land-use policies, standards and ordinances of the County. Recognizing that the existing Colony lots have entitlements to water supply from Atascadero Mutual Water Company, it is the intent of the City to provide other services to these areas if thesey are ~~when they are~~ eventually annexed to the City. The County shall consider this when reviewing projects in this SOI area.

Any project proposed in the County and within the proposed SOI area that is subject to an Initial Study under CEQA, may call for a City-County staff conference to discuss a proposed project early in the approval process prior to completion of the Initial Study. The purpose of the conference would be to discuss the City's and County's General Plan policies with regard to the project and to identify any key issues that may need special attention.

3.6. City/County Cooperation. For a County project proposed prior to annexation, the ~~County and City~~ City and County will cooperate to evaluate the creation and implementation of various assessment and financing mechanisms for the construction and maintenance of public improvements, such as roads, utilities, recreation and trail improvements, parks and open space, and similar improvements that could serve visitors and residents of the City and the County.

4.7. Agriculture and Open Space. The City and the County shall work together ~~will work~~ to permanently preserve agricultural and open space resources within the SOI area using conservation easements and/or other preservation methods or tools. The open space and agriculture areas shall be identified in the Specific Plan and EIR. The County's Agriculture and Open Space Policies including the transfer development credit program or other programs as appropriate shall be considered.

5.8. Land Uses. The areas included in the SOI as described in Exhibit A may include residential, mixed-use, public facilities, visitor-serving, agriculture uses, open space,

and/or recreational uses in a manner integrated into the ~~city's~~ City's plans for annexation and development for this area. The Smart Growth Principles adopted in the City's General Plan will be used as a basis of preparing plans for the area. The County's Strategic Growth Principles will be considered by the City with the purpose of supporting and complementing the City's vision for the area. Once annexed, the City's General Plan and/or Specific Plan will be implemented for the Sphere of Influence area. The following goals should be considered in developing the specific plan:

- a. Creation of walkable and bicycle friendly neighborhoods with logical connections and future transit opportunities if feasible.
- b. Planning for a trail system to accommodate pedestrians, bicyclists and equestrians which connects to the existing community.
- c. Development of a range of housing opportunities and choices.
- d. A land use pattern that clusters development in a manner that reduces environmental impacts.
- e. Evaluate consistencies with San Luis Obispo Council of Governments (SLOCOG) Regional Transportation Plan and Sustainable Communities Strategies.
- d.f. A land use pattern that addresses jobs/housing balance and lowers vehicle miles traveled.

6.9. **General Plan Amendment.** The City intends to complete environmental review, pre-zoning, pre-annexation, and any necessary pre-general plan amendment activities prior to or concurrent with an annexation proposal being processed by LAFCO. The County Staff intends to complete ~~propose~~ any necessary amendments to its General Plan in the Salinas River Area Plan to reflect the annexation of territory to the City of Atascadero.

7.10. **Zoning Requirements/Specific Plan.** A Specific Plan, which identifies land uses within the Sphere of Influence areas, shall be prepared and adopted by the City prior to the annexation of the property into the City. In accordance with its General Plan, CEQA review of the Specific Plan shall include analysis of issues related to completing the annexation, such as a reliable and adequate water supply, sewer capacity, affordable housing opportunities, and other services for the proposed project. The Specific Plan for the Sphere of Influence area shall be prepared consistent with Policy 1.2 of the City's General Plan. Programs related to the Sphere of Influence area in the City's General Plan that shall be implemented under policy 1.2 include eight, nine, ten, and eleven.

8-11. Property Tax Agreement and Process. Revenue and Taxation (R&T) Code §99 provides the state law that governs the processing the tax exchange agreements for annexations. R&T Code §99(b)(6) requires that a resolution approving a negotiated property tax agreement be submitted to LAFCO by both the eCounty and eCity before an annexation can be processed. Prior to processing any annexation the City and County are required to approve a property tax agreement. The City and County may use the existing Master Agreement for negotiations, or they may consider a separate agreement that specifies a different property tax allocation formula. This is allowed under the revenue and tax code of the State of California.

This special circumstance includes the existing lot configuration with the potential of approximately 452 original colony lots. Therefore much of the Eagle Ranch Area could be developed in the County if access, fire hazard mitigation and other infrastructure can be addressed. Also the area is adjacent to a larger conservation open space easement area with very high fire danger. Much of the study area is also considered a very high fire danger that may increase fire service and risk to the City of Atascadero and surrounding neighbors. Development of this area will need to address both fire response and emergency services such as law enforcement and medical aid.

The City and County should take these factors into consideration along with property tax and tax rate, community facility district contributions, and any other funding mechanisms to support future development if and when negotiations are started for any future annexation of the Eagle Ranch site. A special study funded by the County and City may help identify a tax agreement formula for the agreement.

12. Areas of Focus (Study Areas #1, #2, & #3 see Referral Map Exhibit C). Areas surrounding the City's eastern border that includes the Salinas River corridor, Rocky Canyon Road/Templeton Road, the surrounding agricultural lands, sand gravel landscape materials, and horse ranches generally have some impacts to various city services such as roads, recreation, fire and police. Other areas just south of the City are also within the unincorporated county under Residential Suburban. These areas are outside of the City's sphere of influence but within the referral area identified in Exhibit C. Under the County's cannabis ordinance additional negative impacts such as air and visual quality, noise, night sky, pesticide use, water quality, and misconduct and security measures have the potential to affect the City and nearby residents. Any future land use changes in these areas should

have a greater meaning on project referrals for review and comment by the City during county discretionary permitting.

Salinas River Area east of the City - This area generally covers 1,124 acres located just east of City limits and considered as Study Area Two. A total of 58 parcels exist of which 4 are vacant lots. A total of 199 people reside in the area, average lot size is 19.3 acres. The smallest lot is 0.04 acres and the largest is 175 acres. The average assessed property value is \$589,273. This area includes Mustang Mobile Village consisting of 13 units, Heilmann Salvage & Metals Inc., Ben's Meat Cutting, and cultivation operations. The City expresses concerns for increased density or intensity in the area and that existing residences or mobile home parks are adequately serviced or any new projects approved by the County have adequate services for water, sewer, fire, emergency response and law enforcement needs.

South Atascadero (Eaglet Area) – This area generally covers 2,082 acres and 743 existing residences and considered as Study Area Three. A total of 752 parcels exist of which 69 are vacant lots. A total of 1,911 people reside in the area, average lot size is 2.7 acres. The smallest lot is 0.01 acres and the largest is 21.7 acres. The average assessed property value is \$344,556. This area includes former site of Country Care Convalescent Hospital, which closed in 2017. The City expresses concerns for increased density or intensity in the area and that existing residences or the Convalescent Hospital site are adequately serviced or any new projects approved by the County have adequate services for water, sewer, fire, and emergency response needs.

EXHIBIT C
PROJECT REFERRAL MAP

