

**CITY COUNCIL, SUCCESSOR REDEVELOPMENT AGENCY,  
MONTCLAIR HOUSING CORPORATION, MONTCLAIR  
HOUSING AUTHORITY, AND MONTCLAIR COMMUNITY  
FOUNDATION MEETINGS**

**AGENDA**

Monday, February 7, 2022  
7:00 p.m.

Location

Council Chamber  
5111 Benito Street  
Montclair, CA 91763

Webinar Link

<https://zoom.us/j/93717150550>

Dial #

1-669-900-6833

Meeting ID

937-1715-0550



Mayor Javier "John" Dutrey  
Mayor Pro Tem Bill Ruh  
Council Members Tenice Johnson,  
Council Member Corysa Martinez  
Council Member Benjamin "Ben" Lopez

City Manager Edward C. Starr  
City Attorney Diane E. Robbins  
City Clerk Andrea M. Myrick



**REGULAR JOINT MEETING OF THE  
CITY COUNCIL, SUCCESSOR AGENCY, MONTCLAIR HOUSING CORPORATION,  
MONTCLAIR HOUSING AUTHORITY, AND MONTCLAIR COMMUNITY FOUNDATION**

**NOTICE**

**THIS MEETING WILL BE CONDUCTED VIA WEBINAR/TELECONFERENCE  
THE COUNCIL CHAMBERS WILL NOT BE OPEN TO THE PUBLIC**

*In accordance with Government Code section 54953(e) et seq. (AB 361) to ensure the health and safety of the public by limiting human contact that could spread COVID-19, this meeting will be conducted remotely via the Zoom virtual meeting platform. There will be no in-person meeting location; however, the public may participate using the methods described below using a telephone or an internet-connected electronic device.*

**Monday, February 7, 2022  
7:00 p.m.**

*Remote Participation Information:*

Zoom Link: <https://zoom.us/j/93717150550>  
Dial Number: 1-(669)-900-6833  
Meeting ID: 937-1715-0550

*If you want to make a public comment or speak on an agenda item, including public hearing and closed session items, please complete a Virtual Speaker Card at <https://www.cityofmontclair.org/public-comment/>. The Mayor/Chair (or the meeting's Presiding Officer) will call on those who have submitted a request to speak at the appropriate time. Those who did not submit a request to speak may request speak using the "raise hand" function on the Zoom meeting platform or over the phone by dialing \*9. Written comments (200-word limit per agenda item, and 200-word limit for all non-agenda items combined) and requests to speak can also be sent in via email to [cityclerk@cityofmontclair.org](mailto:cityclerk@cityofmontclair.org).*

*Video recordings of Council meetings are available on the City's website at <https://www.cityofmontclair.org/council-meetings/> and can be accessed by the end of the business day following the meeting.*

**AGENDA**

- I. CALL TO ORDER** City Council [CC], Successor Agency Board [SA],  
Montclair Housing Corporation Board [MHC],  
Montclair Housing Authority Commission [MHA],  
Montclair Community Foundation Board [MCF]

**II. INVOCATION**

*This meeting may include a nonsectarian invocation, which is not intended to proselytize or advance any faith or belief or to disparage any faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.*

**III. PLEDGE OF ALLEGIANCE**

**IV. ROLL CALL**

**V. PRESENTATIONS — None**

**VI. PUBLIC COMMENT**

*During Public Comment, you may comment on any subject that **does not** appear on this agenda. Each speaker has up to five minutes. The meeting's presiding officer may provide more or less time to accommodate speakers with special needs or a large number of speakers waiting in line. (Government Code Section 54954.3).*

*If you did not submit a Virtual Speaker Card and would like to speak on an item on the **Consent Calendar**, please raise your hand (or dial \*9 on the phone) during Public Comment to announce the agenda item you would like to provide comments on. The presiding officer will pull the item from the Consent Calendar and will then call on you to speak at the time of the item's consideration.*

*Under the provisions of the Brown Act, the meeting bodies are prohibited from participating in substantial discussion of or taking action on items not listed on the agenda.*

**VII. PUBLIC HEARINGS — None**

**VIII. CONSENT CALENDAR**

**A. Approval of Minutes**

1. Regular Joint Meeting — January 18, 2022 [CC/SA/MHC/MHA/MCF] 56

**B. Administrative Reports**

1. Consider Approval of Warrant Register & Payroll Documentation [CC] 4

2. Consider Receiving and Filing a Status Report on Emergency Contracting Procedures for the Pacific Electric Trail Bridge Replacement Project and Determining There is a Need to Continue the Action [CC] 5

3. Consider Approval of Parcel Map No. 20507 Generally Located on the East Side of Monte Vista Avenue South of Palo Verde Street [CC]  
Consider Authorizing Staff to Record Parcel Map No. 20507 with the Office of the San Bernardino County Recorder [CC] 7

**C. Agreements**

1. Consider Approval of Agreement No. 22-08 with RSG for Financial, Analytical, and Advisory Services Related to Affordable Housing [CC] 10

2. Consider Award of Contract to Gentry Brothers, Inc., in the Amount of \$3,598,603.23 for Construction of the Zone 5 and 6 Street Rehabilitation Project [CC]  
Consider Approval of Agreement No. 22-09 with Gentry Brothers, Inc., for Construction of the Zone 5 and 6 Street Rehabilitation Project [CC]  
Consider Authorization of a \$400,000 Construction Contingency for the Zone 5 and 6 Street Rehabilitation Project [CC] 33

3. Consider Approval of Agreement No. 22-10-I-108 (Case No. 2022-02), an Irrevocable Annexation Agreement with Juan Rodriguez and Lorena Ayala for 4751 Howard Street, Montclair (APN 1012-331-06-0000) [CC] 40

**D. Resolutions**

1. Consider Adoption of Resolution No. 22-3334 Authorizing Placement of Liens on Certain Properties for Delinquent Sewer and Trash Charges [CC] 46

2. Consider Adoption of Resolution No. 22-3336 Making Factual Findings in Compliance with AB 361 for the Continuation of Public Meeting Teleconferencing During Public Health Emergencies for the Period of February 7, 2022, Through March 9, 2022 [CC] 52

**IX. PULLED CONSENT CALENDAR ITEMS**

**X. COUNCIL WORKSHOP**

**A. Fiscal Year 2021-22 Midyear Budget Review**

*(The City Council may consider continuing this item to an adjourned meeting on Wednesday, February 16, 2022, at 6:00 p.m. via Zoom webinar/teleconference)*

**XI. COMMUNICATIONS**

**A. Department Reports**

**1. Police Department**

- Military Equipment Use Policy
- American Red Cross Blood Donation Drive sponsored by Montclair Police Department — Monday, February 22, 2022, from 2:00 to 8:00 p.m. at the Montclair Community Center

**B. City Attorney**

**1. Closed Session Pursuant to Government Code Section 54956.8 Regarding Real Property Negotiations**

*Property:* 9671 Central Avenue, Montclair (2 parcels, APNs 1008-611-16 & 1008-611-17)

*Negotiating Parties:* City of Montclair and RAMI, MUKESH & SMITA REV LIV TR

*City Negotiator:* Edward C. Starr, City Manager

*Under Negotiation:* Recommendations Regarding Purchase Price

**C. City Manager/Executive Director**

**D. Mayor/Chairperson**

**E. Council Members/Directors**

**F. Committee Meeting Minutes — None**

**XII. CLOSED SESSION**

**XIII. CLOSED SESSION ANNOUNCEMENTS**

**XIV. ADJOURNMENT**

*The next regular joint meeting of the City Council, Successor Agency Board, Montclair Housing Corporation Board, Montclair Housing Authority Commission, and Montclair Community Foundation Board will be held on Tuesday, February 22, 2022, at 7:00 p.m.*

*Reports, backup materials, and additional materials related to any item on this Agenda distributed to the meeting bodies after publication of the Agenda packet are available for public inspection in in the Office of the City Clerk between 7:00 a.m. and 6:00 p.m., Monday through Thursday. Please call the City Clerk's Office at (909) 625-9416 or send an e-mail to [cityclerk@cityofmontclair.org](mailto:cityclerk@cityofmontclair.org) to request documents via e-mail.*

*If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (909) 625-9416 or e-mail [cityclerk@cityofmontclair.org](mailto:cityclerk@cityofmontclair.org). Notification prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)*

*I, Andrea M. Myrick, City Clerk, hereby certify that I posted, or caused to be posted, a copy of this Agenda not less than 72 hours prior to this meeting on the City's website at <https://www.cityofmontclair.org/agendas/> and on the bulletin board adjacent to the north door of Montclair City Hall at 5111 Benito Street, Montclair, CA 91763 on Thursday, February 3, 2022.*



# CITY COUNCIL AGENDA REPORT

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|                  |   |                   |                  |
|------------------|---|-------------------|------------------|
| <b>DATE:</b>     | FEBRUARY 7, 2022  | <b>FILE I.D.:</b> | FIN540           |
| <b>SECTION:</b>  | CONSENT - ADMIN. REPORTS  | <b>DEPT.:</b>     | FINANCE          |
| <b>ITEM NO.:</b> | 1   | <b>PREPARER:</b>  | L. LEW/V. FLORES |
| <b>SUBJECT:</b>  | CONSIDER APPROVAL OF WARRANT REGISTER AND PAYROLL DOCUMENTATION |                   |                  |

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**REASON FOR CONSIDERATION:** The City Council is requested to consider approval of the Warrant Register and Payroll Documentation.

**BACKGROUND:** Mayor Pro Tem Ruh has examined the Warrant Register dated February 7, 2022, and the Payroll Documentation dated January 16, 2022, and recommends their approval.

**FISCAL IMPACT:** The Warrant Register dated February 7, 2022, totals \$1,419,791.32.

The Payroll Documentation dated January 16, 2022 totals \$639,871.06 gross, with \$446,309.92 net being the total cash disbursement.

**RECOMMENDATION:** Staff recommends the City Council approve the above-referenced Warrant Register and Payroll Documentation.



# CITY COUNCIL AGENDA REPORT

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|                  |  |                   |              |
|------------------|--|-------------------|--------------|
| <b>DATE:</b>     | FEBRUARY 7, 2022   | <b>FILE I.D.:</b> | TRN110A      |
| <b>SECTION:</b>  | CONSENT - ADMIN. REPORTS   | <b>DEPT.:</b>     | PUBLIC WORKS |
| <b>ITEM NO.:</b> | 2  | <b>PREPARER:</b>  | S. STANTON   |
| <b>SUBJECT:</b>  | CONSIDER RECEIVING AND FILING A STATUS REPORT ON EMERGENCY CONTRACTING PROCEDURES FOR THE PACIFIC ELECTRIC TRAIL BRIDGE REPLACEMENT PROJECT AND DETERMINING THERE IS A NEED TO CONTINUE THE ACTION |                   |              |

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**REASON FOR CONSIDERATION:** By City Council action on April 19, 2021, Resolution No. 21-3307 was adopted, declaring a need for emergency contracting procedures for the Pacific Electric (PE) Trail Bridge Replacement Project. Under Public Contract Code Section 22050, the governing body must review the emergency action at every regularly scheduled meeting after making the declaration to determine the need to continue the action by a fourth-fifths majority vote.

**BACKGROUND:** The City of Montclair, in coordination with San Bernardino County Transportation Authority (SBCTA), constructed a multi-purpose trail linking cities from Claremont to Rialto along the famous Pacific Electric Railway Line. This 21-mile trail is a vital component of our Active transportation and Healthy Montclair programs. The trail provides recreational and alternative transportation opportunities for cyclists, pedestrians, runners, and equestrians and links residents and the commuting public to schools, jobs, and our regional transportation hub. The 20-acre Montclair Transcenter is the largest facility of its kind between Union Station in Los Angeles and the San Bernardino County station. It conveniently connects the region's fixed-route commuter rail, bus service, and rideshare programs in one centrally located area. The Pacific Electric trail is a vital connection to this important transportation hub.

On March 21, 2021, the PE Trail Bridge was damaged due to a fire and closed to active transportation traffic. The closure of the bridge disrupts the regional connections of the PE Trail. A structural engineer who investigated the magnitude and extent of the damage declared the PE Trail bridge a total loss and recommended replacement. The replacement will be a prefabricated steel truss bridge to mitigate the risks that left the existing bridge vulnerable to fire. A steel truss bridge provides the best combination of long-term value and affordability while also recognizing the need for a speedy replacement of this vital piece of infrastructure. The use of a prefabricated bridge saves valuable time since a state-licensed structural engineer has preapproved its design. Compared to a wooden structure, the construction of the steel truss bridge is completed at an accelerated pace since it is delivered assembled and dropped into place.

The City of Montclair is a healthier and more equitable City due to safer and more connected roadways through active transportation options. SBCTA recognizes the value and importance of the PE trail. To that end, SBCTA has shown good faith and leadership by graciously offering to cover a percent of the cost, up to \$100,000, to replace the bridge through their TDA Grant Program. On June 2, 2021, the SBCTA Board of Directors authorized the release of the TDA Article 3 Call for Projects for bicycle and pedestrian improvement projects. The City applied for the grant, and SBCTA's General Policy

Committee awarded \$227,544 for the Project. The City will cash flow the Project and seek reimbursement from SBCTA at a future date.

Currently, Pacific Electric Trail commuters are being detoured from the regional trail to Arrow Highway. To reduce the impact of the bridge closure, City staff will continue to work diligently through the use of the emergency contracting procedures to hire various consultants and contractors to complete the bridge replacement. Contech Engineered Solutions will fabricate the bridge. Biggs Cardosa Associates (BCA), a structural engineering consultant, will design the bridge deck and modify the existing bridge substructure and foundations to accept the new bridge. Additionally, Environmental permits and studies are required to clear the Project through the California Environmental Quality Act (CEQA) and U.S. Army Corps permitting process.

### ***February 7, 2022 Update***

Sunquest General Engineering is expected to move on site by February 14th. The contractor will be placing temporary fencing around the site and begin demolition of the existing bridge the same week. Shipment of the new bridge is being coordinated by the contractor in order to move the bridge directly from the truck over the San Antonio Channel for the permanent placement and one time move of the new bridge. Following placement of the bridge, the contractor will be replacing all of the attached conduit, install the concrete decking, install safety bollards at each end of the bridge and, repair asphalt as needed.

The project is on schedule to be completed in early April 2022.

**FISCAL IMPACT:** The estimated cost to replace the Pacific Electric Trail Bridge is \$450,000. SBCTA will contribute a total of \$327,544 in TDA Grant funding, and 2021 Lease Revenue Bonds will cover the remaining project costs.

**RECOMMENDATION:** Staff recommends that the City Council receive and file a status report on emergency contracting procedures for the Pacific Electric Trail Bridge Replacement Project and determine there is a need to continue the action.



# CITY COUNCIL AGENDA REPORT

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|                  |   |                   |              |
|------------------|---|-------------------|--------------|
| <b>DATE:</b>     | FEBRUARY 7, 2022  | <b>FILE I.D.:</b> | LDU225-203   |
| <b>SECTION:</b>  | CONSENT - ADMIN. REPORTS  | <b>DEPT.:</b>     | PUBLIC WORKS |
| <b>ITEM NO.:</b> | 3   | <b>PREPARER:</b>  | M. HEREDIA   |
| <b>SUBJECT:</b>  | CONSIDER APPROVAL OF PARCEL MAP NO. 20507 GENERALLY LOCATED ON THE EAST SIDE OF MONTE VISTA AVENUE SOUTH OF PALO VERDE STREET |                   |              |
|                  | CONSIDER AUTHORIZING STAFF TO RECORD PARCEL MAP NO. 20507 WITH THE OFFICE OF THE SAN BERNARDINO COUNTY RECORDER               |                   |              |

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**REASON FOR CONSIDERATION:** Land subdivisions, including parcel maps and tract maps, are allowed by the Subdivision Map Act and are subject to City Council approval. The City Council is requested to consider approval of Parcel Map No. 20507, generally located on the east side of Monte Vista Avenue south of Palo Verde Street, and authorize staff to record the approved parcel map with the Office of the San Bernardino County Recorder.

**BACKGROUND:** The Planning Commission approved Tentative Parcel Map No. 20507 on January 24, 2022. This tentative parcel map replaced Tentative Parcel Map No. 20375 for commercial condominiums approved by the Planning Commission on June 14, 2021, under Case No. 2017-17. A new parcel map number was necessary since the previous number assigned to this site was deemed incorrect. The City does not assign map numbers and the County of San Bernardino had already issued the previous number to another site in another city. The error was discovered in December of 2021 when the applicant attempted to record Final Map No. 20375 after City Council review and approval on December 20, 2021.

As a condition of approval, the Planning Commission required the property owner to combine all four existing parcels under a lot merger to ensure the orderly development of the project and eliminate existing landlocked parcels under Conditions 1.m and 1.n of Planning Commission Resolution No. 22-1958. The City Council's approval of Parcel Map No. 20507 would allow the senior assisted living and memory care facility, Aqua Ridge of Montclair Senior Living Community, to operate independently from the two medical buildings. The parcel merger would remove existing property lines, satisfying Conditions 1.m and 1.n of the Planning Commission's Conditions of Approval.

**FISCAL IMPACT:** Approval of Parcel Map No. 20507 is likely to create an unknown but positive fiscal impact to the City, potentially through increased property values and sales taxes.

**RECOMMENDATION:** Staff recommends the City Council take the following actions:

1. Approve Parcel Map No. 20507 generally located on the east side of Monte Vista Avenue south of Palo Verde Street.
2. Authorize staff to record Parcel Map No. 20507 with the Office of the San Bernardino County Recorder.



NUMBER OF PARCEL: 1  
GROSS AREA: 3.99 ACRES

# PARCEL MAP NO. 20507

SHEET 1 OF 2 SHEETS

IN THE CITY OF MONTCLAIR  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
FOR CONDOMINIUM CONVERSION PURPOSES

BEING A SUBDIVISION OF PARCEL MAP NO. 3010, AS SHOWN ON A  
MAP RECORDED IN BOOK 28, PAGES 100 AND 101 OF PARCEL MAPS,  
IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CAL LAND ENGINEERING, JACK C. LEE, LS 8407  
DATE OF SURVEY: OCTOBER 30, 2019

### OWNERS' STATEMENT:

WE HEREBY STATE THAT WE ARE THE ONLY PARTIES HAVING ANY RECORD TITLE INTEREST IN THE LAND AS SHOWN ON THIS MAP AND WE CONSENT TO THE PREPARATION AND RECORDED OF THIS PARCEL MAP.

CHENGDU HOLDING (USA), LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION (OWNER)

BY: \_\_\_\_\_  
YANBO LIAO (MANAGING MEMBER)

### BENEFICIARY:

FIRST GENERAL BANK, BENEFICIARY, UNDER A DEED OF TRUST RECORDED JANUARY 6, 2020, AS DOCUMENT NO. 2020-4803 AND UNDER A DEED OF TRUST RECORDED MAY 21, 2020, AS DOCUMENT NO. 2020-170703, BOTH OF OFFICIAL RECORDS, RECORDS OF THE COUNTY OF SAN BERNARDINO.

PRINT NAME \_\_\_\_\_ PRINT NAME \_\_\_\_\_  
TITLE \_\_\_\_\_ TITLE \_\_\_\_\_

### NOTARY ACKNOWLEDGEMENT:

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA }  
COUNTY OF \_\_\_\_\_ } SS

ON \_\_\_\_\_ BEFORE ME \_\_\_\_\_, NOTARY PUBLIC, PERSONALLY APPEARED \_\_\_\_\_ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES) AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND

NAME: \_\_\_\_\_

MY PRINCIPAL PLACE OF BUSINESS IS IN \_\_\_\_\_ COUNTY.  
MY COMMISSION EXPIRES: \_\_\_\_\_  
MY COMMISSION NO. \_\_\_\_\_

NOTARY PUBLIC IN AND FOR SAID STATE

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA }  
COUNTY OF \_\_\_\_\_ } SS

ON \_\_\_\_\_ BEFORE ME \_\_\_\_\_, NOTARY PUBLIC, PERSONALLY APPEARED \_\_\_\_\_ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES) AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND

NAME: \_\_\_\_\_

MY PRINCIPAL PLACE OF BUSINESS IS IN \_\_\_\_\_ COUNTY.  
MY COMMISSION EXPIRES: \_\_\_\_\_  
MY COMMISSION NO. \_\_\_\_\_

NOTARY PUBLIC IN AND FOR SAID STATE

### SIGNATURE OMISSIONS:

THE SIGNATURE(S) OF THE PARTY(IES) NAMED HEREINAFTER AS OWNER(S) OF THE INTEREST SET FORTH, HAVE BEEN OMITTED UNDER PROVISIONS OF THE SUBDIVISION MAP ACT SECTION 66436(a)(3A)-(viii), AS THEIR INTEREST IS SUCH THAT IT CAN NOT RIPEN INTO A FEE TITLE AND SAID SIGNATURES ARE NOT REQUIRED BY THE LOCAL AGENCY.

CITY OF MONTCLAIR, HOLDER OF AN EASEMENT FOR PUBLIC UTILITY PURPOSES, PER DEED RECORDED AUGUST 13, 1975, IN BOOK 8741, PAGE 728 OF OFFICIAL RECORDS, RECORDS OF SAN BERNARDINO COUNTY.

SOUTHERN CALIFORNIA EDISON COMPANY, A CORPORATION, HOLDER FOR AN EASEMENT AND RIGHT OF WAY FOR POLE LINES, CONDUITS AND INCIDENTAL PURPOSES, BY DEED RECORDED MARCH 14, 1977, IN BOOK 9133, PAGE 1320 AND BY DEED RECORDED MARCH 14, 1977, IN BOOK 9133, PAGE 1321, BOTH OF OFFICIAL RECORDS, RECORDS OF SAN BERNARDINO COUNTY.

GENERAL TELEPHONE COMPANY OF CALIFORNIA, A CORPORATION, HOLDER FOR AN EASEMENT AND RIGHT OF WAY FOR PUBLIC UTILITY PURPOSES, BY DEED RECORDED JUNE 13, 1977, IN BOOK 9197, PAGE 1107 OF OFFICIAL RECORDS, RECORDS OF SAN BERNARDINO COUNTY.

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY, HOLDER FOR AN EASEMENT FOR PUBLIC UTILITY PURPOSES, BY DEED RECORDED DECEMBER 19, 2019, AS DOCUMENT NO. 2019-0469257, OF OFFICIAL RECORDS, RECORDS OF SAN BERNARDINO COUNTY.

CITY OF MONTCLAIR, HOLDER FOR AN EASEMENT FOR SIDEWALK PURPOSES, BY DEED RECORDED MAY 21, 2020, AS DOCUMENT NO. 2020-0170744, OF OFFICIAL RECORDS, RECORDS OF SAN BERNARDINO COUNTY.

CITY OF MONTCLAIR, HOLDER FOR AN EASEMENT FOR STREET LIGHT PURPOSES, BY DEED RECORDED JUNE 26, 2020, AS DOCUMENT NO. 2020-212519, OF OFFICIAL RECORDS, RECORDS OF SAN BERNARDINO COUNTY.

MONTI VISTA WATER DISTRICT, A PUBLIC AGENCY COUNTY WATER DISTRICT, HOLDER FOR AN EASEMENT FOR INGRESS AND EGRESS, PIPE LINES AND PUBLIC UTILITY PURPOSES, BY DEED RECORDED JUNE 26, 2020, AS DOCUMENT NO. 2020-213847 AND BY DEED RECORDED JULY 8, 2020, AS DOCUMENT NO. 2020-0228034, BOTH OF OFFICIAL RECORDS, RECORDS OF SAN BERNARDINO COUNTY.

SOUTHERN CALIFORNIA EDISON, A CORPORATION, HOLDER FOR AN EASEMENT FOR PUBLIC UTILITY PURPOSES, BY DEED RECORDED JANUARY 29, 2021, AS DOCUMENT NO. 2021-0045877 AND BY DEED RECORDED APRIL 16, 1979, IN BOOK 9665, PAGE 1760, BOTH OF OFFICIAL RECORDS, RECORDS OF SAN BERNARDINO COUNTY.

CHENGDU HOLDING (USA), LLC, RESERVED ACCESS AND PARKING EASEMENT WITHIN DRIVEWAY AND PARKINGS BY DEED RECORDED JANUARY 6, 2020, AS DOCUMENT NO. 2020-0004571, OF OFFICIAL RECORDS, RECORDS OF SAN BERNARDINO COUNTY.

### SURVEYOR'S STATEMENT:

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF YANBO LIAO ON JUNE, 2019, I HEREBY STATE THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, AND THAT THE MONUMENTS ARE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THIS PARCEL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

JACK C. LEE, LS 8407 \_\_\_\_\_ DATE: \_\_\_\_\_



### CITY ENGINEER'S STATEMENT:

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP, AND THAT ALL THE APPLICABLE PROVISIONS OF THE SUBDIVISION MAP ACT AND THE CITY OF MONTCLAIR MUNICIPAL CODE HAVE BEEN COMPLIED WITH, AND THAT THE SUBDIVISION SHOWN HEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE APPROVED TENTATIVE MAP, IF REQUIRED, AND ANY APPROVED ALTERATIONS THERETO.

MONICA HEREDIA, R.C.E. 56547 \_\_\_\_\_ DATE \_\_\_\_\_  
CITY ENGINEER, CITY OF MONTCLAIR



### CITY SURVEYOR'S STATEMENT:

I HEREBY STATE THAT I HAVE EXAMINED THIS MAP AND I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT.

REVIEWED FOR THE CITY OF MONTCLAIR BY L.D. KING, INC.

CARLA E. BERARD, P.L.S. 7224 \_\_\_\_\_ DATE \_\_\_\_\_  
L.D. KING, INC.



### MONTCLAIR CITY COUNCIL CERTIFICATE:

I HEREBY CERTIFY THAT THE CITY COUNCIL OF THE CITY OF MONTCLAIR BY A MOTION DULY SECONDED AND PASSED, APPROVED THIS MAP ON THE \_\_\_\_\_, 20\_\_\_\_.

ANDREA M. MYRICK \_\_\_\_\_ DATE \_\_\_\_\_  
CITY CLERK  
CITY OF MONTCLAIR

### MONTCLAIR PLANNING COMMISSION CERTIFICATE:

I HEREBY CERTIFY THAT THE SUBDIVISION SHOWN ON THIS MAP IS IN SUBSTANTIAL CONFORMANCE WITH THE TENTATIVE PARCEL MAP APPROVED AT A MEETING OF THE PLANNING COMMISSION OF THE CITY OF MONTCLAIR, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_.

MICHAEL DIAZ \_\_\_\_\_ DATE \_\_\_\_\_  
SECRETARY OF THE CITY OF MONTCLAIR  
PLANNING COMMISSION

### BOARD OF SUPERVISORS' CERTIFICATE:

I HEREBY CERTIFY THAT A BOND IN THE SUM OF \$ \_\_\_\_\_ HAS BEEN EXECUTED AND FILED WITH THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, CONDITIONED UPON THE PAYMENT OF ALL TAXES, (STATE, COUNTY, MUNICIPAL, AND LOCAL) AND ALL SPECIAL ASSESSMENTS, COLLECTED AS TAXES, WHICH AT THE TIME OF FILING OF THIS MAP WITH THE COUNTY OF SAN BERNARDINO ASSESSOR-RECORDER-COUNTY CLERK RECORDER ARE A LIEN AGAINST SAID PROPERTY BUT NOT YET PAYABLE AND THE OWNER HAS FILED WITH ME A CERTIFICATE BY THE PROPER OFFICER GIVING HIS ESTIMATE OF THE AMOUNT OF SAID TAXES AND SPECIAL ASSESSMENTS, AND SAID BOND IS HEREBY ACCEPTED.

LYNNA MONELL  
CLERK OF THE BOARD OF SUPERVISORS  
COUNTY OF SAN BERNARDINO

DATE \_\_\_\_\_ BY \_\_\_\_\_ DEPUTY

### AUDITOR'S CERTIFICATE:

I HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF THIS OFFICE, AS OF THIS DATE, THERE ARE NO LIENS AGAINST THE REAL PROPERTY SHOWN UPON THE ANNEXED MAP FOR UNPAID STATE, COUNTY, MUNICIPAL, LOCAL TAXES OR SPECIAL ASSESSMENTS COLLECTED AS TAXES, EXCEPT TAXES OR SPECIAL ASSESSMENTS NOT YET PAYABLE, ESTIMATED TO BE \$ \_\_\_\_\_.

DATE \_\_\_\_\_ ENSEN MASON, AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR  
COUNTY OF SAN BERNARDINO, CALIFORNIA

BY \_\_\_\_\_ DEPUTY

### SAN BERNARDINO COUNTY RECORDER'S CERTIFICATE:

THIS MAP HAS BEEN FILED UNDER DOCUMENT NUMBER \_\_\_\_\_ AT \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ AT PAGE \_\_\_\_\_ AT THE REQUEST OF \_\_\_\_\_ IN THE AMOUNT OF \_\_\_\_\_.

BOB DUTTON, ASSESSOR-RECORDER/CLERK  
COUNTY OF SAN BERNARDINO, CALIFORNIA

DEPUTY RECORDER

NUMBER OF PARCEL: 1  
GROSS AREA: 3.99 ACRES

# PARCEL MAP NO. 20507

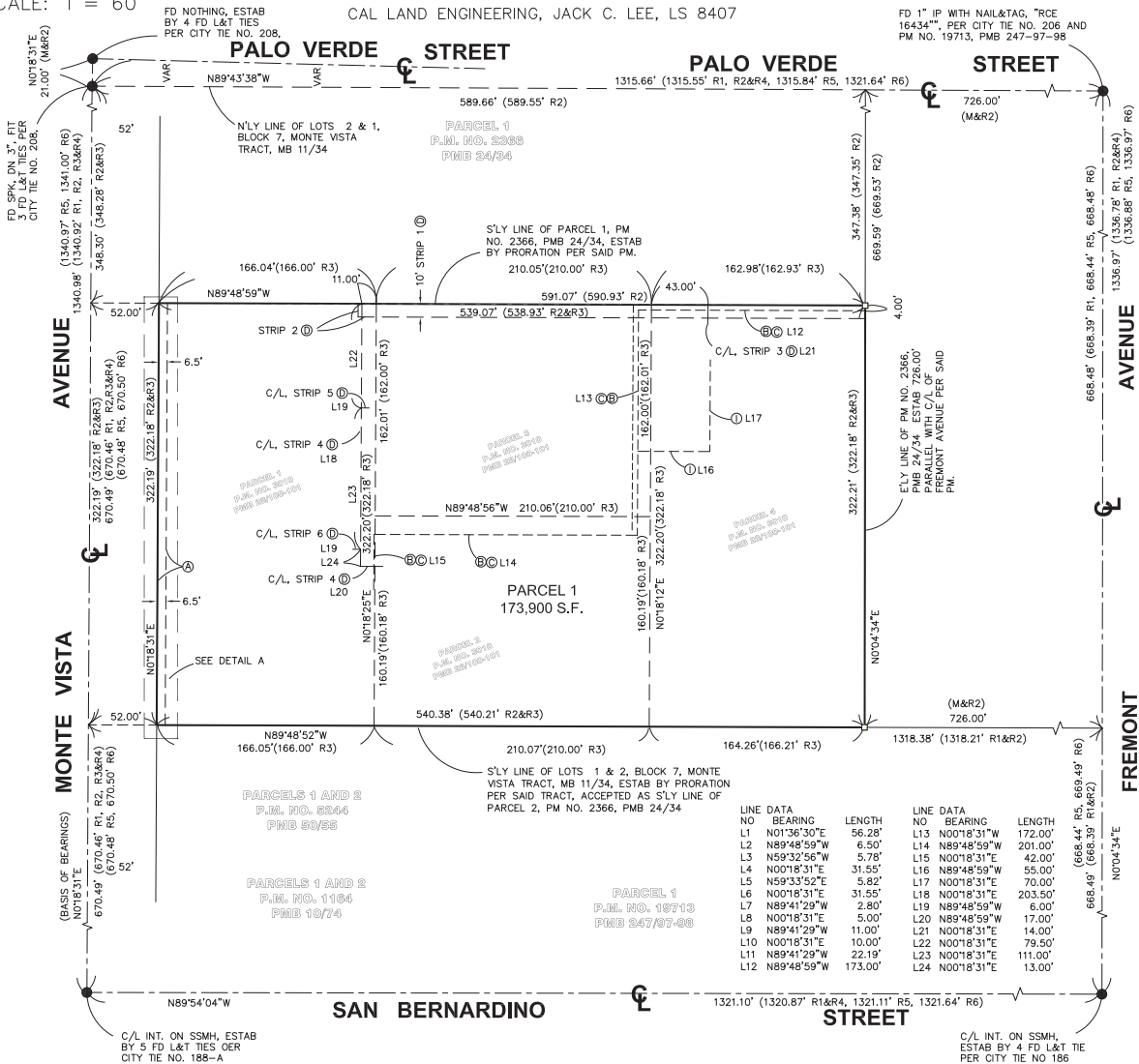
SHEET 2 OF 2 SHEETS

IN THE CITY OF MONTCLAIR  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
FOR CONDOMINIUM CONVERSION PURPOSES

BEING A SUBDIVISION OF PARCEL MAP NO. 3010, AS SHOWN ON A  
MAP RECORDED IN BOOK 28, PAGES 100 AND 101 OF PARCEL MAPS,  
IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CAL LAND ENGINEERING, JACK C. LEE, LS 8407

SCALE: 1" = 60'



**RECORD DATA NOTES:**

- R1 RECORD DATA PER PM NO. 1164, PMB 10/74
- R2 RECORD DATA PER PM NO. 2366, PMB 24/34
- R3 RECORD DATA PER PM NO. 3010, PMB 28/100-101
- R4 RECORD DATA PER PM NO. 5244, PMB 50/55
- R5 RECORD DATA PER PM NO. 19713, PMB 247/97-98
- R6 RECORD DATA PER MONTE VISTA TRACT, MB 11/34

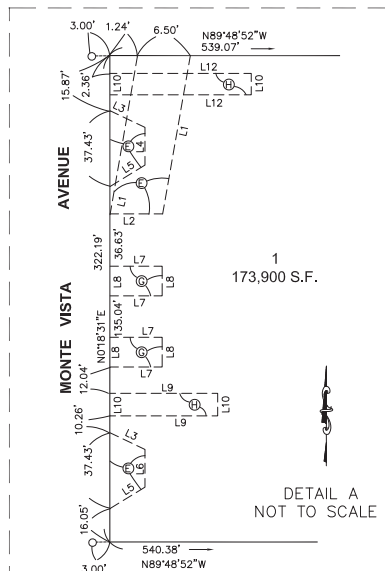
**SURVEYOR'S NOTES:**

- FD MONUMENT AS NOTED
  - SET L&T, TAGGED "LS 8407" AT 3.00' O/S FROM CORNER ON THE PROLONGATION OF THE SIDE LOT LINE
  - SET L&T, TAGGED "LS 8407" ON TOP OF WALL
- ESTAB ESTABLISHED  
C/L CENTERLINE  
INT INTERSECTION  
REC. RECORDED  
SSMH SANITARY SEWER MANHOLE  
M MEASURED DISTANCE  
& AND  
VAR VARIES

**EASEMENT NOTE:**

- (A) 6.5' WIDE EASEMENT TO CITY OF MONTCLAIR, FOR PUBLIC UTILITY PURPOSES, PER DEED RECORDED AUGUST 13, 1975, IN BOOK 8741, PAGE 728 OF OFFICIAL RECORDS.
- (B) C/L OF THE 8' WIDE EASEMENT TO SOUTHERN CALIFORNIA EDISON COMPANY FOR POLE LINES, CONDUITS AND INCIDENTAL PURPOSES, BY DEED RECORDED MARCH 14, 1977, IN BOOK 9133, PAGE 1320 AND BY DEED RECORDED MARCH 14, 1977, IN BOOK 9133, PAGE 1321, BOTH OF OFFICIAL RECORDS.
- (C) EASEMENT TO GENERAL TELEPHONE COMPANY OF CALIFORNIA, FOR PUBLIC UTILITY PURPOSES, BY DEED RECORDED JUNE 13, 1977, IN BOOK 9197, PAGE 1107 OF OFFICIAL RECORDS.
- (D) EASEMENT TO SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY FOR PUBLIC UTILITY PURPOSES, BY DEED RECORDED DECEMBER 19, 2019, AS DOCUMENT NO. 2019-0469257, OF OFFICIAL RECORDS.
- (E) EASEMENT TO CITY OF MONTCLAIR FOR SIDEWALK PURPOSES, BY DEED RECORDED MAY 21, 2020, AS DOCUMENT NO. 2020-0170744, OF OFFICIAL RECORDS.
- (F) EASEMENT TO CITY OF MONTCLAIR FOR STREET LIGHT PURPOSES, BY DEED RECORDED JUNE 26, 2020, AS DOCUMENT NO. 2020-212519, OF OFFICIAL RECORDS.
- (G) EASEMENT TO MONTIE VISTA WATER DISTRICT FOR INGRESS AND EGRESS, PIPE LINES AND PUBLIC UTILITY PURPOSES, BY DEED RECORDED JUNE 26, 2020, AS DOCUMENT NO. 2020-213847 AND BY DEED RECORDED JULY 8, 2020, AS DOCUMENT NO. 2020-0228034, BOTH OF OFFICIAL RECORDS.
- (H) C/L OF THE 8' WIDE EASEMENT TO SOUTHERN CALIFORNIA EDISON COMPANY FOR POLE LINES, CONDUITS AND INCIDENTAL PURPOSES, BY DEED RECORDED APRIL 16, 1979, IN BOOK 9665, PAGE 1760, OF OFFICIAL RECORDS.

| LINE NO | BEARING     | LENGTH  | LINE NO | BEARING     | LENGTH  |
|---------|-------------|---------|---------|-------------|---------|
| L1      | N01°36'30"E | 56.28'  | L13     | N00°18'31"W | 172.00' |
| L2      | N89°48'59"W | 6.50'   | L14     | N89°48'59"W | 201.00' |
| L3      | N59°32'56"W | 5.78'   | L15     | N00°18'31"E | 42.00'  |
| L4      | N00°18'31"E | 31.55'  | L16     | N89°48'59"W | 55.00'  |
| L5      | N59°33'52"E | 5.82'   | L17     | N00°18'31"E | 70.00'  |
| L6      | N00°18'31"E | 31.55'  | L18     | N00°18'31"E | 203.50' |
| L7      | N89°41'29"W | 2.80'   | L19     | N89°48'59"W | 6.00'   |
| L8      | N00°18'31"E | 5.00'   | L20     | N89°48'59"W | 17.00'  |
| L9      | N89°41'29"W | 11.00'  | L21     | N00°18'31"E | 14.00'  |
| L10     | N00°18'31"E | 10.00'  | L22     | N00°18'31"E | 79.50'  |
| L11     | N89°41'29"W | 22.19'  | L23     | N00°18'31"E | 111.00' |
| L12     | N89°48'59"W | 173.00' | L24     | N00°18'31"E | 13.00'  |





# CITY COUNCIL AGENDA REPORT

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|                  |  |                   |               |
|------------------|--|-------------------|---------------|
| <b>DATE:</b>     | FEBRUARY 7, 2022   | <b>FILE I.D.:</b> | LDU130        |
| <b>SECTION:</b>  | CONSENT - AGREEMENTS   | <b>DEPT.:</b>     | ECONOMIC DEV. |
| <b>ITEM NO.:</b> | 1  | <b>PREPARER:</b>  | M. FUENTES    |
| <b>SUBJECT:</b>  | CONSIDER APPROVAL OF AGREEMENT NO. 22-08 WITH RSG FOR FINANCIAL, ANALYTICAL, AND ADVISORY SERVICES RELATED TO AFFORDABLE HOUSING |                   |               |

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**REASON FOR CONSIDERATION:** At the City Council Meeting of April 16, 2018, the City Council approved Agreement No. 18-10, a professional services agreement with Rangwala Associates for the City of Montclair General Plan Update.

A General Plan is a strategic and long-term document identifying goals and policies that guide and direct the City in terms of implementing policies, programs, and resources. Adoption of a General Plan fulfills the requirements of Government Code Section 65300 et seq. requiring local preparation and adoption of General Plans.

The General Plan addresses seven mandatory elements of the Government Code, which are land use, circulation, housing, open space, conservation, safety, and noise.

Over the past several years, the City of Montclair has hosted a series of workshops, charrettes, and focus group meetings seeking input from the City's elected officials, stakeholders, business leaders, and the general public pertaining to the various elements of the General Plan including the Housing Element. As a result of these workshops and charrettes, staff was directed to review the City's inclusionary housing ordinance and the feasibility of new mechanisms to provide for additional affordable housing projects through the use of in-lieu fees, land dedication, or the requirement of on-site development.

Approval of proposed Agreement No. 22-08 with RSG would authorize staff to retain the services of RSG to provide financial, analytical, and advisory services related to affordable housing and assist with updating the Housing Element and inclusionary housing ordinance.

A copy of proposed Agreement No. 22-08 is attached for City Council's review and consideration.

**BACKGROUND:** The Housing Element of the General Plan is a separate component of the General Plan and provides a strategy for promoting safe, decent, and affordable housing. Per state law, the specific purposes of the housing element are to assess both current and future housing needs and constraints, and establish housing goals, policies, and programs that provide a strategy for meeting a city's housing needs.

A component of the Housing Element is the Regional Housing Needs Assessment (RHNA). The RHNA is a representation of future housing needs for all income levels in a region. The City of Montclair's RHNA for meeting regional housing needs is defined by the Southern California Association of Governments (SCAG) and state Department of Housing and Community Development (HCD).

The City of Montclair is required to plan for its RHNA allocation to address its share of the Southern California region’s housing needs. Income groups include: very low income (<50% of the San Bernardino County annual median income [AMI]), low income (50–80% AMI), moderate income (80–120% AMI), and above moderate income (>120% AMI). The current AMI for San Bernardino County is \$75,300 for a family of four.

**Table 1**, below indicates the City of Montclair’s allocation of housing units by income group for the upcoming sixth housing cycle. About 40 percent of the allocation satisfies the housing needs of very low and low income families. In total, 2,586 housing units are needed to accommodate 2021–2029 housing cycle growth for all income groups, as estimated through the RHNA process.

**Table 1.  
Montclair RHNA Allocation (2021–2029)**

| <b>Income Levels</b>  | <b>Housing Units</b> |
|-----------------------|----------------------|
| Very Low Income       | 696                  |
| Low Income            | 382                  |
| Moderate Income       | 398                  |
| Above Moderate Income | 1,110                |
| <b>Total</b>          | <b>2,586</b>         |

As a result of the workshops and charrettes held for stakeholder input, staff was directed to review the City’s inclusionary housing ordinance and the feasibility of new mechanisms to provide for additional affordable housing projects through the use of in-lieu fees, land dedication, or the requirement of on-site development.

An important aspect of the establishment of such affordable housing programs and mechanisms is the completion of a nexus study and residential inclusionary housing study. A residential nexus study is an economic analysis of potential fees that could be charged to developers of residential projects for the purposes of creating affordable housing within a city. An inclusionary housing study will inform the creation of inclusionary housing regulations that would require that developers of residential projects include affordable units in projects or pay a fee in-lieu of building such units. These studies examine the unique aspects of a local economy to understand what appropriate fees for residential developments could generate funds for affordable housing without negatively impacting development.

City staff submitted Requests for Quotes (RFQs) to several firms that specialize in financial, analytical, and advisory services for affordable housing to conduct an inclusionary housing financial evaluation (residential nexus/inclusionary housing study). The City received quotes from the following firms: Keyser Marston Associates, RSG, and David Paul Rosen and Associates.

The firms contacted provide a wide array of services and emphasize different modes of financial, analytical, and advisory services for affordable housing that slightly differ from one another. As such, a direct comparison of the scope of services provided is slightly nuanced. Below is a summary of the scope of services provided by the above-mentioned firms.

## Keyser Marston Associates (KMA)

KMA is a full-service real estate, affordable housing, and economic consulting firm that specializes in advisory and evaluation services. KMA was incorporated in 1973 and has one of the largest public sector advisory practices on the West Coast. A copy of the proposed scope of services is included in the City Council's agenda packet as **Exhibit 1**.

The scope of services to be provided by KMA is summarized as follows:

### 1. Foundation Assumptions: Financial Evaluation

- Evaluate the financial feasibility of imposing inclusionary housing requirements on the housing types anticipated to be developed in Montclair.
- Create prototype developments for the identified housing types. These prototypes would be developed in consultation with the City staff, and would be representative of project types being developed in Montclair.
- Evaluate the potential for Section 65915 density bonus to be used to mitigate the financial impact created by the imposition of inclusionary housing requirements on the prototype developments.
- Identify alternative methods for fulfilling the affordable housing obligations including the following:
  - In-lieu fee payment;
  - Off-site construction of affordable housing units;
  - Dedication of land for affordable housing developments; and
  - The acquisition and rehabilitation of existing units.
- Draft a financial evaluation report that will be supported by tables, data and other materials relevant to the analysis conducted.

### 2. Inclusionary Policy Recommendations/Summary Report

- Develop and prepare a recommendations memorandum that will be based on the results of the financial evaluation.
- The components of the recommended policies will be identified. The following policy recommendations for ownership and rental housing development will be included:
  - Affordable housing production requirements:
    - The financially feasible income targeting standards; and
    - The percentage of housing units that should be set aside as Inclusionary Housing units.
  - The alternatives to on-site inclusionary housing development that should be allowed by right and those that should require approval by the City Council.
  - The role that Section 65915 density bonus should play in establishing income and affordability requirements for the City's inclusionary housing program.
  - The implementation and administrative tools that should be created by the City after an Inclusionary Housing program is adopted.

## RSG, Inc.

RSG is a municipal consulting firm that provides fiscal, economic development, real estate, and housing services. RSG has provided a diverse range of municipal consulting services to communities including real estate, economic development, public finance and housing services for over 35 years. A copy of the proposed scope of services is included in the City Council's agenda packet as **Exhibit 2**.

The scope of services to be provided by RSG is summarized as follows:

### 1. Municipal Code Amendments and Affordable Housing Inclusionary Ordinance

- Evaluate the zoning code and any other applicable local development requirements such as housing overlays or density bonus to provide recommendations to the City on amendments to the municipal code and the proposed affordable housing inclusionary ordinance.
- Review the City's RHNA requirements and Housing Element to best determine the thresholds of affordability and the percentage of inclusionary housing that can be developed in Montclair.
- Examine policies of nearby jurisdictions as a means of setting a benchmark and to ensure that policies implemented by the City do not deter development.
- Identify alternative methods for fulfilling the affordable housing obligations including the following:
  - In-lieu fee payment;
  - Off-site construction of affordable housing units;
  - Dedication of land for affordable housing developments; and
  - The acquisition and rehabilitation of existing units.

### 2. Economic and Financial Feasibility/Financial Evaluation

- Evaluate the current inclusionary housing fees to determine if they are reasonable or need to be adjusted to meet legal parameters and the City's goals and examine a maximum inclusionary percentage.
- Identify and evaluate current local market conditions for residential development in the City.
- Examine development concessions such as Section 65915 density bonus, reduced parking requirements, reduced setbacks or increases in height limitations.
- Create prototype developments for the identified housing types. These prototypes will be developed in consultation with the City staff, and they will be representative of project types being developed in Montclair.
- Prepare development pro-formas for three prototypical residential buildings to estimate construction costs, financing costs, a baseline developer fee, and land costs per unit and per square foot basis for each.

### 3. Inclusionary Housing State Trends and Fee Comparison with Neighboring

- Research existing inclusionary housing programs in California that will serve as a baseline for reasonable and justifiable approaches to establishing the City's policy.

- Compare the proposed in-lieu fees and overall development fees with those in neighboring and similar communities, to assess whether the proposed fees may serve to impede development. In addition, RSG will evaluate alternative methods used by neighboring and similar communities.

#### 4. Inclusionary Policy Recommendations/Summary Report

- Develop and prepare a recommendations memorandum that will be based on the results of the financial feasibility and adjustments to the residential in-lieu fees. This would include an evaluation of the economic and financial impacts of the recommended amendments and a written policy analysis addressing inclusionary housing and zoning.

### **David Paul Rosen & Associates (DRA)**

DRA is an international policy, finance and development advisory firm. Founded in 1980, DRA has served public and private sector clients in more than 300 governmental jurisdictions on five continents to help solve some of the most challenging finance and policy problems in affordable housing, urban revitalization, sustainable development and renewable energy.

A copy of the proposed scope of services is included in the City Council's agenda packet as **Exhibit 3**.

#### 1. Gap Analysis and In Lieu Fee Calculation

- DRA proposes to calculate the in-lieu fee representing the economic equivalent of providing on-site affordable units based on analysis of prototypical residential developments.
- Conduct a gap analysis study to estimate the economic equivalent in-lieu fee for selected residential prototypes
- Develop a series of residential development prototypes representing the range of recently developed and/or proposed housing developments in the City for use in the housing affordability gap, in lieu fee calculation and the financial feasibility assessment.
- Calculate the amount a tenant and homebuyer can afford to contribute to the cost of renting or owning a dwelling unit.
- Prepare estimated development budgets for each prototype including land acquisition, site improvements, building and parking construction costs, financing costs and other soft costs.
- Estimate construction costs for rental and owner housing based on a review of available project pro-formas, published cost data, and interviews with developers and general contractors active in the market.
- Calculate the per unit affordable housing gap by unit bedroom count (one-bedroom, two-bedroom, etc.) for each rental and owner prototype. Calculate the total gap for each prototype based on the number of affordable units required), representing the total in-lieu fee for the prototypes.

#### 2. Financial Evaluation

- Analyze the potential effect of alternative inclusionary housing set-asides and income targeting on the financial feasibility of the residential prototypes.

- Evaluate the potential effect of alternative levels of rental and owner on and off-site inclusionary requirements and in-lieu fees on the feasibility of prototypical residential developments using a Residual Land Value (RLV) analysis approach.
- Identify alternative methods for fulfilling the affordable housing obligations including the following:
  - In-lieu fee payment;
  - Off-site construction of affordable housing units;
  - Dedication of land for affordable housing developments; and
  - The acquisition and rehabilitation of existing units.

### 3. Inclusionary Policy Recommendations/Summary Report

- Develop and prepare a recommendations policy memorandum that will be based on the results of the financial feasibility analysis.
- Key policy recommendations will include the amount of the in-lieu fee for owner and renter housing, whether the in-lieu fee should vary for different types of residential development in the City, and a formula or methodology for updating the in-lieu fees over time.

### **Inclusionary Housing Financial Evaluation Cost of Services**

The following are the estimated quotes from each of the above-mentioned firms for the inclusionary housing financial evaluation:

| <u>Name of Firm</u> | <u>Quote</u>    |
|---------------------|-----------------|
| KMA                 | \$42,600.00 *   |
| RSG                 | \$64,875.00 **  |
| DRA                 | \$69,000.00 *** |

As earlier indicated, each firm provides a wide array of services and emphasizes different modes of financial, analytical, and advisory services for affordable housing that slightly differ from one another. As such, a direct comparison of the scopes of services provided is slightly nuanced. Nonetheless, City staff notes the following discernable differences in each firm's scope of services:

- \* *KMA — Scope of services includes a financial evaluation report and policy recommendations. KMA did not include a component that evaluates the inclusionary housing ordinances or financial/alternative mechanisms that surrounding agencies have adopted in order to provide for affordable housing units, nor did they provide a component that reviews current housing laws in relation to density bonus and inclusionary housing policies that have been adopted by HCD.*
- \*\* *RSG — Scope of services includes a financial evaluation report, policy recommendations, a component that evaluates the inclusionary housing ordinances and financial/alternative mechanisms that surrounding agencies have adopted in order to provide for affordable housing units, and a component that reviews current housing laws in relation to density bonus laws and inclusionary housing policies that have been adopted by HCD.*



*\*\*\* DRA — Scope of services includes all of the above-mentioned services provided by RSG; however, the comparative analysis of the inclusionary housing ordinances and financial/alternative mechanisms that surrounding agencies have adopted is considered an optional task that would increase the cost of services by an additional \$10,000.00.*

After careful evaluation and consideration of each proposal, City staff is recommending utilizing the services of RSG as the most professional, responsive option. RSG's qualifications, scope of services provided, estimated price point, and history set the firm apart from the other respondents.

RSG has been in the affordable housing arena for over 40 years and intimately understands what it takes to see a project come to fruition and maintain affordability. Aside from their in-depth experience in multiple facets of affordable housing, RSG sees providing housing services as an opportunity to embrace, inspire, and create the changes needed and deserved in communities all across the state.

RSG's wide range of project experience allows them to not only create technically defensible nexus studies, inclusionary housing ordinances, and development linkage fees, but also ones that best serve all community members and participants in the housing industry.

RSG has worked with a number of cities and local agencies on a variety of financial, analytical, and advisory services related to affordable housing. Some of RSG's local clients include South Gate, Agoura Hills, San Carlos, Santa Monica, and Los Angeles.

**FISCAL IMPACT:** The City Council's approval of proposed Agreement No. 22-08 would authorize staff to retain the services of RSG to provide financial, analytical, and advisory services related to affordable housing and to assist with updating the Housing Element and inclusionary housing ordinance. The cost of services related to proposed Agreement No. 22-08 is estimated to not exceed \$64,875.

The City of Montclair was approved for a \$150,000 reimbursable grant under the Local Early Action Planning (LEAP) Grant Fund from the State to cover costs associated with the development of an inclusionary housing ordinance, housing element site assessment analysis, and development of an accessory dwelling unit ordinance. Costs associated with Agreement No. 22-08 would fall within the applicable uses of the LEAP grant, and would initially be paid from the Economic Development and Housing Fund. Staff would then seek reimbursement of funds from the LEAP Grant Fund.

**RECOMMENDATION:** Staff recommends the City Council approve Agreement No. 22-08 with RSG for financial, analytical, and advisory services related to affordable housing.

**CITY OF MONTCLAIR**  
**AGREEMENT FOR CONSULTANT SERVICES**

THIS AGREEMENT is made and effective as of February 7, 2022, between the City of Montclair, a municipal corporation ("City") and RSG, Inc., a California corporation ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on February 7, 2022 and shall remain and continue in effect until modified by the parties or terminated pursuant to the provisions of this Agreement.

2. **SERVICES**

The parties intend Consultant to assist the City with financial, analytical, and advisory services related to affordable housing. Consultant shall perform the tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **CITY MANAGEMENT**

City's City Manager shall represent City in all matters pertaining to the administration of this Agreement, and the review and approval of all products submitted by Consultant. City's City Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the Scope of Services to be Performed or change Consultant's compensation as provided in Section 5(b) below.

5. **PAYMENT**

(a) The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment Schedule of Fees set forth in Exhibit A, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the tasks detailed in Exhibit A.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

(c) Consultant will submit invoices monthly for actual services performed. Said invoices shall detail all costs, rates and hours for individual tasks. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of the Consultant's fees, it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

(d) Consultant agrees that, in no event shall City be required to pay to Consultant any sum in excess of ninety-five percent (95%) of the maximum payable hereunder prior to receipt by City of all final documents, together with all supplemental technical documents, as described herein acceptable in form and content to City. Final payments shall be made no later than sixty (60) days after presentation of final documents and acceptance thereof by City.

## 6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement, such suspension or termination shall not make void or invalidate the remainder of this Agreement. Consultant also may terminate this Agreement by serving upon the City at least thirty (10) days prior written notice.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant on a pro-rata basis the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 5(c).

## 7. DEFAULT OF CONSULTANT

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes

beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the City Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

## 8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to billed time, sales, costs, expenses, receipts and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, claims, applications, computer files, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files. Notwithstanding the above, computer software (including without limitation financial models, compilations of formulas and spreadsheet models), prepared by Consultant are Instruments of Service of Consultant and shall remain the property of Consultant. Consultant shall likewise retain all common law, statutory and other reserved rights, including the copyright thereto.

## 9. INDEMNIFICATION

(a) Defense, Indemnity and Hold Harmless. Consultant shall defend, indemnify, and hold harmless the City, its present and former officers, directors, employees, agents, staff, volunteers, mayor, council, boards, committees, and representatives, as broadly interpreted (collectively, the "Indemnified Parties"), of and

from all claims, suits, demands, obligations, losses, damages, sums, or any other matters threatened or presently asserted, including but not limited to all legal fees, costs of defense and litigation expenses (including legal fees, expert fees and any other costs or fees, including those of adverse parties imposed on or sought against the Indemnified Parties), arising directly or indirectly out of any liability or claim of loss or liability for personal injury, bodily injury to persons, contractual liability, errors or omissions, breach, failure to perform, damage to or loss of property, or any other loss, damage, injury or other claim of any kind or nature arising out of the work to be performed by Consultant herein, caused by or arising out of the negligent acts or omissions, or intentional misconduct of Consultant, including its subcontractors, subconsultants, employees, agents, and other persons or entities performing work for Consultant.

(b) Contractual Indemnity. To the fullest extent permitted under California law, Consultant shall contractually indemnify, defend and hold harmless the Indemnified Parties from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, amounts for good faith settlement, or costs of any kind, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees and costs), arising out of or related to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to Consultant's officers, agents, representative, employees, independent contractors, subcontractors, subconsultants, or affiliated or related entities and/or its or their employees, agents and representatives, caused by or arising out of all negligent acts or omissions, or intentional misconduct of Consultant, including its subcontractors, subconsultants, employees, agents and other persons or entities performing work for Consultant. Indemnification shall include any claim that Consultant, or Consultant's employees or agents, are or may be considered and treated as employees of the City or are entitled to any employee benefits from City including but not limited to those available under Public Employees Retirement Law. The obligation to indemnify, defend and hold harmless the Indemnified Parties shall apply to all liability as defined above regardless of whether the Indemnified Parties were or are alleged to have been negligent, except that it shall not apply to claims arising from the sole negligence or willful intentional misconduct of the Indemnified Parties. Consultant's obligation to defend the Indemnified Parties is not contingent upon there being an acknowledgement of or determination of the merit of any claims, liability, demands, causes of action, suits, losses, expenses, errors, omissions and/or costs.

(c) Subcontractors/Subconsultants and Indemnification. Consultant agrees to and shall obtain executed indemnity agreements in favor of the Indemnified Parties with provisions identical to those set forth from each and every Subcontractor, Sub consultant, or other person or entity involved by, for, with, or on behalf of Consultant in the performance of any aspect of this Agreement. In the event Consultant fails to obtain such indemnity obligations, Consultant shall be fully responsible for each and every Subcontractor, Subconsultant or other person or entity in terms of defense, indemnity and hold harmless obligations in favor of the Indemnified Parties as set forth above. This obligation to indemnify and defend the Indemnified Parties is binding on the successors, assigns, or heirs of Consultant and shall survive the full performance or termination of this Agreement. These indemnification provisions are independent of and shall not in any

way be limited or superseded by the insurance requirements and insurance-related provisions of this Agreement.

(d) City Lost or Damaged Property – Theft. Consultant further agrees to pay or cause to be paid to the Indemnified Parties' benefit, any and all damages, fines, penalties, and loss or theft of property of the City arising out of or related in any way to the negligent acts or omissions or intentional misconduct of Consultant or of Consultant's officers, agents, representatives, employees, independent contractors, subcontractors or affiliated or related entities and/or its or their employees, agents and representatives, whether such actions, omissions to act, negligence or intentional conduct is or was authorized by this Agreement or not. City assumes no responsibility whatsoever for any property placed on the premises of City. Consultant further agrees to waive all rights of subrogation against the Indemnified Parties.

(e) Non-Waiver and Non-Exhaustion of City's Further Rights and Remedies. No aspect of this provision shall in any way limit or effect the rights of the Indemnified Parties against the Consultant under the terms of this Agreement or otherwise. The indemnification provisions shall apply regardless of whether this Agreement is executed after Consultant begins the work and shall extend to claims arising after this Agreement is performed or terminated, including a dispute as to the termination of Consultant. The indemnity obligations of Consultant shall continue until it is determined by final judgment that the claim against the City and any Indemnified Parties is determined by final judgment and after exhaustion of any rights of appeal. Further, no aspect of this provision shall impact the City's rights to contribution from Consultant, or for the City to dispute Consultant's refusal to defend and indemnify City.

(f) Limitations on Scope of Indemnity. Notwithstanding the foregoing, Consultant shall not be responsible for indemnification for claims or losses caused by the sole negligence or intentional wrongdoing of Indemnified Parties. Further, the indemnity provided shall be interpreted as broadly as permitted under California law and as to agreements between parties and shall if required be reformed to be consistent with those laws to protect and save this provision for the protection of the Indemnified Parties.

(g) The obligations of Consultant under this or any other provision of this Agreement shall not be limited by the provisions of any workers' compensation act or similar act. The Consultant expressly waives any statutory immunity under such statutes or laws as to the Indemnified Parties. The Consultant's indemnity obligation set forth in this Section 9 shall not be limited by the limits of any policies of insurance required or provided by the Consultant pursuant to this Agreement.

(h) The Consultant's covenant under this Section 9 shall survive the expiration or termination of this Agreement.

## 10. INSURANCE

The City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

(a) Types of Required Coverages

Without limiting the indemnity provisions of the Contract, the Consultant shall procure and maintain in full force and effect during the term of the Contract, the following policies of insurance. If the existing policies do not meet the insurance requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

- (1) Commercial General Liability: Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office “occurrence” form CG 00 01, including products and completed operations, property damage, bodily injury, and personal & advertising injury with limits no less than \$2,000,000 per occurrence, and \$4,000,000 aggregate total bodily injury, personal injury, and property damage.
- (2) Automobile Liability Insurance: Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering “Any Auto” (Symbol 1), including owned, non-owned and hired autos, or the exact equivalent, with minimum limits of \$1,000,000 for bodily injury and property damage, each accident. If Contractor owns no vehicles, auto liability coverage may be provided by means of a non-owned and hired auto endorsement to the general liability policy. Automobile liability insurance and endorsements shall be kept in force at all times during the performance of this Agreement.
- (3) Workers’ Compensation: Workers’ Compensation Insurance, as required by the State of California and Employer’s Liability Insurance with a limit of not less than \$1,000,000 each accident for bodily injury and \$1,000,000 each employee for bodily injury by disease.
- (4) Professional Liability: Professional Liability insurance with limit of not less than \$2,000,000 each claim. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusion that may potentially affect the work to be performed.

(b) Endorsements

Insurance policies shall not be in compliance if they include any limiting provision or endorsement. The insurance policies shall contain, or be endorsed to contain, the following provisions:

- (1) Commercial General Liability

Additional Insured: The City, its elected officials, officers, employees, volunteers, boards, agents and representatives shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations. Coverage for the additional insureds shall apply to the fullest extent permitted by law.

Additional Insured Endorsements shall not:

1. Be limited to “Ongoing Operations”

2. Exclude "Contractual Liability
3. Restrict coverage to the "Sole" liability of contractor
4. Exclude "Third-Party-Over Actions"
5. Contain any other exclusion contrary to the Agreement

Additional Insured Endorsements shall be at least as broad as ISO Forms CG 20 10 11 85; or CG 20 and 10 and CG 2037.

Primary Insurance: This insurance shall be primary and any other insurance, whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement, shall be in excess of, and shall not contribute with, this insurance. Coverage shall be at least as broad as ISO CG 20 01 04 13.

(2) Auto Liability

Additional Insured: The City, its elected officials, officers, employees, volunteers, boards, agents, and representatives shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Contractor.

Primary Insurance: This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance.

(3) Workers' Compensation

Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

(c) Notice of Cancellation

Required insurance policies shall not be cancelled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(d) Waiver of Subrogation

Required insurance coverages shall not prohibit Consultant from waiving the right of subrogation prior to a loss. Consultant shall waive all rights of subrogation against the indemnified parties and policies shall contain or be endorsed to contain such a provision. This provision applies regardless of whether the City has received a waiver of subrogation endorsement from the insurer.

(e) Evidence of Insurance

All policies, endorsements, certificates, and/or binders shall be subject to approval by the City as to form and content. These requirements are subject to amendment or waiver only if so approved in writing by the City. The City reserves the



right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

(f) Deductible or Self-Insured Retention

Any deductible or self-insured retention must be approved in writing by the City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. The City may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the Consultant or the City.

(g) Contractual Liability/Insurance Obligations

The coverage provided shall apply to the obligations assumed by the Consultant under the indemnity provisions of this Agreement. The insurance obligations under this Agreement shall be: (1) all the insurance coverage and/or limits carried by or available to the Consultant; or (2) the minimum insurance coverage requirements and/or limits shown in this Agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to the City. No representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of the Consultant under this Agreement.

(h) Failure to Maintain Coverage

Consultant agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City. The City shall have the right to withhold any payment due Consultant until Consultant has fully complied with the insurance provisions of this Contract. In addition, the City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

In the event that the Consultant's operations are suspended for failure to maintain required insurance coverage, the Consultant shall not be entitled to an extension of time for completion of the Work because of production lost during suspension.

(i) Acceptability of Insurers

Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable

provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing in accordance with the City.

(j) Claims Made Policies

If coverage is written on a claims-made basis, the retroactive date on such insurance and all subsequent insurance shall coincide or precede the effective date of the initial Consultant's Agreement with the City and continuous coverage shall be maintained or an extended reporting period shall be exercised for a period of at least five (5) years from termination or expiration of this Agreement.

(k) Insurance for Subcontractors

Consultant shall be responsible for causing Subcontractors/Subconsultants to purchase the same types and limits of insurance in compliance with the terms of this Agreement, including adding the City as an Additional Insured, providing Primary and Non-Contributory coverage and Waiver of Subrogation to the Subcontractors'/Subconsultant's policies. The Commercial General Liability Additional Insured Endorsement shall be on a form at least as good as CG 20 38 04 13.

11. INDEPENDENT CONTRACTOR

(a) Consultant is and shall at all times remain as to the City a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control and shall not be construed to be employees of City for any purpose, including eligibility under Public Employees Retirement Law. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner. Consultant shall be solely responsible and hold the City harmless for all matters relating to the payment of Consultant's employees, including compliance with Social Security withholdings and all other regulations governing such matters.

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

12. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall

not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

13. UNDUE INFLUENCE

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

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

15. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, responses to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

(c) Consultant shall comply with all applicable federal, state and local Conflict of Interest laws, including the Political Reform Act (California Government Code, Section 81000, *et. seq.*) and California Government Code, Section 1090, *et. seq.* Consultant covenants that neither he/she nor any officer or principal of their firm have any interest in, or shall acquire any interest, directly or indirectly, which will conflict in any manner or degree with the performance of their services hereunder. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be employed by them as an officer, employee, agent or subconsultant. Consultant further covenants that Consultant has not contracted with nor is performing any services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area and further covenants and agrees that Consultant and/or its subconsultants shall provide no service or enter into any agreement or agreements with a/any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City or the study area prior to the completion of the work under this Agreement. Further, Consultant covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to the City as a result of the performance of this Agreement, or the services that may be procured by the City as a result of the recommendations made by the Consultant. The Consultant's covenant under this Section shall survive the termination of this Agreement.

16. NOTICES

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

|          |   |
|----------|---|
| To City: | Mikey Fuentes<br>Director of Economic Development<br>City of Montclair<br>5111 Benito Street<br>Montclair, CA 91763 |
|----------|---|

|                |  |
|----------------|--|
| To Consultant: | Tara Matthews<br>Vice President<br>RSG, Inc.<br>17872 Gillette Avenue, Suite 350<br>Irvine, CA 92614 |
|----------------|--|

17. ASSIGNMENT AND SUBCONTRACTING

The Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, nor any monies due hereunder, without prior written consent of the City. The City's consent to an assignment of rights under this Agreement shall not release the Consultant from any of its obligations or alter any of its

obligations to be performed under this Agreement. Any attempt at assignment or delegation by the Consultant in violation of this Section 17 shall be void and of no legal effect and shall constitute grounds to terminate this Agreement for cause. The Consultant shall not subcontract any performance required under this Agreement without the City's prior written consent.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement, including a City of Montclair business license.

19. GOVERNING LAW

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over the City of Montclair.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. PRIORITY OF AGREEMENT

To the extent any provision of Consultant's Proposal attached hereto as Exhibit "A" conflicts with the terms and provisions of this Agreement, the terms and provisions of this Agreement shall control and shall take precedence over those contained in Consultant's Proposal.

22. CONFIDENTIALITY

Information and materials obtained by the Consultant from City during the performance of this Agreement shall be treated as strictly confidential and shall not be used by the Consultant for any purpose other than the performance of this Agreement. Consultant's covenant under this Section shall survive the expiration or termination of this Agreement.

23. DISCRIMINATION

The Consultant agrees that no person shall be excluded from employment in the performance of this Agreement on grounds of race, creed, color, sex, age, marital status, or place of national origin. In this connection, the Consultant agrees to comply with all County, State and Federal laws relating to equal employment opportunity rights.

24. EFFECT OF PARTIAL INVALIDITY

If any term or provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement and any application of the terms shall remain valid and enforceable under this Agreement or California law.

25. CLAIMS AGAINST CITY

Consultant must comply with the claim procedures set forth in Government Code sections 900, *et. seq.*, and/or Montclair Municipal Code, Chapter 1.16, as applicable, prior to filing any lawsuit against the City. Such claims and any subsequent lawsuit based upon the claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Consultant. If no such claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Consultant shall be barred from bringing and maintaining a valid lawsuit against the City.

26. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

27. NO THIRD PARTY BENEFICIARIES

This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

28. COST OF LITIGATION

If any legal action is necessary to enforce any provision of this Agreement or for damages by reason of an alleged breach of any provisions of this Agreement (whether in contract, tort or both), the prevailing Party shall be entitled to receive from the losing Party all attorneys' fees, costs and expenses in such amount as the courts may determine to be reasonable. In awarding the cost of litigation, the court shall not be bound by any court fee schedule, but shall, if it is in the interest of justice to do so, award the full amount of costs, expenses and attorneys' fees paid or incurred in good faith.

29. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be the original, and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

**CITY**

City of Montclair

By: \_\_\_\_\_  
Javier John Dutrey, Mayor

Attest:

By: \_\_\_\_\_  
Andrea M. Myrick, City Clerk

Approved as to Form:

By: \_\_\_\_\_  
Diane E. Robbins, City Attorney

**CONSULTANT**

RSG, Inc.

By: \_\_\_\_\_  
Tara E. Matthews, President/Principal

Mikey Fuentes, Director of Economic Development  
 CITY OF MONTCLAIR  
 November 19, 2021  
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## SCHEDULE

We estimate that this engagement will be completed in approximately 3 to 5 months from project initiation. RSG anticipates and has included up to 6 meetings for this engagement. However, it should be noted that this is an estimation, and the schedule may vary depending on the availability of meeting dates. The following details the proposed timeline by week.

| Date        | Tasks/Deliverables   |
|-------------|--|
| Week 1      | Contract Execution, Project Kick-off <ul style="list-style-type: none"> <li>• Virtual meeting with Project Team</li> </ul>   |
| Weeks 2-4   | Municipal Code Amendments and Affordable Housing Inclusionary Ordinance Administrative <ul style="list-style-type: none"> <li>• Virtual meeting with Planning Department</li> <li>• Evaluation of policies, zoning, thresholds, inclusionary percentages and alternatives</li> </ul>   |
| Weeks 5-8   | Economic and Financial Feasibility Analysis <ul style="list-style-type: none"> <li>• Examine current fees and update methodology and fees as needed</li> <li>• Evaluate development concessions and impacts on inclusionary housing</li> </ul> Trends and Fee Comparison <ul style="list-style-type: none"> <li>• Inclusionary Housing program research</li> <li>• Development fee comparison</li> </ul> |
| Weeks 9-10  | Summary Report <ul style="list-style-type: none"> <li>• Draft Summary Report for City staff review</li> </ul>  |
| Week 10-12  | Summary Report <ul style="list-style-type: none"> <li>• Finalize Summary Report incorporating City staff comments</li> <li>• Virtual meeting with Project Team</li> </ul>  |
| Weeks 12-13 | City Council and Planning Commission Workshop <ul style="list-style-type: none"> <li>• Present study results for discussion</li> </ul>   |
| Weeks 14-15 | Summary Report <ul style="list-style-type: none"> <li>• Finalize Summary Report incorporating City Council/Planning Commission comments</li> </ul>   |



**FEE PROPOSAL**

Our services for this engagement would be charged on a time-and-materials basis, with a not to exceed amount of **\$64,875**.

City of Montclair - Inclusionary Housing Program

| Consultant Staffing Hours by Task                           | Principal/<br>Director |               | Senior<br>Associate |               | Associate |               | Senior<br>Analyst |               | Research<br>Assistant |               | Total<br>Hours | Total<br>Cost |
|---|------------------------|---------------|---------------------|---------------|-----------|---------------|-------------------|---------------|-----------------------|---------------|----------------|---------------|
|   | Hours                  | \$275<br>Cost | Hours               | \$200<br>Cost | Hours     | \$185<br>Cost | Hours             | \$150<br>Cost | Hours                 | \$125<br>Cost |                |               |
| <b>Task 1. Project Kick-Off &amp; Meetings (4 meetings)</b> | 10                     | \$2,750       | 10                  | \$2,000       | 5         | \$925         | 5                 | \$675         | 5                     | \$625         | 35             | \$6,975       |
| <b>Task 2. MC Amendments and Ordinance</b>                  | 7                      | \$1,925       | 19                  | \$3,800       | 0         | \$0           | 20                | \$2,700       | 0                     | \$0           | 46             | \$8,425       |
| <i>Research and Analysis</i>                                | 5                      | \$1,375       | 15                  | \$3,000       | 0         | \$0           | 20                | \$2,700       | 0                     | \$0           | 40             | \$7,075       |
| <i>Planning Department Meeting (1 Meeting)</i>              | 2                      | \$550         | 4                   | \$800         | 0         | \$0           | 0                 | \$0           | 0                     | \$0           | 6              | \$1,350       |
| <b>Task 3. Economic and Feasibility Analysis</b>            | 15                     | \$4,125       | 60                  | \$12,000      | 50        | \$9,250       | 35                | \$4,725       | 20                    | \$2,500       | 180            | \$32,600      |
| <i>Research and Analysis</i>                                | 5                      | \$1,375       | 15                  | \$3,000       | 5         | \$925         | 15                | \$2,025       | 0                     | \$0           | 40             | \$7,325       |
| <i>Pro Forma and Land Value Analysis (9 Scenarios)</i>      | 10                     | \$2,750       | 45                  | \$9,000       | 45        | \$8,325       | 20                | \$2,700       | 20                    | \$2,500       | 140            | \$25,275      |
| <b>Task 4. Trends &amp; Fee Comparison</b>                  | 5                      | \$1,375       | 5                   | \$1,000       | 0         | \$0           | 15                | \$2,025       | 15                    | \$1,875       | 40             | \$6,275       |
| <b>Task 5. Summary Report</b>                               | 10                     | \$2,750       | 30                  | \$6,000       | 10        | \$1,850       | 0                 | \$0           | 0                     | \$0           | 50             | \$10,600      |
| <b>Total Fee Budget</b>                                     | 47                     | \$12,925      | 124                 | \$24,800      | 65        | \$12,025      | 75                | \$10,125      | 40                    | \$5,000       | 351            | \$64,875      |
|   | 13.4%                  |               | 35.3%               |               | 18.5%     |               | 21.4%             |               | 11.4%                 |               |                |               |

RSG proposes the below rate schedule for these services.

|                       |               |
|-----------------------|---------------|
| Principal / Director  | \$ 275        |
| Senior Associate      | \$ 200        |
| Associate             | \$ 185        |
| Senior Analyst        | \$ 150        |
| Analyst               | \$ 135        |
| Research Assistant    | \$ 125        |
| Technician            | \$ 80         |
| Clerical              | \$ 60         |
| Reimbursable Expenses | Cost plus 10% |

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs, and teleconferencing services. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate.



# CITY COUNCIL AGENDA REPORT

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|                  |                      |                   |              |
|------------------|----------------------|-------------------|--------------|
| <b>DATE:</b>     | FEBRUARY 7, 2022     | <b>FILE I.D.:</b> | STA818       |
| <b>SECTION:</b>  | CONSENT - AGREEMENTS | <b>DEPT.:</b>     | PUBLIC WORKS |
| <b>ITEM NO.:</b> | 2                    | <b>PREPARER:</b>  | S. STANTON   |

**SUBJECT:** CONSIDER AWARD OF CONTRACT TO GENTRY BROTHERS, INC., IN THE AMOUNT OF \$3,598,603.23 FOR CONSTRUCTION OF THE ZONE 5 AND 6 STREET REHABILITATION PROJECT

CONSIDER APPROVAL OF AGREEMENT NO. 22-09 WITH GENTRY BROTHERS, INC., FOR CONSTRUCTION OF THE ZONE 5 AND 6 STREET REHABILITATION PROJECT

CONSIDER AUTHORIZATION OF A \$400,000 CONSTRUCTION CONTINGENCY FOR THE ZONE 5 AND 6 STREET REHABILITATION PROJECT

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**REASON FOR CONSIDERATION:** The City Council is requested to consider the award of a contract and approval of Agreement No. 22-09 with Gentry Brothers, Inc., in the amount of \$3,598,603.23 for construction of the Zone 5 and 6 Street Rehabilitation Project; and to consider authorizing an additional \$400,000 appropriation for construction contingency costs related to the Project.

A copy of proposed Agreement No. 22-09 is attached for the City Council's review and consideration.

**BACKGROUND:** On December 20, 2021, the City Council authorized an amendment to the 2019-2024 Capital Improvement Program (CIP), adding the Zone 5 and 6 Street Rehabilitation Project. The project was approved with an appropriation of \$4,000,000 of 2021 Lease Revenue Bond Proceeds.

The Zone 5 and 6 Street Rehabilitation Project will resurface residential streets located between the limits of Brooks Street on the north, Benson Avenue on the east, Phillips Boulevard on the south, and Mills Avenue on the west. The project will also include a few residential streets that were not completed as part of the Zone 2 project, back in 2015. The Zone 2 residential streets being included as part of the Zone 5 and 6 Street Rehabilitation Project are located between Palo Verde Street on the north, Poulson Avenue on the east, San Bernardino Street on the South, and Helena Avenue on the west.

Over the years, City tree roots have caused uplifting of curbs, gutters, and sidewalks, creating tripping hazards and unsafe conditions for residents. As part of this project, several City trees will be removed and replaced. Improvements include removal and replacement of damaged curb, gutter, and sidewalk; replacement of non-compliant Americans with Disabilities Act (ADA) pedestrian ramps; grinding of existing asphalt concrete pavement; and a new asphalt concrete pavement overlay. This project will also focus on making enhanced pedestrian improvements surrounding two elementary schools on Howard Street. Improvements will include new pedestrian ramps, signage, and the replacement of crosswalks and traffic striping.

On January 20, 2022, the City received and opened seven bid proposals for the Zone 5 and 6 Street Rehabilitation Project. The bid results are shown in the table on the following page.

**Zone 5 and 6 Street Rehabilitation Project  
Bid Results**

| <i>Bidder</i>                    | <i>Bid Amount</i>     |
|----------------------------------|-----------------------|
| Gentry Brothers, Inc.            | \$3,598,603.23        |
| <b><i>Engineers Estimate</i></b> | <b>\$3,650,000.00</b> |
| ONYX Paving Company              | 4,114,000.00          |
| All American Asphalt, Inc.       | 4,357,445.00          |
| R.J. Noble Company               | 4,546,577.30          |
| Sully-Miller Contracting         | 5,045,000.00          |
| PALP dba Excel Paving            | 5,898,643.00          |
| Hardy & Harper, Inc.             | 5,957,475.12          |

Following the bid opening, the seven bid proposals were reviewed for completeness and accuracy. The bid proposal from the apparent low bidder, Gentry Brothers, Inc., provided all required documents and was deemed the lowest responsible, responsive bidder for the project. Gentry Brothers, Inc. has performed several projects for the City. Based on prior experiences, Gentry Brothers, Inc. is known to have the personnel, equipment, and job experience necessary to complete this contract in accordance with the project specifications.

The City Engineer has reviewed the plans and specifications for the project and has determined that they are in conformity with applicable statutes, codes, standards, and/or guidelines.

The anticipated duration of this project is 45 working days. The work is expected to begin in mid-March and be completed in late June 2022.

**FISCAL IMPACT:** The Zone 5 and 6 Street Rehabilitation Project is completely funded by 2021 Lease Revenue Bond Proceeds and will not have any impact on the General Fund.

**RECOMMENDATION:** Staff recommends that the City Council take the following actions in relation to the Zone 5 and 6 Street Rehabilitation Project:

1. Award a contract to Gentry Brothers, Inc., in the amount of \$3,598,603.23 for construction of the Project.
2. Approve Agreement No. 22-09 with Gentry Brothers, Inc., for construction of the Project.
3. Authorize a \$400,000 construction contingency for the Project.

KNOW ALL MEN BY THESE PRESENTS: That the following Agreement is made and entered into as of the date executed by the City Clerk and the Mayor, by and between **GENTRY BROTHERS, INC.**, a **CORPORATION**, hereinafter referred to as "CONTRACTOR" and the CITY OF MONTCLAIR, hereinafter referred to as "CITY."

**A. Recitals.**

- (i) Pursuant to Notice Inviting Sealed Bids or Proposals, bids were received, publicly opened, and declared on the date specified in said notice.
- (ii) CITY did accept the bid of CONTRACTOR.
- (iii) CITY has authorized the City Clerk and Mayor to enter into a written contract with CONTRACTOR for furnishing labor, equipment, and material for the construction of:
- (iv)

**ZONE 5-6 STREET REHABILITATION PROJECT**

"PROJECT" hereinafter.

**B. Resolution.**

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is agreed:

1. GENERAL SCOPE OF WORK: CONTRACTOR shall furnish all necessary labor, tools, materials, appliances, and equipment for and do all work contemplated and embraced for the PROJECT. Said PROJECT to be performed in accordance with specifications and standards on file in the Office of the City Engineer and in accordance with bid prices hereinafter mentioned and in accordance with the instructions of the Engineer.

2. INCORPORATED DOCUMENTS TO BE CONSIDERED COMPLEMENTARY: The aforesaid specifications are incorporated herein by reference thereto and made a part hereof with like force and effect as if all of said documents were set forth in full herein. Said documents, the Notice Inviting Bids, the Instructions to Bidders, the Proposal and any City-issued addenda, together with this written Agreement, shall constitute the contract between the parties. This contract is intended to require a complete and finished piece of work and anything necessary to complete the work properly and in accordance with the law and lawful governmental regulations shall be performed by the CONTRACTOR whether set out specifically in the contract or not. Should it be ascertained that any inconsistency exists between the aforesaid documents and this written Agreement, the provisions of this written Agreement shall control.

3. TERMS OF CONTRACT: The CONTRACTOR agrees to execute the contract within ten (10) calendar days from the date of notice of award of the contract and to complete his portion of PROJECT within the time specified in the Special Provisions. CONTRACTOR agrees further to the assessment of liquidated damages in the amount specified in the Special Provisions or the Standard Specifications, whichever is higher, for

each calendar day PROJECT remains incomplete beyond the expiration of the completion date. CITY may deduct the amount thereof from any moneys due or that may become due the CONTRACTOR under this contract. Progress payments made after the scheduled date of completion shall not constitute a waiver of liquidated damages.

4. GOVERNING LAW: The City and Contractor understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with jurisdiction over the City of Montclair.

5. INSURANCE: The CONTRACTOR shall not commence work under this contract until he has obtained all insurance required hereunder in a company or companies acceptable to CITY nor shall the CONTRACTOR allow any subcontractor to commence work on his subcontract until all insurance required of the subcontractor has been obtained. The CONTRACTOR shall take out and maintain at all times during the life of this contract the following policies of insurance:

a. Compensation Insurance: Before beginning work, the CONTRACTOR shall furnish to the Engineer a policy of insurance or proper endorsement as proof that he has taken out full compensation insurance for all persons whom he may employ directly or through subcontractors in carrying out the work specified herein, in accordance with the laws of the State of California. Such insurance shall be maintained in full force and effect during the period covered by this contract.

In accordance with the provisions of §3700 of the California Labor Code, every contractor shall secure the payment of compensation to his employees. CONTRACTOR, prior to commencing work, shall sign and file with CITY a certification as follows:

**"I am aware of the provisions of §3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this contract."**

b. For all operations of the CONTRACTOR or any subcontractor in performing the work provided for herein, insurance with the following minimum limits and coverage:

- (1) Public Liability - Bodily Injury (not auto) \$1,000,000 each person; \$2,000,000 each accident.
- (2) Public Liability - Property Damage (not auto) \$500,000 each accident; \$1,000,000 aggregate.
- (3) Contractor's Protective - Bodily Injury \$1,000,000 each person; \$2,000,000 each accident.
- (4) Contractor's Protective - Property Damage \$500,000 each accident; \$1,000,000 aggregate.

- (5) Automobile - Bodily Injury \$1,000,000 each person; \$2,000,000 each accident.
- (6) Automobile - Property Damage \$500,000 each accident.
- c. The policy of insurance provided for in subparagraph a. shall contain an endorsement which:
  - (1) Waives all right of subrogation against all persons and entities specified in subparagraph 4.d.(2) hereof to be listed as additional insureds in the policy of insurance provided for in paragraph b. by reason of any claim arising out of or connected with the operations of CONTRACTOR or any subcontractor in performing the work provided for herein;
  - (2) Provides it shall not be canceled or altered without thirty (30) days' written notice thereof given to CITY by registered mail.
- d. Each such policy of insurance provided for in paragraph b. shall:
  - (1) Be issued by an insurance company approved in writing by CITY, which is qualified to do business in the State of California;
  - (2) Name as additional insureds the CITY, its officers, agents and employees, and any other parties specified in the bid documents to be so included;
  - (3) Specify it acts as primary insurance and that no insurance held or owned by the designated additional insureds shall be called upon to cover a loss under said policy;
  - (4) Contain a clause substantially in the following words:

"It is hereby understood and agreed that this policy may not be canceled nor the amount of the coverage thereof reduced until thirty (30) days after receipt by CITY of a written notice of such cancellation or reduction of coverage as evidenced by receipt of a registered letter."
  - (5) Otherwise be in form satisfactory to CITY.
- e. The CONTRACTOR shall at the time of the execution of the contract present the original policies of insurance required in paragraphs a. and b., hereof, or present an endorsement of the insurance company, showing the issuance of such insurance, and the additional insureds and other provisions required herein.

6. CONTRACTOR'S LIABILITY: The City of Montclair and its respective officers, agents and employees shall not be answerable or accountable in any manner for any loss or damage that may happen to the project or any part thereof, or for any of the materials or other things used or employed in performing the project; or for injury or

damage to any person or persons, either workmen, employees of the CONTRACTOR or his subcontractors or the public, whatsoever arising out of or in connection with the performance of the project. The CONTRACTOR shall be responsible for any damage or injury to any person or property resulting from defects or obstructions or from any cause whatsoever, except the sole negligence or willful misconduct of CITY, its employees, servants, or independent contractors who are directly responsible to CITY during the progress of the project or at any time before its completion and final acceptance.

The CONTRACTOR will indemnify CITY against and will hold and save CITY harmless from any and all actions, claims, damages to persons or property, penalties, obligations, or liabilities that may be asserted or claimed by any person, firm, entity, corporation, political subdivision, or other organization arising out of or in connection with the work, operation, or activities of the CONTRACTOR, his agents, employees, subcontractors, or invitees provided for herein, whether or not there is concurrent passive or active negligence on the part of CITY, but excluding such actions, claims, damages to persons or property, penalties, obligations, or liabilities arising from the sole negligence or willful misconduct of CITY, its employees, servants, or independent contractors who are directly responsible to CITY, and in connection therewith:

- a. The CONTRACTOR will defend any action or actions filed in connection with any of said claims, damages, penalties, obligations, or liabilities and will pay all costs and expenses, including attorneys' fees incurred in connection therewith.
- b. The CONTRACTOR will promptly pay any judgment or award rendered against the CONTRACTOR or CITY covering such claims, damages, penalties, obligations, and liabilities arising out of or in connection with such work, operations, or activities of the CONTRACTOR hereunder or reasonable settlement in lieu of judgment or award, and the CONTRACTOR agrees to save and hold the CITY harmless therefrom.
- c. In the event CITY is made a party to any action or proceeding filed or prosecuted against the CONTRACTOR for damages or other claims arising out of or in connection with the project, operation, or activities of the CONTRACTOR hereunder, the CONTRACTOR agrees to pay to CITY any and all costs and expenses incurred by CITY in such action or proceeding together with reasonable attorneys' fees.

Money due to the CONTRACTOR under and by virtue of the contract, as shall be considered necessary by CITY, may be retained by CITY until disposition has been made of such actions or claims for damage as aforesaid.

7. NONDISCRIMINATION: No discrimination shall be made in the employment of persons upon public works because of the race, color, sex, sexual preference, sexual orientation, or religion of such persons, and every contractor for public works violating this section is subject to all the penalties imposed for a violation of Division 2, Part 7, Chapter 1 of the Labor Code in accordance with the provisions of § 1735 of said Code.

8. **INELIGIBLE SUBCONTRACTORS:** The CONTRACTOR shall be prohibited from performing work on this project with a subcontractor who is ineligible to perform on the project pursuant to § 1777.1 and § 1777.7 of the Labor Code.

9. **CONTRACT PRICE AND PAYMENT:** CITY shall pay to the CONTRACTOR for furnishing the material and doing the prescribed work the unit prices set forth in accordance with CONTRACTOR's Proposal dated **January, 20, 2022**.

10. **ATTORNEYS' FEES:** In the event that any action or proceeding is brought by either party to enforce any term or provision of this Agreement, the prevailing party shall recover its reasonable attorneys' fees and costs incurred with respect thereto.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed with all the formalities required by law on the respective dates set forth opposite their signatures.

**CONTRACTOR**

**CITY**

**GENTRY BROTHERS, INC.**  
384 Live Oak Ave  
Irwindale, Ca. 91706

**CITY OF MONTCLAIR, CALIFORNIA**  
5111 Benito Street  
Montclair, CA 91763

By: \_\_\_\_\_

\_\_\_\_\_

Javier "John" Dutrey  
Mayor

\_\_\_\_\_  
Name, Title

**ATTEST:**

By: \_\_\_\_\_

\_\_\_\_\_

Andrea M. Myrick  
City Clerk

\_\_\_\_\_  
Name, Title

**APPROVED AS TO FORM:**

\_\_\_\_\_

Diane E. Robbins  
City Attorney





# CITY COUNCIL AGENDA REPORT

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|                  |  |                   |                |
|------------------|--|-------------------|----------------|
| <b>DATE:</b>     | FEBRUARY 7, 2022   | <b>FILE I.D.:</b> | SEW080         |
| <b>SECTION:</b>  | CONSENT - AGREEMENTS   | <b>DEPT.:</b>     | COMMUNITY DEV. |
| <b>ITEM NO.:</b> | 3  | <b>PREPARER:</b>  | S. GUTIERREZ   |
| <b>SUBJECT:</b>  | CONSIDER APPROVAL OF AGREEMENT NO. 22-10-I-108 (CASE NO. 2022-02), AN IRREVOCABLE ANNEXATION AGREEMENT WITH JUAN RODRIGUEZ AND LORENA AYALA FOR 4751 HOWARD STREET, MONTCLAIR (APN 1012-331-06-0000) |                   |                |

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**REASON FOR CONSIDERATION:** Irrevocable Annexation Agreements are subject to City Council review and approval.

**BACKGROUND:** Proposed Irrevocable Annexation Agreement No. 22-10-I-108 would allow a connection to the sanitary sewer system owned and operated by the City of Montclair for a 0.17-acre residential site within the Sphere of Influence of the City. A City-owned, 8-inch diameter sewer line is present and available in Howard Street adjacent to the property's frontage (see Exhibit A).

The property owner desires to connect the subject property to the City of Montclair's existing sanitary sewer line. The property is currently developed with an existing 1,571 square-foot single-family residence and an attached 400 square-foot single-car attached garage. All structures currently situated on the property were constructed in 1961. The existing septic tank on-site has begun to show signs of failure and the owners would like to connect to the City's sewer.

The proposed sewer connection request is consistent with the City's policies and requirements. In exchange, the Agreement would require annexation of the property to the City when feasible at a future date. If approved by the City Council, staff will forward Agreement No. 22-10-I-108 to the Local Agency Formation Commission (LAFCO) for review and approval. Following City Council and LAFCO approvals, the Agreement is recorded against the property and becomes binding on future owners, heirs, successors, or assigns. Staff recommends City Council approve the proposed Agreement to allow the requested City sewer connection for the new commercial use.

**FISCAL IMPACT:** The proposed Agreement would pose no fiscal impact to the City's General Fund at this time, but will have a positive impact when the property is connected to the sewer in the future and begins to pay for sewer service.

**RECOMMENDATION:** Staff recommends the City Council approve Agreement No. 22-10-I-108 (Case No. 2022-02), an Irrevocable Annexation Agreement with Juan Rodriguez and Lorena Ayala for 4751 Howard Street, Montclair (APN 1012-331-06-0000).

**Recording Requested by:**

Silvia Gutierrez  
City of Montclair

**When Recorded Mail To:**

Silvia Gutiérrez  
Associate Planner  
City of Montclair  
5111 Benito Street, P.O. Box 2308  
Montclair, CA 91763

**This Space for Recorder's Use Only**

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**FREE RECORDING PURSUANT TO GOVERNMENT CODE §27383**

**AGREEMENT NO. 22-10-I-108**

**AN IRREVOCABLE ANNEXATION AGREEMENT  
WITH  
THE CITY OF MONTCLAIR  
AND  
JUAN RODRIGUEZ AND LORENA AYALA  
FOR  
4751 HOWARD STREET MONTCLAIR, CA 91763  
(APN: 1012-331-06-0000)**

**AGREEMENT NO. 22-10-I-108**

**AN IRREVOCABLE AGREEMENT TO ANNEX  
TO THE CITY OF MONTCLAIR**

JUAN RODRIGUEZ AND LORENA AYALA  
4751 HOWARD STREET MONTCLAIR, CA 91763  
(APN: 1012-331-06-0000)

This agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2022, between Juan Rodriguez and Lorena Ayala, hereinafter referred to as "Owners," and the City of Montclair hereinafter referred to as "City."

**WHEREAS**, Owner is the legal property owner of the real property located at 4751 Howard Street, Montclair, CA 91763, shown as Exhibit "A" attached, and is further described as follows:

Lot 6 of Tract 4474, in the City of Montclair, County of San Bernardino, State of California as per map recorded in Book 63, Page(s) 70 to 72, Inclusive of Maps, in the Office of the County Recorder of said County.

**WHEREAS**, the subject property is approximately 0.171,5-acres in total size, and located within unincorporated San Bernardino County and the Sphere of Influence of the City of Montclair; and

**WHEREAS**, according to the County of San Bernardino Tax Assessor's Office, the property records show a developed land; and

**WHEREAS**, the owner desires to connect the existing 1,571 square-foot single-family residence and an attached 400 square-foot attached two-car garage. The existing septic tank on-site has been to show signs of failure and the owners would like to connect to sewer. All structures currently situated on the property were constructed in 1961; and

**WHEREAS**, the Owner desires to connect the property as described above to the sanitary sewer system in Howard Street, which is owned and maintained by the City of Montclair; and

**WHEREAS**, the City is willing to allow a connection to said sanitary sewer system if a request is made at the earliest possible time to annex to the City of Montclair; and

**WHEREAS**, Owner desires to annex to the City of Montclair; and

**WHEREAS**, the City intends to pursue annexation of Owner's property, but said annexation would cause a delay in connecting to said sewer line, which would create a substantial hardship for Owner of said property; and,

**WHEREAS**, the agreements, conditions, and covenants contained herein are made for the direct benefit of the land subject to this Agreement and described herein and shall

create an equitable servitude upon the land and operate as a covenant running with the land for the benefit of the Owner of the land and his/her heirs, successors, and assigns.

**NOW, THEREFORE,** the party do agree as follows:

1. Owners do hereby give irrevocable consent to annex to the City of Montclair at such time as the annexation may be properly approved through appropriate legal proceedings, and Owners do further agree to provide all reasonable cooperation and assistance to the City in the annexation proceedings. Said cooperation is contemplated to include signing any applications of consent prepared by the City and submitting any evidence reasonably within the control of the Owner to the various hearings required for the annexation. Said cooperation does not include, however, any obligation on behalf of the Owner to institute any litigation or judicial proceeding whatsoever to force annexation to the City.

2. The City of Montclair does hereby agree to allow a connection of said property to the sewer line owned by the City of Montclair, which is located in Howard Avenue, at such time as all applicable permits have been obtained and associated fees have been paid.

3. Owners agree to pay such annexation fees and costs and other municipal charges as would ordinarily be charged in the annexation of property to the City. Said fees shall be payable when the same becomes due and payable. (In some circumstances, these fees may be borne by the City.)

4. Owners shall pay all fees and charges and make all deposits required by the City to connect to and use the sewer, and Owners agrees to be bound by all City ordinances, rules, and regulations with respect to the sewer system. Owners agrees to pay monthly sewer charges beginning on the date this agreement is approved by the City Council.

5. Owners shall be responsible for the maintenance and repair of the sewer lateral from the building, and/or structure to which the sewer lateral is connected to the public sewer main in the street or City easement. This responsibility includes both the portion of the sewer lateral on private property and the portion located beneath the street up to the point where the lateral connects to the public sanitary sewer main. Property owner's responsibilities include maintenance and repair of the lateral, overflow cleanup, and damages to sewer main and/or pavement. The City may respond and take corrective action in the event of a sewage overflow from a lateral where there is an immediate threat to health or safety. However, the property owner shall be responsible for all costs incurred by the City.

6. Owners shall install any and all future improvements upon the said property to the City's standards, except that the County standard(s) shall apply when more restrictive than the City standard(s).

7. Owner shall execute this agreement on behalf of themselves, their heirs, successors, and assigns, and said agreement shall be irrevocable without the prior written consent of both parties hereto.

8. The benefit and responsibilities to the subject property shall inure to the benefit and responsibilities of subsequent owners, their heirs, successors, and assigns; and the agreements, conditions, and covenants contained herein shall be binding upon them and upon the land.

9. This agreement shall be recorded with the Office of the Recorder of the County of San Bernardino.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed the day and year first above written.

CITY:

**CITY OF MONTCLAIR, CALIFORNIA**

OWNER(S):

**4751 Howard Street**

\_\_\_\_\_  
John Javier Dutrey, Mayor

Date: \_\_\_\_\_

\_\_\_\_\_  
Juan Rodriguez and Lorena Ayala

Date: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Andrea M. Myrick, City Clerk

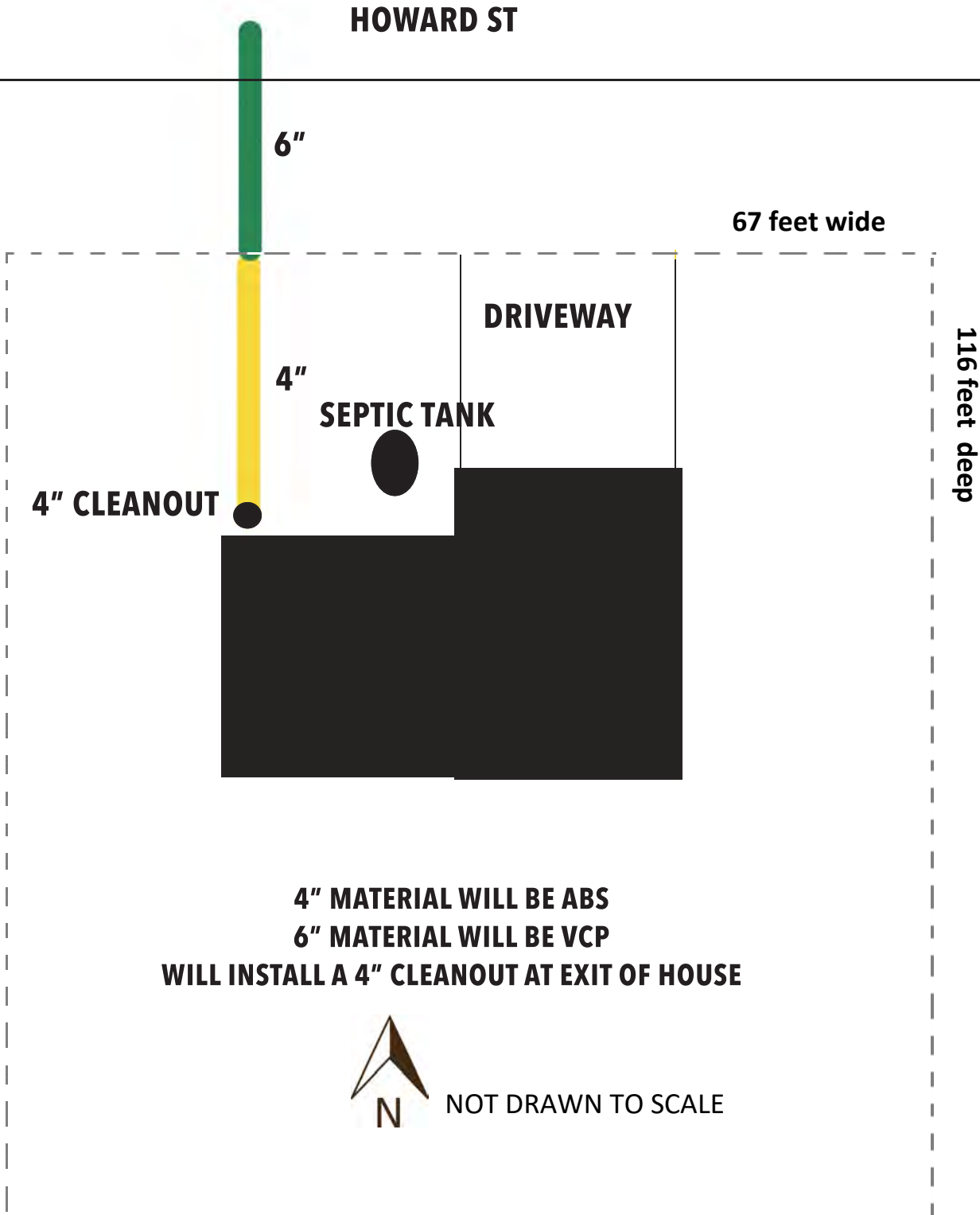
Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Diane E. Robbins, City Attorney

Date: \_\_\_\_\_

**4751 HOWARD ST.  
ABANDONING SEPTIC TANK AND INSTALLING NEW SEWER LINE**





# CITY COUNCIL AGENDA REPORT

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|                  |   |                   |           |
|------------------|---|-------------------|-----------|
| <b>DATE:</b>     | FEBRUARY 7, 2022  | <b>FILE I.D.:</b> | STB300-17 |
| <b>SECTION:</b>  | CONSENT - RESOLUTIONS   | <b>DEPT.:</b>     | FINANCE   |
| <b>ITEM NO.:</b> | 1   | <b>PREPARER:</b>  | C. GRAVES |
| <b>SUBJECT:</b>  | CONSIDER ADOPTION OF RESOLUTION NO. 22-3334 AUTHORIZING PLACEMENT OF LIENS ON CERTAIN PROPERTIES FOR DELINQUENT SEWER AND TRASH CHARGES |                   |           |

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**REASON FOR CONSIDERATION:** Staff has identified 146 sewer and trash accounts in the even-numbered-month billing cycle that are more than three billing periods delinquent. Pursuant to Montclair Municipal Code Chapter 1.12, these properties are subject to lien.

**BACKGROUND:** Ordinance No. 02-815 authorizes the placement of liens on properties on which delinquent civil debts have accrued and makes property owners responsible for delinquent sewer and trash charges accrued after the effective date of the Ordinance (March 1, 2002) for accounts in tenants' names. Prior to the City Council's adoption of Ordinance No. 02-815, property owners were responsible for only those accounts in their own names.

**FISCAL IMPACT:** Recoverable amount is \$53,731.66, plus \$2,920.00 for release of lien fees, plus \$7,300.00 in lien fees, for a total of \$63,951.66.

**RECOMMENDATION:** Staff recommends the City Council adopt Resolution No. 22-3334 authorizing placement of liens on certain properties for delinquent sewer and trash charges.

RESOLUTION NO. 22-3334

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTCLAIR AUTHORIZING PLACEMENT OF LIENS ON CERTAIN PROPERTIES FOR DELINQUENT SEWER AND TRASH ACCOUNTS

WHEREAS, Chapter 1.12 of the Montclair Municipal Code authorizes the City to place liens on properties on which delinquent civil debts have accrued; and

WHEREAS, all owners of property in the City of Montclair were notified about the adoption of Ordinance No. 02-815 authorizing placement of liens on properties on which delinquent civil debts have accrued; and

WHEREAS, it has been determined that there are 146 sewer and/or trash accounts on which there are delinquencies in excess of 90 days; and

WHEREAS, the owners of these properties have received regular billing statements and late notices since the onset of such delinquencies; and

WHEREAS, the owners of these properties were notified on January 6, 2022, that their delinquent accounts are subject to causing a lien to be placed on their properties for settlement of such delinquencies; and that such liens would be considered for approval by the Montclair City Council on Monday, February 7, 2022.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Montclair approves the placement of liens on the properties and in the amounts specified in Exhibit A, entitled Report of Delinquent Civil Debts - February 2022, attached hereto.

BE IT FURTHER RESOLVED that the City Clerk is authorized to provide the San Bernardino County Auditor/Controller-Recorder with the documents required to cause such liens to be placed.

APPROVED AND ADOPTED this XX day of XX, 2022.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

I, Andrea M. Myrick, City Clerk of the City of Montclair, DO HEREBY CERTIFY that Resolution No. 22-3334 was duly adopted by the City Council of said city and was approved by the Mayor of said city at a regular meeting of said City Council held on the XX day of XX, 2022, and that it was adopted by the following vote, to-wit:

AYES: XX  
NOES: XX  
ABSTAIN: XX  
ABSENT: XX

\_\_\_\_\_  
Andrea M. Myrick  
City Clerk



**Exhibit A to Resolution No. 22-3334  
Report of Delinquent Civil Debts - February 2022**

| Street No. | Street          | Account Type | Delinquency | Release of Lien Fee | Lien Fee | Total Lien Amount |
|------------|-----------------|--------------|-------------|---------------------|----------|-------------------|
| 11225      | Ada Avenue      | Residential  | 303.72      | 50.00               | 20.00    | 373.72            |
| 11141      | Amherst Avenue  | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 11151      | Amherst Avenue  | Residential  | 306.51      | 50.00               | 20.00    | 376.51            |
| 5512       | Arrow Hwy #D    | Commercial   | 397.85      | 50.00               | 20.00    | 467.85            |
| 5512       | Arrow Hwy #F    | Commercial   | 347.17      | 50.00               | 20.00    | 417.17            |
| 4395       | Bandera Street  | Residential  | 333.92      | 50.00               | 20.00    | 403.92            |
| 4624       | Bandera Street  | Multifamily  | 652.60      | 50.00               | 20.00    | 722.60            |
| 4645       | Bandera Street  | Residential  | 405.90      | 50.00               | 20.00    | 475.90            |
| 4740       | Bandera Street  | Multifamily  | 275.76      | 50.00               | 20.00    | 345.76            |
| 4983       | Bandera Street  | Residential  | 293.66      | 50.00               | 20.00    | 363.66            |
| 5065       | Bandera Street  | Residential  | 320.60      | 50.00               | 20.00    | 390.60            |
| 5167       | Bandera Street  | Residential  | 215.69      | 50.00               | 20.00    | 285.69            |
| 5185       | Bandera Street  | Residential  | 215.69      | 50.00               | 20.00    | 285.69            |
| 5211       | Bandera Street  | Residential  | 293.88      | 50.00               | 20.00    | 363.88            |
| 5215       | Bandera Street  | Residential  | 324.17      | 50.00               | 20.00    | 394.17            |
| 5598       | Bandera Street  | Residential  | 420.42      | 50.00               | 20.00    | 490.42            |
| 4432-34    | Bandera Street  | Multifamily  | 635.05      | 50.00               | 20.00    | 705.05            |
| 10145      | Bel Air Avenue  | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 5214       | Belvedere Way   | Residential  | 224.22      | 50.00               | 20.00    | 294.22            |
| 5219       | Belvedere Way   | Residential  | 316.63      | 50.00               | 20.00    | 386.63            |
| 5186       | Benito Street   | Commercial   | 271.14      | 50.00               | 20.00    | 341.14            |
| 10218      | Benson Avenue   | Residential  | 244.09      | 50.00               | 20.00    | 314.09            |
| 10376      | Benson Avenue   | Multifamily  | 273.91      | 50.00               | 20.00    | 343.91            |
| 10448      | Benson Avenue   | Residential  | 226.34      | 50.00               | 20.00    | 296.34            |
| 5232       | Berkshire Way   | Residential  | 337.67      | 50.00               | 20.00    | 407.67            |
| 5011       | Birch Street    | Residential  | 239.98      | 50.00               | 20.00    | 309.98            |
| 11372      | Buckskin Avenue | Residential  | 231.82      | 50.00               | 20.00    | 301.82            |
| 8953       | Camulos Avenue  | Residential  | 296.52      | 50.00               | 20.00    | 366.52            |
| 10259      | Camulos Avenue  | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 10271      | Camulos Avenue  | Residential  | 259.73      | 50.00               | 20.00    | 329.73            |
| 4924       | Canoga Street   | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 5034       | Canoga Street   | Residential  | 332.76      | 50.00               | 20.00    | 402.76            |
| 4934       | Carlton Street  | Residential  | 235.27      | 50.00               | 20.00    | 305.27            |
| 11239      | Carriage Avenue | Senior       | 284.09      | 50.00               | 20.00    | 354.09            |
| 11178      | Carrillo Avenue | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 9802       | Central Avenue  | Commercial   | 4,152.58    | 50.00               | 20.00    | 4,222.58          |
| 4337       | Clair Street    | Residential  | 350.19      | 50.00               | 20.00    | 420.19            |
| 4397       | Clair Street    | Residential  | 259.73      | 50.00               | 20.00    | 329.73            |
| 4329       | Clydesdale Way  | Senior       | 305.14      | 50.00               | 20.00    | 375.14            |
| 10164      | Coalinga Avenue | Residential  | 316.86      | 50.00               | 20.00    | 386.86            |
| 10276      | Coalinga Avenue | Residential  | 332.78      | 50.00               | 20.00    | 402.78            |
| 11148      | Coalinga Avenue | Residential  | 316.53      | 50.00               | 20.00    | 386.53            |
| 11422      | Cumberland Lane | Residential  | 215.28      | 50.00               | 20.00    | 285.28            |

**Exhibit A to Resolution No. 22-3334  
Report of Delinquent Civil Debts - February 2022**

| Street No. | Street          | Account Type | Delinquency | Release of Lien Fee | Lien Fee | Total Lien Amount |
|------------|-----------------|--------------|-------------|---------------------|----------|-------------------|
| 11476      | Cumberland Lane | Residential  | 344.26      | 50.00               | 20.00    | 414.26            |
| 11461      | Dartmouth Lane  | Residential  | 271.14      | 50.00               | 20.00    | 341.14            |
| 10154      | Del Mar Avenue  | Residential  | 220.73      | 50.00               | 20.00    | 290.73            |
| 10187      | Del Mar Avenue  | Residential  | 306.57      | 50.00               | 20.00    | 376.57            |
| 10190      | Del Mar Avenue  | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 10236      | Del Mar Avenue  | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 4512       | Donner Court    | Residential  | 346.68      | 50.00               | 20.00    | 416.68            |
| 11159      | Essex Avenue    | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 4645       | Evert Street    | Residential  | 292.98      | 50.00               | 20.00    | 362.98            |
| 4705       | Evert Street    | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 5030       | Evert Street    | Residential  | 316.30      | 50.00               | 20.00    | 386.30            |
| 4114       | Faircove Court  | Residential  | 468.72      | 50.00               | 20.00    | 538.72            |
| 4219       | Fauna Street    | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 4267       | Fauna Street    | Residential  | 779.85      | 50.00               | 20.00    | 849.85            |
| 4291       | Fauna Street    | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 4456       | Fauna Street    | Senior       | 284.09      | 50.00               | 20.00    | 354.09            |
| 4703       | Fauna Street    | Residential  | 316.86      | 50.00               | 20.00    | 386.86            |
| 4738       | Fauna Street    | Residential  | 317.85      | 50.00               | 20.00    | 387.85            |
| 4849       | Fauna Street    | Residential  | 316.86      | 50.00               | 20.00    | 386.86            |
| 4852       | Fauna Street    | Residential  | 312.68      | 50.00               | 20.00    | 382.68            |
| 8912       | Felipe Avenue   | Residential  | 284.97      | 50.00               | 20.00    | 354.97            |
| 10232      | Felipe Avenue   | Residential  | 316.86      | 50.00               | 20.00    | 386.86            |
| 8919-21    | Felipe Avenue   | Multifamily  | 635.05      | 50.00               | 20.00    | 705.05            |
| 8947-49    | Felipe Avenue   | Multifamily  | 635.05      | 50.00               | 20.00    | 705.05            |
| 4532       | Flora Street    | Residential  | 331.68      | 50.00               | 20.00    | 401.68            |
| 4660       | Flora Street    | Senior       | 316.86      | 50.00               | 20.00    | 386.86            |
| 4704       | Flora Street    | Residential  | 231.51      | 50.00               | 20.00    | 301.51            |
| 4932       | Flora Street    | Residential  | 348.85      | 50.00               | 20.00    | 418.85            |
| 5030       | Flora Street    | Residential  | 853.17      | 50.00               | 20.00    | 923.17            |
| 5185       | Flora Street    | Residential  | 300.54      | 50.00               | 20.00    | 370.54            |
| 10253      | Fremont Avenue  | Residential  | 316.86      | 50.00               | 20.00    | 386.86            |
| 10287      | Fremont Avenue  | Residential  | 348.87      | 50.00               | 20.00    | 418.87            |
| 11049      | Fremont Avenue  | Residential  | 259.73      | 50.00               | 20.00    | 329.73            |
| 10149      | Galena Avenue   | Residential  | 316.86      | 50.00               | 20.00    | 386.86            |
| 10127      | Helena Avenue   | Residential  | 279.03      | 50.00               | 20.00    | 349.03            |
| 11353      | Hickory Lane    | Residential  | 281.00      | 50.00               | 20.00    | 351.00            |
| 4103       | Howard Street   | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 4341       | Howard Street   | Residential  | 316.86      | 50.00               | 20.00    | 386.86            |
| 4854       | Howard Street   | Residential  | 282.05      | 50.00               | 20.00    | 352.05            |
| 5048       | Howard Street   | Senior       | 379.11      | 50.00               | 20.00    | 449.11            |
| 10236      | Kimberly Avenue | Residential  | 316.86      | 50.00               | 20.00    | 386.86            |
| 11065      | Kimberly Avenue | Residential  | 259.73      | 50.00               | 20.00    | 329.73            |
| 4671       | Kingsley Street | Multifamily  | 249.36      | 50.00               | 20.00    | 319.36            |

**Exhibit A to Resolution No. 22-3334  
Report of Delinquent Civil Debts - February 2022**

| Street No. | Street                | Account Type | Delinquency | Release of Lien Fee | Lien Fee | Total Lien Amount |
|------------|-----------------------|--------------|-------------|---------------------|----------|-------------------|
| 4909       | Kingsley Street       | Residential  | 316.00      | 50.00               | 20.00    | 386.00            |
| 4921       | Kingsley Street       | Residential  | 285.90      | 50.00               | 20.00    | 355.90            |
| 5019       | Kingsley Street       | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 5198       | Kingsley Street       | Multifamily  | 519.45      | 50.00               | 20.00    | 589.45            |
| 5476       | Kingsley Street       | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 5646       | Kingsley Street       | Residential  | 233.94      | 50.00               | 20.00    | 303.94            |
| 4821-23    | Kingsley Street       | Multifamily  | 608.68      | 50.00               | 20.00    | 678.68            |
| 5173-75    | Kingsley Street       | Multifamily  | 249.36      | 50.00               | 20.00    | 319.36            |
| 5217-19    | Kingsley Street       | Multifamily  | 519.45      | 50.00               | 20.00    | 589.45            |
| 10360-62   | Lehigh Avenue         | Multifamily  | 637.00      | 50.00               | 20.00    | 707.00            |
| 4428       | Mane Street           | Residential  | 294.67      | 50.00               | 20.00    | 364.67            |
| 4543       | Mane Street           | Residential  | 316.86      | 50.00               | 20.00    | 386.86            |
| 4839       | Mane Street           | Residential  | 267.05      | 50.00               | 20.00    | 337.05            |
| 4846       | Mane Street           | Residential  | 350.19      | 50.00               | 20.00    | 420.19            |
| 8875       | Maple Avenue          | Residential  | 309.48      | 50.00               | 20.00    | 379.48            |
| 11442      | Marquette Lane        | Residential  | 300.25      | 50.00               | 20.00    | 370.25            |
| 10189      | Mills Avenue          | Residential  | 316.86      | 50.00               | 20.00    | 386.86            |
| 10231      | Mills Avenue          | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 5121       | Mission Blvd.         | Residential  | 295.54      | 50.00               | 20.00    | 365.54            |
| 4548       | Monte Verde Street    | Residential  | 259.73      | 50.00               | 20.00    | 329.73            |
| 10263      | Monte Vista Avenue    | Residential  | 291.68      | 50.00               | 20.00    | 361.68            |
| 5136       | N Plaza Lane          | Commercial   | 468.38      | 50.00               | 20.00    | 538.38            |
| 10163      | Oak Glen Avenue       | Senior       | 285.41      | 50.00               | 20.00    | 355.41            |
| 10241      | Oak Glen Avenue       | Residential  | 292.08      | 50.00               | 20.00    | 362.08            |
| 4595       | Oakdale Street        | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 5171       | Orchard Street        | Senior       | 285.41      | 50.00               | 20.00    | 355.41            |
| 5422       | Orchard Street        | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 10154      | Poulsen Avenue        | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 11253      | Poulsen Avenue        | Senior       | 464.36      | 50.00               | 20.00    | 534.36            |
| 10206      | Pradera Avenue        | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 11441      | Rockford Lane         | Residential  | 230.02      | 50.00               | 20.00    | 300.02            |
| 11026      | Roswell Avenue        | Residential  | 366.17      | 50.00               | 20.00    | 436.17            |
| 5049       | Saddleback Street     | Residential  | 316.65      | 50.00               | 20.00    | 386.65            |
| 5149       | Saddleback Street     | Residential  | 356.94      | 50.00               | 20.00    | 426.94            |
| 5155       | Saddleback Street     | Residential  | 405.90      | 50.00               | 20.00    | 475.90            |
| 4950       | San Bernardino Street | Commercial   | 1,148.02    | 50.00               | 20.00    | 1,218.02          |
| 11014      | San Miguel Way        | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 11020      | San Pasqual Avenue    | Residential  | 318.18      | 50.00               | 20.00    | 388.18            |
| 11143      | San Pasqual Avenue    | Residential  | 259.73      | 50.00               | 20.00    | 329.73            |
| 10204      | Santa Anita Avenue    | Residential  | 405.90      | 50.00               | 20.00    | 475.90            |
| 10170      | Saratoga Avenue       | Residential  | 293.03      | 50.00               | 20.00    | 363.03            |
| 10214      | Saratoga Avenue       | Residential  | 449.74      | 50.00               | 20.00    | 519.74            |
| 11054      | Stagecoach Avenue     | Residential  | 316.86      | 50.00               | 20.00    | 386.86            |

**Exhibit A to Resolution No. 22-3334  
Report of Delinquent Civil Debts - February 2022**

| <b>Street No.</b> | <b>Street</b>     | <b>Account Type</b> | <b>Delinquency</b> | <b>Release of Lien Fee</b> | <b>Lien Fee</b>   | <b>Total Lien Amount</b> |
|-------------------|-------------------|---------------------|--------------------|----------------------------|-------------------|--------------------------|
| 11011             | Stallion Avenue   | Residential         | 358.56             | 50.00                      | 20.00             | 428.56                   |
| 10223             | Tudor Avenue      | Senior              | 488.97             | 50.00                      | 20.00             | 558.97                   |
| 10289             | Tudor Avenue      | Residential         | 318.18             | 50.00                      | 20.00             | 388.18                   |
| 10115             | Vernon Avenue     | Residential         | 405.90             | 50.00                      | 20.00             | 475.90                   |
| 10236             | Vernon Avenue     | Residential         | 316.86             | 50.00                      | 20.00             | 386.86                   |
| 5533              | Vernon Court      | Residential         | 449.74             | 50.00                      | 20.00             | 519.74                   |
| 5555              | Vernon Court      | Residential         | 259.73             | 50.00                      | 20.00             | 329.73                   |
| 4230              | Via Amore         | Residential         | 316.86             | 50.00                      | 20.00             | 386.86                   |
| 10422             | Via Palma         | Residential         | 259.73             | 50.00                      | 20.00             | 329.73                   |
| 10438             | Via Palma         | Residential         | 316.86             | 50.00                      | 20.00             | 386.86                   |
| 4198              | Via Viola         | Residential         | 270.00             | 50.00                      | 20.00             | 340.00                   |
| 11043             | Wesley Avenue     | Residential         | 407.71             | 50.00                      | 20.00             | 477.71                   |
| 11053             | Wesley Avenue     | Residential         | 331.48             | 50.00                      | 20.00             | 401.48                   |
| 10995             | Whitewater Avenue | Senior              | 338.91             | 50.00                      | 20.00             | 408.91                   |
| 11178             | Whitewater Avenue | Residential         | 312.74             | 50.00                      | 20.00             | 382.74                   |
| 11263             | Whitewater Avenue | Residential         | 340.50             | 50.00                      | 20.00             | 410.50                   |
| 4515              | Yosemite Drive    | Residential         | 318.18             | 50.00                      | 20.00             | 388.18                   |
|                   |                   | <b>Total:</b>       | <b>\$53,731.66</b> | <b>\$7,300.00</b>          | <b>\$2,920.00</b> | <b>\$63,951.66</b>       |



# CITY COUNCIL AGENDA REPORT

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|                  |  |                   |               |
|------------------|--|-------------------|---------------|
| <b>DATE:</b>     | FEBRUARY 7, 2022   | <b>FILE I.D.:</b> | COV100/CYC125 |
| <b>SECTION:</b>  | CONSENT - RESOLUTIONS  | <b>DEPT.:</b>     | CITY MGR.     |
| <b>ITEM NO.:</b> | 2  | <b>PREPARER:</b>  | A. MYRICK     |
| <b>SUBJECT:</b>  | CONSIDER ADOPTION OF RESOLUTION NO. 22-3336 MAKING FACTUAL FINDINGS IN COMPLIANCE WITH AB 361 FOR THE CONTINUATION OF PUBLIC MEETING TELECONFERENCING DURING PUBLIC HEALTH EMERGENCIES FOR THE PERIOD OF FEBRUARY 7, 2022, THROUGH MARCH 9, 2022 |                   |               |

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**REASON FOR CONSIDERATION:** The City Council’s adoption of Resolution No. 21-3336 would extend the City’s remote public meeting procedures under AB 361 for an additional 30 days, expiring March 9, 2022.

**BACKGROUND:** Governor Newsom’s Executive Order N-29-20, which suspended and modified the Brown Act’s teleconferencing requirements during the COVID-19 pandemic, expired on September 30, 2021. On September 16, 2021, Governor Newsom signed AB 361 into law as an urgency bill and, four days later, executed an order delaying the application of AB 361 until October 2, 2021.

AB 361 permits legislative bodies of state and local entities to continue to meet virtually and remotely through telephonic and internet means (i.e., via teleconference) during a proclaimed state of emergency without having to meet the quorum, posting, physical location access, and other requirements of traditional teleconference meetings under the Brown Act. Under AB 361, a legislative body may hold entirely virtual meetings (or partially virtual meetings) until the end of the current state of emergency and during any future emergency declarations through January 1, 2024. However, to do so, the legislative body must make factual findings to continue teleconferencing every 30 days.

**FISCAL IMPACT:** There is no direct fiscal impact on the General Fund related to the City Council’s adoption of Resolution No. 22-3336.

**RECOMMENDATION:** Staff recommends the City Council adopt Resolution No. 22-3336 making factual findings in compliance with AB 361 for the continuation of teleconferencing during public health emergencies for the period of February 7, 2022, through March 9, 2022.

RESOLUTION NO. 22-3336

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTCLAIR STATING COMPLIANCE WITH THE PROVISIONS OF ASSEMBLY BILL 316 INCLUDING COMPLIANCE WITH ABBREVIATED TELECONFERENCE REQUIREMENTS FOR OPEN MEETINGS, AND MAKING FACTUAL FINDINGS REGARDING THE COVID-19 PUBLIC HEALTH EMERGENCY FOR THE PERIOD OF FEBRUARY 7, 2022, THROUGH MARCH 9, 2022**

**WHEREAS**, recognizing the continuing public health threat posed by the novel coronavirus, California Governor Gavin Newsom on September 16, 2021 signed Assembly Bill 361 (AB 361), an urgency law establishing procedures for the continuation of teleconferencing during public health emergencies, including the COVID-19 public health emergency; and

**WHEREAS**, the Montclair City Council, its standing committees, and the Montclair Planning and Community Activities Commissions may continue to meet virtually and remotely through telephonic and internet means (i.e., via teleconference) during a proclaimed state of emergency without having to meet the quorum, posting, physical location access and other requirements of traditional teleconference meetings under the Ralph M. Brown Act—Government Code (GC) sections (§§)54950-54963 (the "Brown Act") open meeting laws until the end of the current state of emergency and during any future state of emergency, up until January 1, 2024; and

**WHEREAS**, to continue meeting virtually, the Montclair City Council is required to make factual findings.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Montclair hereby elects to use AB 361's abbreviated teleconferencing procedures where a state of emergency has been formally proclaimed, but only if at least one of the following three conditions apply, and this election shall hereby include its standing committees and the Montclair Planning and Community Activities Commissions:

1. State or local officials have imposed or recommended measures to promote social distancing at the time the legislative body holds the meeting to adopt AB 361 [GC §54953(e)(1)(A)]; or
2. The legislative body holds a meeting for the first time for the purpose of determining by majority vote whether, as a result of proclaimed state of emergency, meeting in person would present imminent risks to the health and safety of attendees [GC §54953(e)(1)(B)], or
3. The legislative body has determined (per the previous bullet) that, as a result of the proclaimed state of emergency, meeting in person would continue to present imminent risks to the health or safety of attendees [GC §54953(e)(1)(C)].

As to condition No. 1, immediately above:

- On March 16, 2020, the City Council adopted Resolution No. 20-3263 declaring that a local public health emergency exists in the City of Montclair. The public health emergency continues until Resolution No. 20-3263 is rescinded.
- On September 21, 2020, the City Manager introduced, and the City Council adopted, the *City Facilities Public Reopening, Health and Safety Plan. The Plan* introduced a strong, clear and detailed guidance to ensure public health and safety in City facilities. Protocols in *the Plan* are based on a variety of sources including, but not limited to, the federal government's *Opening America* plan, CDC Guidelines, State of California Guidance, EEOC Guidance for the workplace, and the Aspen Institute Return to Play COVID-19 Risk Assessment Tool. A copy of *the Plan* had been provided to each member of the City Council.

**BE IT FURTHER RESOLVED** that pursuant to AB 361, local legislative bodies electing to use the urgency bill's abbreviated teleconferencing procedures must make the following factual findings within 30 days after teleconferencing for the first time after the expiration of Executive Order No. N-29-20 on September 30, 2021, and every 30 days thereafter until January 1, 2024, or when Montclair City Council Resolution No. 20-3263 declaring a public health emergency is rescinded, whichever comes first:

1. The legislative body has reconsidered the circumstances of the state of emergency; and
2. Either of the following circumstances exist:
  - The state of emergency continues to directly impact the ability of the members to meet safely in person.
  - State or local officials continue to impose or recommend measures to promote social distancing.

As to condition No. 1, immediately above, this Resolution makes factual findings as follows:

- The City Council of the City of Montclair, in reconsideration of the circumstances of the public health emergency related to COVID-19, as expressed in Montclair City Council Resolution No. 20-3263, adopted March 16, 2020, declaring that a local public health emergency exists in the City of Montclair, remains in effect.

As to condition No. 2, immediately above, this Resolution makes factual findings as to the following:

- On September 21, 2020, the City Council adopted the ***City Facilities Public Reopening, Health and Safety Plan***, introducing a strong, clear and detailed guidance to ensure public health and safety in City facilities. Protocols in ***the Plan*** are based on a variety of sources including, but not limited to, the federal governments *Opening America* plan, CDC Guidelines, State of California Guidance, EEOC Guidance for the workplace, and the Aspen Institute Return to Play COVID-19 Risk Assessment Tool. Adoption of ***the Plan*** also incorporated guidance from the California Department of Public Health (CDPH) and the Centers for Disease Control and Prevention (CDC), including public health guidelines that promote personal responsibility for social distancing and compliance with face covering mandates, education on the need to avoid large gatherings, and promotion of protocols related to personal hygiene.

By adoption of this Resolution, the City Council of the City of Montclair reaffirms that it continues to impose measures in City facilities and at City-sponsored events to promote social distancing in compliance with the ***City Facilities Public Reopening, Health and Safety Plan***.

**BE IT FURTHER RESOLVED** that the City Council of the City of Montclair, its standing committees, and the Montclair Planning and Community Activities Commissions shall further comply with each of AB 361's abbreviated teleconference requirement for open meetings, including the following:

1. **Notice and agenda:**

- The City of Montclair shall provide notice and post agendas as otherwise required under the Brown Act (setting aside traditional teleconferencing requirements), and shall indicate on the notice the means by which the public may access the meeting and offer comment.
- The agenda shall identify and include an opportunity for all persons to attend via a call-in option or internet-based service. Further, (1) the agenda is not required to be posted at all teleconferencing locations, (2) public access does not need to be assured at all teleconference locations, (3) the notices and agenda do not need to list the teleconferencing locations of the members of the City Council, and (4) a quorum of the members of the City Council do not need to participate within physical boundaries of the City of Montclair.

2. **Public comment rules:** AB 361 instituted new rules for public comments for timed and untimed public comment periods during legislative body meetings.

- **Timed general public comment period:** The Montclair City Council, its committees, and the Montclair Planning and Community Activities Commissions provide members of the public a timed, general public comment

period, and opportunity to register for public comment does not close until the set general public comment period has elapsed.

- **Untimed public comment period per agenda item:** The Montclair City Council, its committees, and the Montclair Planning and Community Activities Commissions provide for a timed, general public comment period.
  - **Timed public comment period per agenda item:** The Montclair City Council, its committees, and the Montclair Planning and Community Activities Commissions provide for a timed public comment period per agenda item.
3. **Prohibition against requirement for public comments to be submitted in advance.** The Montclair City Council, its committees, and the Montclair Planning and Community Activities Commissions comply with AB 361's prohibition against a local legislative body from requiring public comments to be submitted in advance of the meeting.
  4. **Registration for public comment:** The Montclair City Council, its committees, and the Montclair Planning and Community Activities Commissions comply with AB 361 by not imposing a requirement that a member of the public register for public comment before being allowed to provide public comment where a third-party platform (such as Zoom or Microsoft Teams) is employed.
  5. **Disrupted broadcasting procedures:** In the event there is a broadcasting disruption of a meeting of the Montclair City Council, its committees, or the Montclair Planning and Community Activities Commissions to the public by phone or by internet, the Montclair City Council, its committees, and the Montclair Planning and Community Activities Commissions will take no further action on agenda items until public access is restored.
  6. **Standing Committee:** Each standing committee of the Montclair City Council shall fall under the scope of AB 361.
  7. **Montclair Planning and Community Activities Commissions:** The Montclair Planning Commission and the Montclair Community Activities Commission shall fall under the scope of AB 361.

**BE IT FURTHER RESOLVED** that this action is exempt from review pursuant to the California Environmental Quality Act (CEQA) in accordance with State CEQA Guidelines Section 15061(b)(3), the "common sense" exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of March 9, 2022, or such time as the City Council adopts a subsequent resolution in accordance with GC §54953(e)(3) to extend the time during which meetings may continue to be held remotely by teleconference in compliance with that section.

**APPROVED AND ADOPTED** this XX day of XX, 2022.

**ATTEST:**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

I, Andrea M. Myrick, City Clerk of the City of Montclair, DO HEREBY CERTIFY that Resolution No. 22-3336 was duly adopted by the City Council of said city and was approved by the Mayor of said city at a regular meeting of said City Council held on the XX day of XX, 2022, and that it was adopted by the following vote, to-wit:

AYES: XX  
NOES: XX  
ABSTAIN: XX  
ABSENT: XX

\_\_\_\_\_  
Andrea M. Myrick  
City Clerk



MINUTES OF THE REGULAR JOINT MEETING OF THE MONTCLAIR CITY COUNCIL, SUCCESSOR AGENCY AND MONTCLAIR HOUSING CORPORATION BOARDS, MONTCLAIR HOUSING AUTHORITY COMMISSION, AND MONTCLAIR COMMUNITY FOUNDATION BOARD HELD ON MONDAY, JANUARY 18, 2022 AT 7:06 P.M. CONDUCTED REMOTELY PURSUANT TO STATE EXECUTIVE ORDER AND AB 361 SUSPENDING CERTAIN ASPECTS OF THE BROWN ACT DURING THE COVID-19 PUBLIC HEALTH STATE OF EMERGENCY

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I. CALL TO ORDER

Mayor/Chair Dutrey called the meeting to order at 7:06 p.m.

II. INVOCATION

**Pastor Josh Matlock, Bethany Baptist Church**, gave the invocation.

III. PLEDGE OF ALLEGIANCE

Mayor Pro Tem Ruh led meeting participants in the Pledge.

IV. ROLL CALL

Present: Mayor/Chair Dutrey; Mayor Pro Tem/Vice Chair Ruh; Council Members/Directors Johnson, Martinez, and Lopez

City Manager/Executive Director Starr; City Attorney Robbins; City Clerk Myrick

V. PRESENTATIONS

A. **Proclamation Declaring January 2022 as Blood Donor Month in the City of Montclair**

Mayor Dutrey presented a proclamation declaring January 2022 as Blood Donor Month in the City of Montclair and stated the proclamation would be mailed to **LifeStream Blood Bank**.

**Ms. Angela Ross**, Marketing and Public Relations Director for **LifeStream Blood Bank**, thanked Mayor Dutrey for the proclamation and emphasized the importance of blood donation to the community, especially during the pandemic and the current blood shortage. She invited those who are not donors to become one by calling 1-800-TRY-GIVING or by visiting [www.LStream.com](http://www.LStream.com) to sign up and schedule an appointment.

B. **Monte Vista Water District (MVWD) Report of Emergency Conservation Regulations**

**Mr. Justin Scott-Coe**, MVWD General Manager, reported that a significant water supply shortage has been declared in the state and provided a short PowerPoint presentation demonstrating the sources of the District's water, reductions since the drought declaration, and adjusted restrictions for customers on water use requirements. He noted **MVWD** has a goal of achieving a 15 percent reduction of water demand compared to 2020. He added one measure the District will take is restricting the permitted irrigation of residential yards to three days per week—Tuesdays, Thursdays, and Saturdays, between the hours of 8:00 p.m. and 8:00 a.m. for six minutes per watering session. He added the District recommends only watering twice a week in the winter months.

Mayor Dutrey asked if the heavy rains in December had any impact on the allocation of imported water.

**Mr. Scott-Coe** agreed December had plentiful rain and snowfall, but could be followed by dry months. He stated the District cannot depend on it affecting the District's water allocation.

Council Member Lopez asked if there have been any changes to the process or amount of fines for residents.

**Mr. Scott-Coe** advised fines start at \$50 and go as high as \$300, and have not increased with the new restrictions. He assured the District provides ample notification and is proud to have never gotten to the point of issuing a fine. He added if a fine were issued and the violations continue, flow restrictions would be considered.

Mayor Pro Tem Ruh stated concerns about household sizes growing since the pandemic began due to adult children moving back home with their parents, and asked if the District would penalize them for their increased household water usage.

**Mr. Scott-Coe** reported the **MVWD** Board has implemented a budget-based tiered rate structure and assigns a base allocation for essential indoor and outdoor water use to each customer based on household size. He noted water usage over that allocation is charged at a higher rate. He stated **MVWD's** customers have the most efficient water usage per person in the region, which he believes is a testament to the rate structure and the conscientiousness of its customers.

Mayor Dutrey thanked **MVWD** General Manager **Scott-Coe** for his presentation and report.

#### **VI. PUBLIC COMMENT**

- A. **Mr. Bruce Culp**, resident, stated he supports continuation of the repair of the Pacific Electric Trail Bridge and encourages approval of all necessary actions tonight. He urged community members and leaders to continue wearing masks during the current surge of COVID-19 cases caused by the Omicron variant of the coronavirus.

#### **VII. PUBLIC HEARINGS**

#### **VIII. CONSENT CALENDAR**

Council Members Johnson and Lopez participated in discussion on Item C-1.

Moved by Council Member/Director Lopez, seconded by Mayor Pro Tem/Vice Chair Ruh, and carried 5-0 by roll call vote, the City Council approved the Consent Calendar as presented:

##### **A. Approval of Minutes**

###### **1. Adjourned Meeting — October 18, 2021**

The City Council approved the minutes of the October 18, 2021 adjourned meeting.

###### **2. Adjourned Meeting — November 10, 2021**

The City Council approved the minutes of the November 10, 2021 adjourned meeting.

###### **3. Special Joint Meeting — December 15, 2021**

The City Council approved the minutes of the December 15, 2021 special joint meeting of the City Council and Planning Commission.

###### **4. Regular Joint Meeting — December 20, 2021**

The City Council, Successor Agency Board of Directors, Montclair Housing Corporation Board of Directors, Montclair Housing Authority Commissioners, and Montclair Community Foundation Board of Directors approved the minutes of the December 20, 2021 regular joint meeting.

## **B. Administrative Reports**

### **1. Receiving and Filing of City Treasurer's Report**

The City Council received and filed the City Treasurer's Report for the month ending December 31, 2021.

### **2. Approval of City Warrant Register and Payroll Documentation**

The City Council approved the City Warrant Register dated January 18, 2022, totaling \$2,112,319.18; and the Payroll Documentation dated December 5, 2021, amounting to \$728,659.67 gross, with \$502,917.11 net being the total cash disbursement; and December 19, 2021 amounting to \$654,170.52 gross, with \$455,875.84 net being the total cash disbursement; and January 2, 2022 amounting to \$628,842.87 gross, with \$432,860.72 net being the total cash disbursement.

### **3. Receiving and Filing of Successor Agency Treasurer's Report**

The City Council acting as successor to the Redevelopment Agency Board received and filed the Successor to the Redevelopment Agency Treasurer's Report for the month ending December 31, 2021.

### **4. Approval of Successor Agency Warrant Register**

The City Council acting as successor to the Redevelopment Agency Board approved the Successor to the Redevelopment Agency Warrant Register dated 12.01.21-12.31.21 in the amounts of \$7,057.89 for the Combined Operating Fund and \$0.00 for the Redevelopment Obligation Retirement Funds.

### **5. Receiving and Filing of MHC Treasurer's Report**

The MHC Board received and filed the MHC Treasurer's Report for the month ending December 31, 2021.

### **6. Approval of MHC Warrant Register**

The MHC Board approved the MHC Warrant Register dated 12.01.21-12.31.21 in the amount of \$28,190.68.

### **7. Receiving and Filing of MHA Treasurer's Report**

The MHA Commissioners received and filed the MHA Treasurer's Report for the month ending December 31, 2021.

### **8. Approval of MHA Warrant Register**

The MHA Commissioners approved the MHA Warrant Register dated 12.01.21-12.31.21 in the amount of \$0.00.

### **9. Receiving and Filing a Status Report on Emergency Contracting Procedures for the Pacific Electric Trail Bridge Replacement Project and Determining There is a Need to Continue the Action**

The City Council received and filed a status report on emergency contracting procedures for the Pacific Electric Trail Bridge Replacement Project and determined there is a need to continue the action.

## **C. Agreements**

### **1. Approval of Agreement Nos. 22-01, 22-02, and 22-03 with Montclair Little League and Golden Girls Softball League for Use of Ball Field Facilities**

The City Council approved *Agreement Nos. 22-01, 22-02, and 22-03* with Montclair Little League and Golden Girls Softball League for use of ball field facilities.

**2. Approval of Agreement No. 22-05 with David Taussig & Associates, Inc., to Provide Services for New Formations and Annual Administration of Community Facilities Districts**

**Approval of Agreement No. 22-06 with Dudek to Provide Environmental Review and Compliance Services**

The City Council took the following actions:

- (a) Approved *Agreement No. 22-05* with David Taussig & Associates, Inc., to provide services for new formations and annual administration of community facilities districts.
- (b) Approved *Agreement No. 22-06* with Dudek to provide environmental review and compliance services.

**3. Approval of Agreement No. 22-07, Amendment No. 1 to Agreement No. 15-63 with the City of Chino Increasing the City's Contribution by \$99,099 for Interchange Improvements at Central Avenue and State Route 60**

**Authorizing City Manager Edward C. Starr to Execute Agreement No. 22-07 and Related Documents**

The City Council took the following actions:

- (a) Approved *Agreement No. 22-07, Amendment No. 1 to Agreement No. 15-63* with the City of Chino increasing the City's contribution by \$99,099 for interchange improvements at Central Avenue and State Route 60.
- (b) Authorized City Manager Edward C. Starr to execute *Agreement No. 22-07* and Related Documents.

**D. Resolutions**

**1. Adoption of Resolution No. 22-3333 Making Factual Findings in Compliance with AB 361 for the Continuation of Public Meeting Teleconferencing During Public Health Emergencies for the Period of January 18, 2022, Through February 17, 2022**

The City Council adopted Resolution No. 22-3333 making factual findings in compliance with AB 361 for the continuation of public meeting teleconferencing during public health emergencies for the period of January 18, 2022, Through February 17, 2022.

**2. Adoption of Resolution No. 22-3335 Authorizing Submittal of Applications for CalRecycle Grants for Which the City is Eligible**

The City Council adopted Resolution No. 22-3335 authorizing submittal of applications for CalRecycle grants for which the City is eligible.

**IX. PULLED CONSENT CALENDAR ITEMS — None**

**X. COMMUNICATIONS**

- A. Department Reports — None**
- B. City Attorney — None**
- C. City Manager/Executive Director — None**

#### D. Mayor/Chair

1. Mayor/Chair Dutrey made the following comments:
  - (a) He recognized the passing of the following individuals:
    - **Frank Hernandez**, longtime Montclair resident who coached sports teams at **Our Lady of Lourdes School**.
    - **Rico Williams**, another longtime resident who passed at the age of 87.
    - **Frank Decoteau**, an Army veteran who lived in Montclair until the early 1990s and served on the Planning Commission from 1965 to 1993.
  - (b) He wished everyone a happy, great, and prosperous 2022, stating he feels this will be a great year for Montclair with new commercial and residential developments planned and the upcoming General Plan and Housing Element updates. He also stated his hope the **Gold Line** would procure the necessary funds to come to the Claremont and Montclair stations. He also believes Measure L funds will allow the City to stabilize staffing levels in public safety, public works, and code enforcement, and purchase a new fire engine.
  - (c) He stated with the currently high pandemic cases, he is relieved that 70 percent of Montclair residents ages five and up have received at least one vaccine dose, and 62 percent are fully vaccinated. He expressed his hope that February will see the number of cases drop back down and hospitalizations soon after.

#### E. Council Members/Directors

1. Mayor Pro Tem/Vice Chair Ruh made the following comments:
  - (a) He encouraged continued masking, vaccinations, booster shots, and testing.
  - (b) He stated his excitement for the **Montclair Little League** opening games this year, scheduled to be held on March 5, 2022.
  - (c) He reported his and Mayor/Chair Dutrey's attendance at an online forum hosted by **San Gabriel Valley Economic Partnership** last Thursday, at which a **Los Angeles Metropolitan Transportation Authority (LA Metro)** representative committed to getting the **Gold Line** from Claremont to Montclair. He stated it was the first time he's heard support from an **LA Metro** executive, adding over 100 attendees were on the call.
  - (d) He expressed sorrow about the passing of **Mr. Hernandez** and of **Mr. Decoteau**, both of whom he knew.

He acknowledged the regretful passing of another notable individual, **Ms. Chris Unruh**, widow of the well-known California State Assemblymember **Jesse Unruh**, at the age of 80. He noted **Ms. Unruh** had a remarkable career, including performing the first act ever as a singer at the brand new **Frontier Hotel** in Las Vegas in the 1960s, and owning the **Buckhorn** pub in **Mt. Baldy**.
  - (e) He stated the location of the Pacific Electric Trail bridge is where the Pacific Electric Railway Red Car used to operate.
  - (f) He noted reading an article about the benefits of the **Gold Line** reaching Claremont and Montclair in a recent **Los Angeles Times** supplement.
  - (g) He sympathized with **Montclair High School** students who, for the second year in a row, had to cancel their

annual **Martin Luther King, Jr.** Day charity walk benefitting homeless students due to the pandemic.

2. Council Member/Director Johnson made the following comments:

(a) She commended Code Enforcement staff for assisting a homeless woman who has recently been placed into a housing program.

(b) She announced the **Montclair Chamber of Commerce** will be holding its next drive-thru e-waste event of 2022 on Saturday and Sunday, January 29 and 30, from 9:00 a.m. to 2:00 p.m. at the Chamber Office, located at 8880 Benson Avenue, Suite 110, Montclair.

3. Council Member/Director Lopez made the following comments:

(a) He stated he attended the grand opening of Jiffy Lube at 5533 Holt Boulevard, Montclair, and encouraged residents to try them out.

(b) He noted the region will be getting a new state senator this election cycle, and he hopes they will help bring the **Gold Line** to Montclair.

(c) He asked if the City has received its allocation of American Rescue Plan Act funds.

City Manager Starr advised the first tranche of funds was received and the second is expected in the latter part of the year.

Mayor Dutrey added the federal guidelines for allocating the funds was just released.

#### F. Committee Meeting Minutes

##### 1. Minutes of Personnel Committee Meeting of December 20, 2021

The City Council received and filed the minutes of the Personnel Committee meeting of December 20, 2021, for informational purposes.

#### XI. ADJOURNMENT

At 7:58 p.m., Mayor/Chair Dutrey adjourned the City Council, Successor Agency Board, Montclair Housing Corporation Board, Montclair Housing Authority Commission, and Montclair Community Foundation Board.

Submitted for City Council/Successor Agency Board/Montclair Housing Corporation Board/Montclair Housing Authority Commission/Montclair Community Foundation Board approval,

  
Andrea Myrick  
City Clerk



**KEYSER MARSTON ASSOCIATES™**  
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

October 19, 2021

**ADVISORS IN:**  
Real Estate  
Affordable Housing  
Economic Development

**BERKELEY**  
A. Jerry Keyser  
Debbie M. Kern  
David Doezeema

**LOS ANGELES**  
Kathleen H. Head  
James A. Rabe  
Gregory D. Soo-Hoo  
Kevin E. Engstrom  
Julie L. Romey  
Tim R. Bretz

**SAN DIEGO**  
Paul C. Marra

**Mikey D. Fuentes**  
Director of Economic Development  
City of Montclair  
5111 Benito Street  
Montclair, California 91763

Dear Mr. Fuentes:

Keyser Marston Associates, Inc. (KMA) is pleased to submit the following proposal to assist the City of Montclair (City) in creating an Inclusionary Housing program. The KMA proposal includes the following information:

1. A summary of KMA’s relevant experience;
2. An description of the proposed scope of services; and
3. An identification of the timing and budget for the proposed scope of services.

**I. FIRM DESCRIPTION**

KMA is a full-service real estate, affordable housing, and economic consulting firm that specializes in advisory and evaluation services. KMA was incorporated in 1973, and we have one of the largest public sector advisory practices on the West Coast. If selected, the Principal-in-Charge of this engagement will be:

Kathleen Head, President

500 South Grand Avenue, Suite 1480

Los Angeles, California 90071

Telephone: 213.622.8095 Email: khead@keysermarston.com

The following table provides a list of Inclusionary Housing assignments that have been completed, or are currently in process, by the Los Angeles KMA office.

|                                   |                          |
|-----------------------------------|--------------------------|
| City of Alhambra                  | City of Newport Beach    |
| City of Beverly Hills             | City of Oceanside        |
| City of Burbank                   | City of Pasadena         |
| City of Campbell                  | City of Pomona           |
| City of Chino Hills               | City of Redondo Beach    |
| City of Claremont                 | City of San Buenaventura |
| City of Dana Point (Not Adopted)  | City of San Dimas        |
| City of Davis                     | City of San Jose         |
| City of Downey                    | City of Santa Ana        |
| City of Duarte                    | City of Santa Clarita    |
| City of Glendale                  | City of Santa Cruz       |
| City of Huntington Beach          | City of Santa Paula      |
| City of Long Beach                | City of Tustin           |
| City of Los Angeles (Not Adopted) | City of West Hollywood   |
| County of Los Angeles             | City of Whittier         |

## II. PROPOSED SCOPE OF SERVICES

### A. Inclusionary Housing: Financial Evaluation

The following summarizes the approach and methodology being proposed by KMA for evaluating the feasibility of adopting an Inclusionary Housing program in Montclair. The Inclusionary Housing: Financial Evaluation (Financial Evaluation) will be undertaken in the context of the following:

1. In 2015, the California Supreme Court ruled in the *California Building Industry Association v. City of San Jose*, 61 Cal 4<sup>th</sup> 435 (San Jose) that Inclusionary Housing ordinances should be viewed as use restrictions that are a valid exercise of a jurisdiction's zoning powers. The San Jose ruling only applies to ownership residential development. The parameters of the San Jose case did not include Inclusionary Housing restrictions on rental development.



2. In September 2017 the California Legislature adopted AB 1505.<sup>1</sup> This legislation, which is known as the “Palmer Fix”, allows jurisdictions to adopt ordinances that impose income and affordability requirements on rental residential projects.<sup>2</sup> AB 1505 also requires jurisdictions to identify alternative methods for fulfilling the affordable housing obligations. These options include, but are not limited to:
  - a. In-lieu fee payment;
  - b. Off-site construction of affordable housing units;
  - c. Dedication of land for affordable housing development; and
  - d. The acquisition and rehabilitation of existing units.
3. California Government Code Sections 65915-65918 (Section 65915) impose density bonus requirements on projects that fulfill defined income and affordability restrictions.

## FOUNDATIONAL ASSUMPTIONS: FINANCIAL EVALUATION

### ***Prototype Developments***

The purpose of the KMA analysis will be to evaluate the financial feasibility of imposing Inclusionary Housing requirements on the housing types anticipated to be developed in Montclair. As pertinent, KMA proposes to evaluate the following residential product types:

1. Single Family Homes;
2. Townhomes and Condominiums; and
3. Apartment projects.

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<sup>1</sup> AB 1505 amended Section 65850 of the California Government Code and added Section 65850.01.

<sup>2</sup> In 2009, the California Court of Appeal ruled in *Palmer/Sixth Street Properties L.P. v. City of Los Angeles*, 175 Cal. App. 4<sup>th</sup> 1396 that the imposition of Inclusionary Housing requirements on rental housing development violates the Costa-Hawkins Rental Housing Act. AB 1505 supersedes this decision.

For analysis purposes, KMA will create prototype developments for the identified housing types. These prototypes will be developed in consultation with the City staff, and they will be representative of project types being developed in Montclair. KMA will also evaluate the potential for the Section 65915 density bonus to be used to mitigate the financial impact created by the imposition of Inclusionary Housing requirements on the prototype developments.

***Information Needs***

The foundation of the Financial Evaluation will be a market analysis, the use of KMA's proprietary pro forma models, and affordability gap analyses. To undertake this analysis it would be useful for KMA to be provided with the following information:

1. The most recent draft of the City's Sixth Cycle Housing Element.
2. Any housing strategy information that has recently been prepared by the City.
3. A representative sample of for sale and rental residential projects that have been proposed and/or developed within the past 10 years. The information should include:
  - a. Detailed scope of development;
  - b. Development plans if available;
  - c. The site's zoning designation and development standards; and
  - d. The parking requirements being imposed.
4. An identification of sites in Montclair that are available for the development of residential uses. The information provided should include the zoning designation and development standards imposed on the parcels.
5. The City's current Section 65915 density bonus ordinance.
6. The parking requirements imposed on multifamily and single family residential development.

7. Estimates of the public permits and fees costs for residential development broken down into per unit costs associated with typical planning fees, impact fees imposed by the City; school fees, and fees imposed by jurisdictions other than the City.

***Recommended Inclusionary Housing Program Characteristics***

The Financial Evaluation will be used to assist KMA in recommending the following Inclusionary Housing program characteristics:

1. Identification of project types that may be exempt from the Inclusionary Housing requirements.
2. The threshold project size that will trigger the Inclusionary requirements.
3. The percentage of affordable units that will be required to be provided.
4. The income and affordability restrictions that will be imposed.
5. The comparability standards that will be imposed on Inclusionary Units.
6. The treatment of Inclusionary Housing requirements that result in a fractional unit affordable housing requirement.
7. Alternatives to developing the Inclusionary Units on site within the proposed market rate project including:
  - a. Off-site development of affordable housing units;
  - b. A fee that would be paid in lieu of producing affordable units;
  - c. Dedication of land for subsequent development of affordable housing units; and
  - d. Acquisition and rehabilitation of existing units.
8. Quantification of the in-lieu fee payment amounts that can be supported given the affordability gaps associated with the prototype residential types being evaluated

9. Recommended procedures for modifying the requirements over time as market conditions change.

### COMPARATIVE ANALYSIS OF INCLUSIONARY POLICIES

The KMA Los Angeles office has assisted in creating 30 Inclusionary Housing programs in California. We have also assisted in establishing the implementing policies and procedures in many of those jurisdictions. The salient characteristics of these 30 programs will be included in the comparative analysis of existing Inclusionary policies. In addition, KMA will undertake a survey of the programs adopted throughout California.

The purpose of the comparative analysis is to identify the characteristics embodied commonly by Inclusionary Housing programs. The results will be used by KMA to identify the best practices being employed by Inclusionary Housing programs. This information will provide context for the Inclusionary Housing program parameters to be recommended to the City.

### DELIVERABLE PRODUCTS: FINANCIAL EVALUATION

As part of the Financial Evaluation, KMA proposes to deliver the following work products to the City:

1. KMA will prepare a draft Financial Evaluation report that will be supported by tables, data and other materials relevant to the analysis.
2. KMA will prepare a Power Point presentation that summarizes the assumptions, analysis, and findings of the Financial Evaluation.
3. Following receipt of comments from the City staff, the Planning Commission and the City Council KMA will finalize the Financial Evaluation report.

### B. Inclusionary Policy Recommendations

KMA proposes to prepare a separate policy recommendations memorandum that will be based on the results of the Financial Evaluation, and the following:

1. Ongoing discussions with City staff;

2. Planning Commission and City Council input;
3. Community input; and
4. The best practices identified in the survey of existing Inclusionary Housing programs.

The policy recommendations memorandum will be organized as follows:

1. The findings of the Financial Evaluation will be summarized.
2. The components of the recommended policies will be identified. The following policy recommendations for ownership and rental housing development will be included:
  - a. Affordable housing production requirements:
    - i. The financially feasible income targeting standards; and
    - ii. The percentage of housing units that should be set aside as Inclusionary Housing units.
  - b. The alternatives to on-site Inclusionary Housing development that should be allowed by right and those that should require approval by the City Council.
  - c. The role that the Section 65915 density bonus should play in establishing income and affordability requirements for the City's Inclusionary Housing program.
  - d. The implementation and administrative tools that should be created by the City after an Inclusionary Housing program is adopted.

### III. PROPOSED TIMING/BUDGET

KMA proposes to complete the proposed draft Financial Evaluation report within eight weeks of receiving authorization from the City to proceed and the information requested in this proposal. KMA proposes to complete the Policy Recommendations memorandum within three weeks following receipt of input from the Planning Commission and City Council.

The following table presents estimated fees for each task included in this proposal.

| Task  | Budget   |
|---|----------|
| Inclusionary Housing: Financial Evaluation Report | \$29,400 |
| Policy Recommendations Memorandum                 | 9,000    |
| Meetings/Presentations                            | 4,200    |
| Total   | \$42,600 |

The fee for the individual tasks may vary from these estimates, but the total budget will not be altered unless the work scope is expanded beyond the parameters identified in this proposal. The proposed budget includes 15 hours of in-person/virtual meeting time with City staff, community stakeholders, Planning Commission and City Council.

It is important to note that if the scope of services changes materially, and/or the in-person/virtual meeting time requested by the City exceeds 15 hours, the budget will need to be adjusted accordingly. If once the project has started, KMA believes that the budget could be exceeded, we will contact the City immediately for further direction.

The KMA hourly billing rate schedule that will be applied to this engagement is presented in the following table:

| KMA Billing Rate Schedule (2021 – 2022)  |          |
|--|----------|
| Chairman, President, Managing Principals | \$280.00 |
| Senior Principals                        | \$270.00 |
| Principals                               | \$250.00 |
| Managers                                 | \$225.00 |
| Senior Associates                        | \$187.50 |
| Associates                               | \$167.50 |
| Senior Analysts                          | \$150.00 |
| Analysts                                 | \$130.00 |
| Technical Staff                          | \$95.00  |
| Administrative Staff                     | \$80.00  |

KMA appreciates the opportunity to submit this proposal. Please do not hesitate to contact me if this proposal can be modified to better meet your needs.

Sincerely,

Keyser Marston Associates, Inc.



Kathleen Head



17872 GILLETTE AVE.  
SUITE 350  
IRVINE, CA 92614

714 541 4585  
INFO@WEBRSG.COM  
WEBRSG.COM

November 19, 2021

**Via Electronic Mail**

Mikey Fuentes, Director of Economic Development  
CITY OF MONTCLAIR  
5111 Benito St.  
Montclair, CA 91763

## **PROPOSAL FOR INCLUSIONARY HOUSING FINANCIAL EVALUATION STUDY**

Dear Mr. Fuentes:

RSG, Inc. ("RSG") is pleased to present this proposal to the City of Montclair ("City") to prepare an inclusionary housing financial evaluation study ("Study") and policy recommendations based on the study. The City is in the process of updating its Housing Element for the 6<sup>th</sup> Cycle and is planning for the need to add 1,081 very low and low income units to the community by 2029. One way to help the City achieve this goal is to adopt an inclusionary housing policy that's tailored to help the City meet these goals. It is our understanding that the City is seeking a Study that assess the following:

- The impacts created by the imposition of inclusionary housing requirements;
- Determine the feasibility of an inclusionary housing requirement in the Montclair real estate market;
- Estimate the fee amounts that can be supported for projects that are permitted to pay an in-lieu fee;
- A formula to determine the in-lieu fee based on changing market conditions; and
- The maximum allowable inclusionary percentages.

RSG is well qualified to assist the City based on our expert knowledge of nexus study requirements, inclusionary housing ordinance policies, and experience conducting economic and real estate analyses spanning multiple types of development for public jurisdictions throughout California. Our recent related experience includes:

- An inclusionary housing policy evaluation and recommendations for the City of South Gate that included a review of fee levels in surrounding communities, a policy framework, and informational briefings to the City Councilmembers. In 2019, the City Council directed staff and RSG to prepare an ordinance and fee for consideration.
- An affordable housing ordinance update including a residential nexus study, in-lieu fee analysis, and recommendations for updates to the City of San Carlos' Below Market Rate (BMR) Housing Program. Most recently, RSG updated the City's BMR in-lieu fee to reflect current market conditions in the city.
- An inclusionary housing ordinance update including a residential nexus study, inclusionary fee analysis, and recommendations to ensure compliance with applicable court decisions and the passage of AB1505 for the City of Agoura Hills.
- A comprehensive affordable housing commercial nexus study and linkage fee analysis for the City of Santa Monica.



Mikey Fuentes, Director of Economic Development  
CITY OF MONTCLAIR  
November 19, 2021  
Page 2

- Density bonus analyses for multiple proposed projects in the City of Los Angeles examining the necessity of including various “off-menu” incentives to ensure a project is economically feasible.

We understand that there are many qualified consultants that can perform the services requested by the City. We think what sets RSG apart is our ability to adapt and think outside the box to help a community reach their goals. We understand how affordable housing is a key component to economic development and how that ultimately plays into the fiscal health of a community. At the core of RSG, we strive to help our clients find solutions that ensure economic sustainability for the community. Not to mention that our staff is a great group of motivated individuals that you will enjoy working with!

All services for this engagement would be performed under the direction of Tara Matthews, a Principal with RSG who is authorized to represent the firm. Should you have any questions in the meantime, please contact Ms. Matthews at (714) 316-2111 or [tmatthews@webrsg.com](mailto:tmatthews@webrsg.com).

Sincerely,  
RSG, Inc.



Tara E. Matthews,  
Principal

## COMPANY PROFILE

RSG is a creatively charged counterpart to the State of California ("State") public agencies. We work with the people responsible for creating vibrant places to accomplish their goals. The inspired leaders at RSG create stronger communities capable of achieving bolder futures by bringing four decades of native knowledge to each engagement. As diverse as the agencies we work with, our services span real estate, economic development, fiscal health, and housing initiatives.

RSG is a State-based, Subchapter "S" corporation. Founded in 1979, the firm provides a wide array of community development consulting services to local government organizations and private entities. The firm is managed by principals: Jim Simon and Tara Matthews. RSG has offices located throughout the State in Irvine, Berkeley, and Vista.

RSG's federal taxpayer identification number is 95-343-5849 and state taxpayer identification number is 27600915. **RSG is also a State certified Small Business Enterprise (SBE - 2006876 DGS).**

### Mission Statement

RSG creates solutions to enhance communities' physical, economic, and social future.

### Core Values

Our core values define who we are as people and the standards by which we provide service to our clients.



### Our Culture

We create an environment where all our employees are encouraged to collaborate. On a weekly basis, we conduct a roundtable where staff shares what they are working on and seeks input from others in the firm. When you hire one RSG employee, you get the entire firm's commitment to ensuring that your engagement is the best that it can be. We have a unique set of individuals that have all come together with the unifying vision of helping communities reach their goals and explore their potential. Our culture is the heartbeat of our organization.

Quality control at RSG is an ongoing activity comprised of a proactive staff mentoring and training regiment, as well as a defined set of tools that guide us through our contract engagements. RSG has developed a professional development program designed to bring all RSG staff members to a high level of professionalism. The Principals and senior staff are involved in a hands-on capacity throughout a project to ensure timely delivery and quality of all consulting services.

We understand that it is critically important that RSG staff members stay engaged with external professional organizations and associations. We actively participate on various working groups to help influence legislation in the State of California and work towards creating new tools and solutions facing local government today.

## **FIRM QUALIFICATIONS AND EXPERIENCE**

At RSG, we believe housing is a basic human right and the foundation of a stable and successful community. We are passionate about creating opportunities for residents to live in housing they can afford, helping to provide the necessary platform to nurture and protect quality of life for all residents. RSG understands the critical role that housing and in particular, affordable housing, for all income levels plays. Affordable housing is the key to providing residents with the income to support other needs and stimulate economic development in their communities, allowing children a safe place to return to after school and a greater chance of attaining educational success, and allowing individuals a place to call home and recharge after work. Without an adequate supply of affordable housing, communities are deprived of the opportunity to thrive and issues like homelessness, overcrowding, and economic decline can take hold.

We see our role as technicians, advisors, and extensions of staff to local governments and developers, sharing a common vision of producing and maintaining healthy and affordable housing in communities. As practitioners, we know firsthand that there is no one-size-fits-all solution to California's housing crisis and are ready to dig in and help our clients find solutions that work best for them. RSG's housing clients have included cities, counties, housing successor agencies, housing authorities, and developers. We have experience working in coastal communities, major cities, urban areas, Central Valley agricultural communities, islands, and rural areas from Southern to Northern California. We are adept at brainstorming and developing strategies and programs, implementing and overseeing affordable housing programs and developments, performing complex affordable housing underwriting, identifying gap financing resources, and ensuring compliance with State and Federal guidelines.

We are not only consultants in the field, but leaders in the industry as well. As active policy committee members of the San Diego Housing Federation and the Non-Profit Housing Association of Northern California, we give a voice to the challenges our clients and communities face in California by influencing legislative initiatives. We collaborate with industry leaders, other consulting firms, and community stakeholders throughout the state to share local success stories, build capacity and broader successes in the state, and remove impediments to communities' ability to reach housing goals. Like you, we hope to solve the housing crisis in California and live in communities where all populations are adequately served and housed. We know there is a ton of work to do and here at RSG we are ready to roll-up our sleeves up and get to it!

## **Creating and Achieving Strategic Planning Goals**

Affordable housing can uplift and transform a community not only through elevating residents' quality of life, but also, increasing diversity, improving neighboring property values, and attracting more businesses and jobs. Understanding community needs and the role strategic planning plays is a key step in advancing the development of affordable housing. RSG evaluates community needs by understanding State and Federal housing goals and requirements, evaluating local housing element goals and RHNA requirements, evaluating local market opportunities and constraints, assessing local community demand and demographics, and understanding local politics and staffing resources.

RSG fully understands the nuances involved in developing both short- and long-term affordable housing strategies and market studies. We help our clients identify appropriate development programming alternatives, explore policy implementation, and identify available financial and real property resources to help reach goals. We work closely with our clients to formulate precise, accurate, and project-specific solutions and analyses.

### **Inclusionary Ordinances, Nexus Studies, and Impact Linkage Fee Analysis**

The development of affordable housing units is necessary in every community in California. The development of commercial and industrial buildings all serve to create a need for affordable housing in the communities. RSG helps cities establish inclusionary housing ordinances and programs and performs studies which quantify the housing needs impacts of developments in the city and provides the city with the necessary funds and/or units to meet these needs. For commercial impact fees, nexus studies are also important and serve to corroborate and quantify the relationship or linkage between commercial and industrial developments in the city for the decision makers and stakeholders in the community. Recent court decisions (CBIA vs. San Jose), along with the passage of Assembly Bill 1505, clarified the Palmer/Sixth Street Properties v. City of Los Angeles court decision. This clarified that local inclusionary housing ordinances can be justified for sale and rental development as long as they bear a reasonable relationship to the public welfare, meaning that a nexus study is no longer required for a residential in-lieu fee. Our studies are in-depth and legally defensible, but also easy to understand. Inclusionary ordinances can often pit the development community against local governments. In response, RSG has worked to build consensus from all parties on previous inclusionary ordinance and linkage fee engagements, including the facilitation of ad-hoc housing committees and meetings with the Building Industry Association.

### **Affordable Housing Underwriting and Gap Financing Resources**

Developing affordable housing is more of an art than a science and each project comes with its own unique issues to ensure that gap financing is secured. We work behind the scenes to help our clients navigate through the complex task of developing affordable housing. RSG advises on crafting appropriate development programs, including funding assistance strategies that balance the developer and community's interests. Development programming evaluations are performed to identify financially feasible opportunities and examine alternatives that will result in projects having long-term economic viability while fulfilling the community's development goals and objectives. Based on our long-standing relationships with California's community development field, we can identify and facilitate meetings with the affordable housing community to assist in project financing.

RSG has experience with single-family ownership, multifamily rental apartments, and mixed-use development projects that leverage multiple funding sources, including housing asset funds (LMIHAF), state and federal low-income housing tax credits (LIHTC), and other local funding sources, such as HOME, CDBG, PHC, NSP, HOPE VI, MHP, AHP, and inclusionary housing in-lieu fees, as well as other resources. We guide our clients through the financing process to best leverage local public financial assistance.

### **Real Estate Development Programming and Transaction Structuring**

Nothing substitutes for knowledge, creativity, and experience when negotiating agreements for affordable housing transactions. In-depth knowledge of applicable laws and regulations, including requirements under the Government Code and other state and federal real estate regulations, coupled with broad experience in preparing development agreements are essential to bringing a project to life. RSG has assisted clients in programming analyses, assembling sites, relocating residents, soliciting developer proposals, and negotiating and drafting disposition agreements. Our staff is well versed in navigating the landscape of real estate in the sphere of affordable housing and we possess the insight and expertise required to help our clients make informed decisions and execute transactions with certainty.

### **Program Administration**

Affordable housing helps to support the physical, mental, and social well-being of residents and therefore, residents often look to their communities for local support to secure, maintain, and provide affordable housing. RSG is well versed in developing and facilitating affordable housing programs, having assisted many communities with establishing rehabilitation loan programs and first-time homebuyer programs. We work with our clients to tailor programs to the specific needs of the community and identify financial resources to fund such programs.

We monitor and track available funding sources that could be resources to local communities to ensure that we always keep a pulse on the industry. Our team is proficient in working with lenders to ensure homebuyer eligibility and working collaboratively to execute loan documents. Our services span from program design to program implementation. We work closely with our clients to help formulate programs and processes that best fit the overall housing needs of their communities.

### **State and Federal Regulatory Compliance**

We understand that regulatory compliance and reporting is a critical aspect of a local government's housing responsibilities. Our redevelopment agency roots have positioned our team well to address regulatory compliance and reporting needs. Understanding this work can be burdensome, time-consuming, and complex for some communities, RSG works closely with our clients to ensure that all annual reporting for Housing Successor Agencies, Housing Authorities, and Cities is completed each year. As the State legislature continues to tighten up on local government housing production and compliance with annual reporting and regulatory compliance, it is imperative that reports accurately reflect community progress towards meeting housing goals.

We have hands-on experience in the administration of public agencies' affordable housing activities for multi-family rental projects and homebuyer assistance programs. RSG ensures that program and project operations are consistent with an applicable bond or other applicable financing provisions, including oversight of a project's financial status, tenant income recertifications, and affordability requirements, together with annual compliance monitoring and regulatory reporting. We understand the importance of these reporting tools and assist our clients with getting into and maintaining compliance. We strive to have all of our clients audit-ready and off any state "naughty list"!

### **Market and Feasibility Studies**

When our clients have an idea regarding the use of land, there are a number of questions that need to be considered in order to get to the heart of whether the idea is worth pursuing. Is the proposed idea achievable and realistic? What do the long-term successes and benefits to the community look like? These are just a few of the questions that RSG thinks of and helps answer for our clients. Our market and feasibility studies explore the range of options available to our clients, the highest and best use of land, and the demand for proposed use(s) of land.

RSG conducts detailed economic and market research using reliable industry data resources corroborated by first-hand field research and local market evaluations to identify viable implementation strategies and investment opportunities. Identification of niche market opportunities for local communities based on consumer preferences, current market research and land use trends, project feasibility analyses, site selection and evaluation, and pre-entitlement services is our specialty. Our background working with over 100 communities lends credibility to developers as well as cities.

## **Market Support and Valuation**

Understanding the viability of a project is a first step in most real estate development transactions. Rather than simply relying on theoretical models and third-party databases that overlook local influences, we perform firsthand investigations to identify niche market opportunities and assess local community demand and acceptability, as well as local governmental entitlement issues. We seek out demographic and employment trends and engage local professionals to truth-test our thoughts and ensure our information holds up outside the research vacuum. RSG fully understands the nuances involved in assessing current market conditions, identifying emerging opportunities, and evaluating long-term economic viability. More importantly, we can help our clients identify appropriate development programming alternatives when necessary or engage staff in policy implementation discussions that enable them to achieve long-term goals.

## **What Sets Us Apart**

RSG has been in the affordable housing arena for over 40 years and intimately understands what it takes to see a project come to fruition and maintain affordability. Aside from our in-depth experience in multiple facets of affordable housing, we see providing housing services as an opportunity to embrace, inspire, and create the changes so desperately needed and deserved in communities all across the state. To put it simply, we are passionate about affordable housing!

Our wide range of project experience allows us to not only create technically defensible nexus studies, inclusionary housing ordinances and development linkage fees, but also ones that best serve all community members and participants in the housing industry. The development of affordable housing units is necessary in every community in California. The development of commercial and industrial buildings all serve to create a need for affordable housing in the communities. RSG helps cities establish inclusionary housing ordinances and programs and performs studies which quantify the housing needs impacts of developments in the city and provides the city with the necessary funds and/or units to meet these needs. Furthermore, we understand that the fee established should be set at a rate that does not hinder nor deter development within the community.

## PROJECT TEAM

RSG dedicates a Principal to each project assignment and creates a core group of project managers and staff who work on the individual assignments on a consistent basis throughout all stages of the contract engagement. Our staff is focused, committed, and passionate about the work we do. We conduct our engagements around our Core Values and are proud of it. We pride ourselves on our ability to appropriately allocate our time and resources to ensure that a project is completed on time and within budget.

This engagement will be led by Tara Matthews, Principal-in-Charge. Ms. Matthews would be assisted by RSG staff members Mark Sawicki, Director, Dominique Clark, Senior Associate, Brandon Fender, Associate, Wesley Smith, Analyst, and Monroe Roush, Research Assistant. Resumes of key consulting staff assigned to this engagement are included on the pages that follow. Other RSG staff may be assigned as needed.

**Tara Matthews, Principal**, will serve as the Principal-in-Charge. Ms. Matthews has been primarily responsible for managing RSG's housing engagements during the last 10 years. She most recently worked with the City of Agoura Hills to expand their inclusionary housing program and update existing fees from an impact fee to an in-lieu fee. She also assisted the City of San Carlos to develop a Below Market Rate Handout that clearly explains how the City's inclusionary housing requirements work and provides a tool for developers to calculate impact fees. She also led the peer review of the Commercial Linkage Fee for the City of San Carlos. Ms. Matthews is a member of the San Diego Housing Federation and serves on its Housing Policy Committee.

**Mark Sawicki, Director**, served twelve years as Economic & Community Development Director in the cities of Oakland and Vallejo, and as Economic Development & Housing Manager in San Carlos. While in Oakland, he served on the Mayor's Housing Task Force and participated in the working group that established the City's first affordable housing impact fee. In San Carlos, he led the efforts to amend the Below Market Rate Housing Ordinance, establishing one of the State's earliest nexus study supported housing impact fees, to comply with the recently decided Palmer case.

**Dominique Clark, Senior Associate**, regularly conducts housing market analyses and prepares development pro formas, including for the Agoura Hills impact fee study and the Los Angeles density bonus analyses. Her experience includes estimating development costs and feasibility gaps of proposed development projects, analyzing the fiscal impact of development concessions, and performing calculations to justify inclusionary housing fee updates.

**Brandon Fender, Associate**, has recent experience in preparation of nexus studies. In South Gate, Mr. Fender prepared initial feasibility analyses and market research in support of the preparation and justification of South Gate's inclusionary housing ordinance. Mr. Fender also provided nexus study analysis in support of Santa Monica's commercial linkage fee in 2014, finding a relationship between the fees assessed on new commercial construction and the development gap on affordable housing.

**Wesley Smith, Senior Analyst**, has a background in local government, public transportation, government relations, and policy analysis. Mr. Smith has performed cost-benefit analyses of public finances, rent affordability analyses, and best practice assessments of workforce development policies. He recently created neighborhood level GIS analysis of housing affordability for an anti-gentrification and economic development study that led to an inclusionary housing program for a low-income community in Los Angeles County.

Mikey Fuentes, Director of Economic Development  
CITY OF MONTCLAIR  
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***Monroe Roush, Research Assistant***, is a recent graduate of Chapman University with a BS in Environmental Science and Policy and a minor in Political Science. Ms. Roush's background includes working as a Legal Assistant, serving as a Communications Intern for the Sierra Club, and engaging in data analysis for the Institute of Learning Innovation. She also has experience with ArcGIS where she mapped local parks, as well as other research involving urban forestry in Costa Mesa.





# TARA MATTHEWS

Principal & Vice President

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## PROFILE

"I enjoy problem solving and working with people who make things happen to improve their community. Seeing a project that I worked on come to fruition is very exciting. I can say, "I helped make that happen!"

## OUT & ABOUT

San Diego Housing Federation/Policy Committee and Conference Speaker

The Kennedy Commission

California Association for Local Economic Development

California Property Tax Managers Association, Annual Conference Speaker

California State Municipal Finance Officers, Speaker

Non-Profit Housing Association of Northern California

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## ABOUT TARA

Driven by the passion to improve the lives of all sectors of a community, Tara expertly navigates projects with a comprehensive knowledge of community development, affordable housing, and economic development. The complexity of her projects includes property acquisition and relocation services, development impact fee analyses, and the creation and monitoring of affordable housing projects. Tara is skilled at client collaboration, strategic planning, research and analysis, financial projections, report writing, and outreach.

## EDUCATION

Tara joined RSG in 2004. She received a BS in Earth Sciences at the University of California, Santa Cruz, and a Certificate in Urban Planning and Development from the University of California, San Diego. Tara is an active member of the San Diego Housing Federation and serves on its Policy Committee. She shares her knowledge and proficiency in municipal finance, economic development policy analysis, and real estate to advance client and community objectives.

## RECENT ENGAGEMENTS

Assisted with the preparation of a commercial (non-residential) affordable housing nexus study and commercial impact fee analysis for the City of Santa Monica. Also prepared a residential nexus study for the City of Agoura Hills and assisted San Carlos with BMR Ordinance implementation activities.

Prepare strategies to spend affordable housing funds and leverage properties based on community needs and legal requirements. Including how existing resources could help make progress towards RHNA requirements and Housing Element goals. Implement strategies by issuing Requests for Proposals, Notices of Funding Availability or direct property marketing, most recently in the cities of Lake Forest, Merced, Murrieta, Norco, Pinole and Tulare. Ensure proposals meet legal requirements tied to funding sources and properties, such as Senate Bill 341 and LIHTC. Activities also included presenting findings to decision makers.

Provided interim staffing services for the City of Carson, acting as the Interim Housing Program Manager for the City's mobilehome rent control program.





# MARK SAWICKI

Director

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## PROFILE

"I am at my best solving complicated problems, being both logical and innovative, creative and inventive, as I seek to understand, enhance, and improve programs, policies, systems and organizations for the benefit of California communities."

## OUT & ABOUT

Urban Land Institute (ULI)

San Francisco Planning and Urban Research (SPUR)

Municipal Managers Association of Northern California (MMANC)

California Association for Local Economic Development (CALED)

Non-Profit Housing Association of Northern California (NPH)

San Diego Housing Federation

## ABOUT MARK

Mark seeks to understand complex matters through analysis, synthesizing and summarizing information, developing effective, efficient, and pragmatic policy solutions, and presenting them in clear and persuasive ways. Mark has forged a unique 30+ year career across both the public and private sectors, from real estate asset management and small business startups to economic and community development, which informs his approach to municipal consulting services. His work includes real estate advisory services, developer selection and negotiations, public private partnerships, affordable housing development, fiscal and economic impact analyses, municipal service reviews, and economic development policy analysis.

## EDUCATION

Mark joined RSG in 2020 after leadership roles in economic development, community development, workforce development, and housing with the cities of Oakland, Vallejo, and San Carlos. He was previously a San Francisco Bay Area-based consultant for California cities, counties, and redevelopment agencies.

He earned a Masters in Public Policy from the Goldman School at the University of California, Berkeley, and a Bachelor of Science in Finance, cum laude, from New York University, as well as a Certificate in Real Estate Finance and Analysis from NYU.

## RECENT ENGAGEMENTS

Established an Affordable Housing Impact Fee, rewrote the Inclusionary Housing Ordinance, and managed the Low/Mod housing Fund and First Time Homebuyer Program in the City of San Carlos.

Evaluated affordable housing development proposals and provided recommendations for selection of a developer for the County of San Diego, and the cities of Merced and El Monte.

Facilitated General and Specific Plan updates in San Carlos, Vallejo, and Oakland.

Evaluated affordable housing programs and resources, and provided strategy recommendations, for the City of Norco.





# DOMINIQUE CLARK

Senior Associate

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dclark@webrsg.com

## PROFILE

“My love for numbers, data, and spreadsheets benefits entire communities, not just one person or one company. I’m grateful that my analytical and project management skills contribute to work that matters to me.”

## OUT & ABOUT

Licensed California Real Estate Agent (#01989248)

San Diego Housing Federation

California Association for Local Economic Development (CALED)

Non-Profit Housing Association of Northern California

SCANPH

## ABOUT DOMINIQUE

Dominique shares her knowledge and proficiency in real estate, municipal finance, and affordable housing to advance client and community objectives. Her work includes real estate disposition, pro forma analyses, affordable housing work, fiscal impact analyses, and fiscal consultant and continuing disclosure reports.

## EDUCATION

Dominique joined RSG in 2013. She earned a BA in Sociology from Wheaton College and a Master of Public Policy (MPP) from the University of Southern California.

## RECENT ENGAGEMENTS

Assisted affordable housing developers with identifying potential project funding sources and analyzing the competitiveness of their proposed project.

Projected the financial feasibility and fiscal and economic impacts of a \$828 million mixed-use development proposed to be located in downtown Los Angeles to assist the City in negotiating a subvention agreement with the developer.

Conducted a site assessment and market study for the County of San Diego to identify the parameters by which a proposed affordable housing project could be developed on the site and determine the level of local demand for the development.

Performed housing market analysis legally required to support an update to the City of Agoura Hills’ residential impact fee schedule.

Completed legally required density bonus technical analyses and peer reviews of other firms’ analyses for several residential and mixed-use development applications in the City of Los Angeles, demonstrating the need for requested off-menu incentives.





# BRANDON FENDER

Associate

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## PROFILE

“I enjoy creating equitable and sustainable urban spaces for communities. I thrive in a challenging environment and seek to provide innovative solutions.”

## OUT & ABOUT

International Council of Shopping Centers

San Diego Housing Federation

Non-Profit Housing Association of Northern California

SCANPH

## ABOUT BRANDON

Brandon specializes in providing support in real estate feasibility, economic and fiscal impact analyses, and housing administration. He is most engaged when his research translates to solutions for local governments and access to healthy and safe environments for their citizens.

In 2014, Brandon became an entrepreneur, starting the Good Beer Company, the first brewery and tasting room in Santa Ana. After five years of success from concept, to business plan and fundraising, to opening a warehouse location, Brandon sold the brewery and returned to RSG, with a direct appreciation for the life of the small business owner which he applies to his work at the firm.

## EDUCATION

Mr. Fender initially joined RSG in 2009 while attending the University of California, Irvine where he earned a BA in Social Ecology. As a member of numerous project teams, Mr. Fender gained experience in housing administration, economic and market analyses, housing construction and development, municipal finance, and development feasibility.

## RECENT ENGAGEMENTS

Analyzed the financial feasibility, and fiscal and economic impacts associated with the proposed development the 600,000 square foot Westfield Topanga regional mall on behalf of the City of Los Angeles.

Provided nexus study analysis in support of Santa Monica’s commercial linkage fee, finding a relationship between the fees assessed on new commercial construction and the development gap on affordable housing. The Santa Monica City Council adopted the affordable housing commercial linkage fee program.

Prepared underwriting analyses for County of San Diego Health and Human Services Agency’s Innovative Housing Trust Fund resulting in rehabilitation of existing units and development of new affordable housing units.

Prepared initial feasibility analyses and market research in support of the preparation and justification of South Gate’s inclusionary housing ordinance. In June 2019, the South Gate City Council directed staff and RSG to prepare an ordinance and fee for consideration.





# WESLEY SMITH

Analyst

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## PROFILE

“I love working with communities to better tailor their environments to their constituents needs. I strive to support and create communities that understand interconnectedness and the value diligent planning and policy brings to complex issues.”

## OUT & ABOUT

Non-Profit Housing  
Association of Northern  
California

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San Diego Housing Federation

## ABOUT WESLEY

Wesley joined RSG in 2019 bringing with him a background in local government, public transportation, government relations, and policy analysis. Wesley has performed cost-benefit analyses of public finances, rent affordability analyses, and best practice assessments of workforce development policies.

## EDUCATION

Wesley holds a Bachelor’s Degree in Political Science from the University of Hawai’i at Manoa, and a Master’s Degree in Public Policy from USC. Wesley’s experience in the public sector combined with his educational background have given him the analytical, statistical, and geospatial skills needed to provide the best work to RSG’s clients.

## RECENT ENGAGEMENTS

Calculated the cost of an Affordable Housing property in the City of Carson from an analysis of existing housing.

Assisted in analyzing the compliance of affordable housing properties in the Cities of Lake Forest, Pleasant Hill, and Victorville.

Produced multiple development cost estimates for redevelopment of underutilized properties in Los Angeles and Chula Vista.

Created neighborhood level GIS analysis of housing affordability for an anti-gentrification and economic development study that led to the creation of an ambitious inclusionary housing program for a low-income community in Los Angeles County.



## **UNDERSTANDING OF ASSIGNMENT**

RSG understands that the City wishes to adopt an inclusionary housing program that is tailored to address the City of Montclair's housing needs while also being in alignment with State Law and market conditions. Chapter 11.81 of the City's Municipal Code details the inclusionary requirements currently in place in the community. However, it appears that much of the language reflects policies that were established prior to the state-wide dissolution of redevelopment agencies. The City can take this opportunity to bring the inclusionary housing policy up-to-date and establish the requirements based on current and anticipated affordable housing production needs. The City's RHNA requirements are calling for 1,081 very low- and low-income units to be added to the City's housing stock. However, it is important that that policy moving forward and the method for calculating an in-lieu fee be adjustable to allow for changes in market conditions without the need to amend the City's Municipal Code or the methodology to calculate the fee. We understand that the City is only imposing an inclusionary housing fee on 15% of newly constructed for-sale single family developments of 10 units or more in the amount of \$15,400 per unit.

Based on our conversations with staff, the City is anticipating a lot of grow in the northern part of the community and is anticipating the development of multiple multi-family, high-density projects. The City would like to encourage the development of lower income units in these projects to help the City meet its RHNA requirements.

The City has stated that the consultant is to conduct an inclusionary housing financial evaluation study and policy recommendations based on the following assessments:

- The impacts created by the imposition of inclusionary housing requirements;
- Determine the feasibility of an inclusionary housing requirement in the Montclair real estate market;
- Estimate the fee amounts that can be supported for projects that are permitted to pay an in-lieu fee;
- A formula to determine the in-lieu fee based on changing market conditions; and
- The maximum allowable inclusionary percentages.

Affordable housing ordinances and the rationale behind them have encountered several legal challenges. We are certain that the methodology, approach, and analyses that we employ are fully defensible considering these legal challenges. RSG's studies and ordinances have been vetted through several municipal law firms across the State.

The most significant challenge of which was *Palmer v. City of Los Angeles* in July 2009. The *Palmer* decision requires affordable housing exactions for multifamily developments to provide an appropriately supported link between the casual relationship of the proposed activity and the proposed fee amount. In addition, the *Building Industry Association v. City of Patterson* Court of Appeals decision (2009) suggests it is prudent for cities to show to how other market rate housing projects create a need for affordable housing, and how the established fees are justified by being reasonably related to the deleterious public impact of the development. However, in 2018 the State legislature addressed the *Palmer* decision, by enacting Assembly Bill 1505, also known as the "Palmer Fix". Under AB1505 the City is authorized to require rental inclusionary units as a

condition of development of new residential rental units. If the percentage of the required rental inclusionary units is higher than 15%, the California Department of Housing and Community Development (“HCD”) is authorized to review the ordinance and require that the City provide an economic feasibility study finding that the ordinance does not unduly constrain housing production. RSG understands that the City may be interested in establishing an inclusionary housing in-lieu fee greater than 15% which may necessitate the need for an economic study as required by HCD and will prepare the Study with this in mind.

Additionally, the California Supreme Court case on inclusionary zoning and impact fees, the California Building Industry Ass'n v. City of San Jose (2015), held that local inclusionary housing ordinances requiring a portion of new for-sale housing to be affordable are justified so long as they bear a reasonable relationship to the public welfare as part of a city’s “police power”. Based on the San Jose case, the City is authorized to require inclusionary units in new for-sale residential developments; a maximum percentage is not specified.

## **SCOPE OF WORK**

RSG is proposing the following tasks be undertaken. It should be noted that some of the tasks overlap to a certain degree.

### **Task 1 – Project Kickoff and Subsequent Meetings**

RSG would coordinate a virtual meeting with City staff to review the scope of services and schedule of work and deliverables as well as any special issues or considerations related to the local real estate market, affordable housing, public policy priorities, etc. We will also collect any data that may be helpful in the process.

RSG anticipates that there will be one virtual City staff check-in meeting to review the administrative draft of the study and another virtual meeting to prepare for the workshop.

An in-person attendance at a Planning Commission and City Council workshop to present the study results is also anticipated based on our conversation with City staff. RSG would present the findings, conclusions, and recommendations of the Fee Study and answers questions from the City Council and public.

The scope is estimating a total of three virtual meetings and one in-person meeting.

### **Task 2 - Municipal Code Amendments and Affordable Housing Inclusionary Ordinance**

This analysis includes evaluating the City’s current practices and policies governing the implementation of inclusionary housing. RSG would evaluate the Zoning Code and any other applicable local development requirements such as housing overlays or density bonus to provide recommendations to the City on amendments to the Municipal Code and the proposed Affordable Housing Inclusionary Ordinance. RSG can also work with the City to see if there are any other City planning goals that could also be addressed in this process – such as workforce housing, transit priorities, or priority development areas in the community. This information will also be used to complete the inclusionary housing financial evaluation.

RSG would approach this task by initially reviewing relevant Municipal Code sections affecting inclusionary zoning to better understand where in the community housing and inclusionary housing is allowed and currently being developed. We would work in conjunction with the City’s Planning Department to understand current impediments to residential development that may be

a result of zoning regulations. Conversely, we would seek their input on specific policies that are effective in achieving the City's goal of increasing the supply of both market-rate and affordable housing.

As part of amending the Affordable Housing Inclusionary Ordinance, RSG would review the City's RHNA requirements and Housing Element to best determine the thresholds of affordability and the percentage of inclusionary housing. We would also examine policies of nearby jurisdictions as a means of setting a benchmark and to ensure that policies implemented by the City do not deter development.

There are multiple alternatives in which a developer can comply with inclusionary housing requirements, such as an in-lieu fee or partial fees, off-site development, and land donation. RSG will examine these alternatives and offer suggestions for other alternatives that may fit the community's needs.

### **Task 3 - Economic and Financial Feasibility**

Based on the evaluation of the City's inclusionary housing program and regulations, an economic and financial feasibility analysis of the proposed amendments will be completed to determine if development of both market-rate and affordable residential units is feasible. It should be noted that this analysis may modify some of the items initially identified in the previous task.

RSG understands that the City has adopted an Inclusionary Housing fee for the newly constructed, for sale single family development of 10 units or more. And that there currently is no fee charged for multi-family rental developments. As part of our comprehensive examination of the City's inclusionary housing policies, we will evaluate the current fees to determine if they are reasonable or need to be adjusted to meet legal parameters and the City's goals. Also, as part of this analysis we will examine a maximum inclusionary percentage.

RSG would identify and evaluate current local market conditions for residential development in the City. Examining both local and State policies, RSG will examine development concessions such as a density bonus, reduced parking requirements, reduced setbacks or increases in height limitations. It is important to understand whether these concessions positively impact the economic feasibility of development. Recent conversations with developers have indicated that these types of concessions are actually driving up the cost of land in some areas.

The following is the high-level approach to our analysis, which will include many of the variable previously discussed, and it is anticipated that there will be up to 9 scenarios:

- Residential Building Product Types - RSG will identify three residential building prototypes which may be developed in the City, including single family detached, condominium, and multifamily residential, informed by a review of comparable market developments and median unit sizes.
- Pro Forma Analysis - RSG will prepare development pro formas for three prototypical residential buildings to estimate construction costs, financing costs, a baseline developer fee, and land costs. RSG will rely on construction cost data from Marshall & Swift Valuation Services and current market metrics for financing costs and development fees. Costs will be identified on a per unit and per square foot basis for each.



- Affordable Unit Valuation - This step identifies the total sales revenue or rental valuations based on market capitalization rates for moderate-, low-, and very low-income categories, as defined under HCD's affordability standards.
- Identify Ownership Funding Gap - For ownership units, the difference between the total estimated development cost and the affordable sale price will represent the affordable development funding gap associated with each income category.
- Identify Rental Funding Gap - For rental units, the difference between the total estimated development cost and the estimated capitalized value of the net operating income will represent the affordable development funding gap associated with each income category.

RSG understands that the City is seeking a financial model that can be easily updated based on changes to market conditions (e.g., land costs, development costs, RHNA requirements, etc.) RSG will take this under consideration as well as it relates to updates to the Municipal Code and Affordable Housing Inclusionary Ordinance.

#### **Task 4 – Inclusionary Housing State Trends and Fee Comparison with Neighboring Jurisdictions**

It is important to understand both statewide and neighboring jurisdiction trends as relates inclusionary ordinances. RSG will research existing inclusionary housing programs in California that will serve as a baseline for reasonable and justifiable approaches to establishing the City's policy. This research may also provide insight on additional factor that may be considered as part of the financial and economic feasibility.

RSG will also compare the proposed in-lieu fees and overall development fees with those in neighboring and similar communities, to assess whether the proposed fees may serve to impede development opportunities in the City by making it less competitive with other cities. It is our understanding from City staff that the current city-wide fees are lower than surrounding communities. As part of our analysis, we will confirm this to ensure that the recommended fees are reasonable within this context.

#### **Task 5 – Summary Report**

The Summary Report will include information on key court cases impacting inclusionary housing policy, an overview of State law regulating inclusionary housing policies and HCD's role in the process, The culmination of our research and analysis will result in a written document that details our findings and recommendations regarding the adoption of the amended Affordable Housing Inclusionary Ordinance and adjustments to the residential in-lieu fees. This would include an evaluation of the economic and financial impacts of the recommended amendments and a written policy analysis addressing inclusionary housing and zoning.

RSG will prepare an Administrative Draft of its report on findings, methodology, fee recommendations for City staff review and comments. After incorporating comments, RSG will deliver a Final Summary Report to be used as the basis for establishing revised inclusionary in-lieu fees and for the City Council/Planning Commission workshop. If needed, RSG will make any edits to the Summary Report based on feedback from the workshop.

**SCHEDULE**

We estimate that this engagement will be completed in approximately 3 to 5 months from project initiation. RSG anticipates and has included up to 6 meetings for this engagement. However, it should be noted that this is an estimation, and the schedule may vary depending on the availability of meeting dates. The following details the proposed timeline by week.

| Date        | Tasks/Deliverables   |
|-------------|--|
| Week 1      | Contract Execution, Project Kick-off <ul style="list-style-type: none"> <li>• Virtual meeting with Project Team</li> </ul>   |
| Weeks 2-4   | Municipal Code Amendments and Affordable Housing Inclusionary Ordinance Administrative <ul style="list-style-type: none"> <li>• Virtual meeting with Planning Department</li> <li>• Evaluation of policies, zoning, thresholds, inclusionary percentages and alternatives</li> </ul>   |
| Weeks 5-8   | Economic and Financial Feasibility Analysis <ul style="list-style-type: none"> <li>• Examine current fees and update methodology and fees as needed</li> <li>• Evaluate development concessions and impacts on inclusionary housing</li> </ul> Trends and Fee Comparison <ul style="list-style-type: none"> <li>• Inclusionary Housing program research</li> <li>• Development fee comparison</li> </ul> |
| Weeks 9-10  | Summary Report <ul style="list-style-type: none"> <li>• Draft Summary Report for City staff review</li> </ul>  |
| Week 10-12  | Summary Report <ul style="list-style-type: none"> <li>• Finalize Summary Report incorporating City staff comments</li> <li>• Virtual meeting with Project Team</li> </ul>  |
| Weeks 12-13 | City Council and Planning Commission Workshop <ul style="list-style-type: none"> <li>• Present study results for discussion</li> </ul>   |
| Weeks 14-15 | Summary Report <ul style="list-style-type: none"> <li>• Finalize Summary Report incorporating City Council/Planning Commission comments</li> </ul>   |

**FEE PROPOSAL**

Our services for this engagement would be charged on a time-and-materials basis, with a not to exceed amount of **\$64,875**.

City of Montclair - Inclusionary Housing Program

| Consultant Staffing Hours by Task                           | Principal/<br>Director |                 | Senior<br>Associate |                 | Associate |                 | Senior<br>Analyst |                 | Research<br>Assistant |                | Total<br>Hours | Total<br>Cost   |
|---|------------------------|-----------------|---------------------|-----------------|-----------|-----------------|-------------------|-----------------|-----------------------|----------------|----------------|-----------------|
|   | Hours                  | \$275<br>Cost   | Hours               | \$200<br>Cost   | Hours     | \$185<br>Cost   | Hours             | \$150<br>Cost   | Hours                 | \$125<br>Cost  |                |                 |
| <b>Task 1. Project Kick-Off &amp; Meetings (4 meetings)</b> | <b>10</b>              | <b>\$2,750</b>  | <b>10</b>           | <b>\$2,000</b>  | <b>5</b>  | <b>\$925</b>    | <b>5</b>          | <b>\$675</b>    | <b>5</b>              | <b>\$625</b>   | <b>35</b>      | <b>\$6,975</b>  |
| <b>Task 2. MC Amendments and Ordinance</b>                  | <b>7</b>               | <b>\$1,925</b>  | <b>19</b>           | <b>\$3,800</b>  | <b>0</b>  | <b>\$0</b>      | <b>20</b>         | <b>\$2,700</b>  | <b>0</b>              | <b>\$0</b>     | <b>46</b>      | <b>\$8,425</b>  |
| <i>Research and Analysis</i>                                | 5                      | \$1,375         | 15                  | \$3,000         | 0         | \$0             | 20                | \$2,700         | 0                     | \$0            | 40             | \$7,075         |
| <i>Planning Department Meeting (1 Meeting)</i>              | 2                      | \$550           | 4                   | \$800           | 0         | \$0             | 0                 | \$0             | 0                     | \$0            | 6              | \$1,350         |
| <b>Task 3. Economic and Feasibility Analysis</b>            | <b>15</b>              | <b>\$4,125</b>  | <b>60</b>           | <b>\$12,000</b> | <b>50</b> | <b>\$9,250</b>  | <b>35</b>         | <b>\$4,725</b>  | <b>20</b>             | <b>\$2,500</b> | <b>180</b>     | <b>\$32,600</b> |
| <i>Research and Analysis</i>                                | 5                      | \$1,375         | 15                  | \$3,000         | 5         | \$925           | 15                | \$2,025         | 0                     | \$0            | 40             | \$7,325         |
| <i>Pro Forma and Land Value Analysis (9 Scenarios)</i>      | 10                     | \$2,750         | 45                  | \$9,000         | 45        | \$8,325         | 20                | \$2,700         | 20                    | \$2,500        | 140            | \$25,275        |
| <b>Task 4. Trends &amp; Fee Comparison</b>                  | <b>5</b>               | <b>\$1,375</b>  | <b>5</b>            | <b>\$1,000</b>  | <b>0</b>  | <b>\$0</b>      | <b>15</b>         | <b>\$2,025</b>  | <b>15</b>             | <b>\$1,875</b> | <b>40</b>      | <b>\$6,275</b>  |
| <b>Task 5. Summary Report</b>                               | <b>10</b>              | <b>\$2,750</b>  | <b>30</b>           | <b>\$6,000</b>  | <b>10</b> | <b>\$1,850</b>  | <b>0</b>          | <b>\$0</b>      | <b>0</b>              | <b>\$0</b>     | <b>50</b>      | <b>\$10,600</b> |
| <b>Total Fee Budget</b>                                     | <b>47</b>              | <b>\$12,925</b> | <b>124</b>          | <b>\$24,800</b> | <b>65</b> | <b>\$12,025</b> | <b>75</b>         | <b>\$10,125</b> | <b>40</b>             | <b>\$5,000</b> | <b>351</b>     | <b>\$64,875</b> |
|   | 13.4%                  |                 | 35.3%               |                 | 18.5%     |                 | 21.4%             |                 | 11.4%                 |                |                |                 |

RSG proposes the below rate schedule for these services.

|                       |               |
|-----------------------|---------------|
| Principal / Director  | \$ 275        |
| Senior Associate      | \$ 200        |
| Associate             | \$ 185        |
| Senior Analyst        | \$ 150        |
| Analyst               | \$ 135        |
| Research Assistant    | \$ 125        |
| Technician            | \$ 80         |
| Clerical              | \$ 60         |
| Reimbursable Expenses | Cost plus 10% |

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs, and teleconferencing services. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate.

## REFERENCES

The following project descriptions illustrate RSG's experience in completing work similar to the services described. We encourage the City to contact these individuals to learn more about the quality of services provided by RSG.

### Housing, Real Estate and Economic Development Consulting Services – City of South Gate Housing Authority

RSG has worked with the City of South Gate Housing Authority since 2014. We have assisted the City with Inclusionary Housing engagements. As part of the City Council's desire to address the threat of gentrification with redevelopment in the community, RSG was asked to evaluate and present options for an inclusionary housing policy for consideration by the City. RSG conducted a review of fee levels in surrounding LA County communities, provided a policy framework to guide the rationale for an ordinance in the City, and provided informational briefings to the City Councilmembers. In June 2019, the City Council directed staff and RSG to prepare an ordinance and fee for consideration.

Contact: Erika Soriano, Acting Housing Administrator  
(323) 563-9529  
esoriano@sogate.org  
Address: 8650 California Avenue  
South Gate, CA 90280

### Affordable Housing Services – City of Agoura Hills

Prior to Redevelopment dissolution, RSG prepared Comprehensive Affordable Housing Policy Guidelines and an Implementation Strategy for the Agoura Hills Redevelopment Agency to assist the City in establishing priorities for the expenditure of LMIHF monies and the production of affordable housing units to fulfill the Agency's and City's production needs. As part of this process RSG prepared an update to the City's affordable housing ordinance, residential nexus study, and recommended impact fee. RSG was responsible for management of all aspects of the assignment, including preparation of affordability gap analyses and formulation of an implementation strategy and LMIHF expenditure recommendations in conjunction with Agency staff. RSG also aided Agency staff in implementing the Housing Strategy through developer negotiations and possible land acquisitions.

In late 2015, the City brought RSG back to update its impact fee and Ordinance to ensure compliance with recent legislation and to reflect current market conditions. RSG provided the City with an updated nexus study, revised inclusionary requirements and impact fees for different types of residential development, a new affordability gap analysis, periodic updates as legislation changed, a comparison to similar nearby cities' impact fees, and a memo outlining expenditure recommendations. As legislation and market conditions continued to change, RSG worked closely with City staff and legal counsel to modify the approach and presentation of the inclusionary housing ordinance. On October 10, 2018, the City approved amendments to its Inclusionary Housing Ordinance based on RSG's analysis and recommendations.

Contact: Nathan Hamburger, Assistant City Manager  
(818) 597-7303  
NHamburger@ci.agoura-hills.ca.us  
Address: 30001 Ladyface Court

Agoura Hills, CA 91301

Affordable Housing Services – City of San Carlos

Over the past ten years, RSG has worked with the City of San Carlos on a variety of affordable housing efforts, including:

- *Revision to Below Market Rate Housing (“BMR”) Ordinance* – RSG worked with an ad-hoc housing committee comprised of local developers, citizens, and affordable housing proponents to formulate revisions to the city’s existing BMR Ordinance. These changes included the addition of State Density Bonus Law provisions, new implementation alternatives and concessions, and updated fee and inclusionary percentage requirements. RSG also prepared a BMR Handout for interested developers explaining the program and associated fees.
- *Preparation of a Residential Nexus Study and In-Lieu Fee Feasibility Analyses and Revised Ordinance* – For compliance with the 2009 Palmer v. City of Los Angeles Appellate Court Decision.
- *Conduct a Peer Review of a Commercial Linkage Fee Study Prepared by Another Consultant* – RSG completed a peer review to identify any material concerns regarding the methodology or approach. RSG examined nexus studies prepared by 4 reputable firms to compare and ensure that the methodology was consistent. RSG found the methodology undertaken by the consultant to be fairly consistent with industry best practices. However, there were a few considerations that the consultant preparing the study did not evaluate that had a material effect on the maximum justifiable fee and the recommended fee.
- *Assisted with a Variety of Other Housing Activities* – RSG completed property acquisitions, market analyses, and financial pro forma modeling. RSG has played a key role in one of the city’s most important projects, Wheeler Plaza. The Project includes 108 condominiums, a 451-space parking garage, 19,855 square feet of retail and restaurant space, and a 31 unit very-low income senior tax credit project, located in the center of the city’s downtown.

Contact: Al Savay, Community Development Director  
(650) 802-4209  
asavay@cityofsancarlos.org  
Address: 600 Elm Street  
San Carlos, CA 94070

Affordable Housing Impact Linkage Fee – City of Santa Monica

RSG completed a detailed nexus study and feasibility analysis for the City of Santa Monica to identify the causal relationship between new commercial (non-residential) development and the demand for affordable housing units in the community, as well as the reasonableness of the impact linkage fee associated with mitigating the costs of producing the resulting affordable housing units. The purpose of the study was to evaluate the expansion of the City’s existing Inclusionary Housing Ordinance to include all new non-residential development in the City, as a means for creating additional affordable housing funding to assist in off-setting the loss of redevelopment affordable housing set-aside moneys. The Nexus Study and linkage fee recommendations led to adoption of a commercial linkage fee.

Mikey Fuentes, Director of Economic Development  
CITY OF MONTCLAIR  
November 19, 2021  
Page 23

Contact: Barbara Collins, Housing Manager  
(310) 458-8702  
barbara.collins@smgov.net  
Address: 1901 Main Street, Suite E.  
Santa Monica, CA 90405

City of Los Angeles Density Bonus Analysis – Champion Real Estate Company

RSG has analyzed several mixed-income residential projects proposed to be developed in the City of Los Angeles, for which the developer requested one or more development incentives that were not “by-right.” For each project, RSG closely reviewed the developer’s site plan, development application, and pro forma; prepared two independent pro formas of the project, one with and one without the requested “off-menu” incentives; and provided a memo summarizing the analysis and indicating whether the off-menu incentives were necessary for the inclusion of the proposed affordable units. RSG’s memos and analyses were ultimately submitted to the City of Los Angeles prior to the City’s denial or approval of each project and the requested off-menu incentives. RSG has also peer reviewed several of these analyses prepared by other consultants.

Contact: Greg Beck, Champion Real Estate Company  
(310) 312-8047  
gbeck@championdev.com  
Address: 200 N. Main Street, Room 1500, City Hall East  
Los Angeles, CA 90012

# Proposal to Provide Inclusionary Housing Consultant Services



City of Montclair  
November 29, 2021



DAVID PAUL ROSEN & ASSOCIATES  
DEVELOPMENT, FINANCE AND POLICY ADVISORS

# Proposal to Provide Inclusionary Housing Consultant Services

## PREPARED FOR:

Mikey Fuentes  
Director of Economic Development  
City of Montclair  
5111 Benito St.  
Montclair, CA 91763

## PREPARED BY:

### **David Paul Rosen & Associates**

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November 24, 2021

Mikey Fuentes  
Director of Economic Development  
City of Montclair  
5111 Benito St.  
Montclair, CA 91763

Re: Request for Proposal, Inclusionary Housing Financial Evaluation

Dear Mr. Fuentes:

David Paul Rosen & Associates (DRA) is pleased to present the City of Montclair with this proposal to provide inclusionary housing consulting services. DRA is one of the nation's leading firms in the development and design of inclusionary housing programs and preparation of affordable housing nexus studies. DRA Principals are also internationally recognized experts in the fields of affordable housing finance, development, land value capture for community benefit and revitalization. DRA's market-leading expertise has been recognized in our role as expert witness to communities defending their inclusionary programs against court challenge, including San Jose's successful landmark defense, which was affirmed at the U.S. Supreme Court.

Founded in 1980, DRA has advised clients in 45 states and more than 300 jurisdictions on affordable housing development, underwriting, origination, asset management, program design, strategic planning and best practices. DRA provides comprehensive development and financial consulting services to cities, housing authorities, nonprofit developers and for-profit developers. DRA has also worked for more than 30 state housing finance agencies throughout the country. For more than three decades, DRA has maintained expert familiarity with housing, real estate, and financial markets throughout California and across the country. We have extensive experience in the development and finance of mixed-income housing and mixed-use development, as well as energy efficiency/renewable energy

DRA has helped more than forty communities research and develop inclusionary housing programs, in lieu fees and other housing mitigation measures. DRA has also conducted dozens of nexus studies supporting development impact fees and other mitigation requirements for affordable housing. California inclusionary and nexus fee clients include Oceanside, San Jose, Los Angeles, Pasadena, San Luis Obispo, Oakland, East Palo Alto, Hayward, Marin County, American Canyon, Cloverdale, Windsor, Sacramento, Palo Alto, Roseville and others. DRA



has also performed inclusionary housing and nexus studies in cities across the country, including Seattle, WA; Portland, OR; Denver, CO; Cambridge, MA; Chapel Hill, NC; New York City, NY; Philadelphia, PA and many others.

All substantive services will be performed by DRA Principals. David Paul Rosen, Ph.D., Founder and Principal of DRA, is an internationally recognized authority in the fields of redevelopment, affordable housing finance, policy, land use, analysis, negotiation, lending and investment strategic planning. Nora Lake-Brown, Principal of DRA's Irvine office, has more than 35 years of experience in the analysis of real estate markets, local economies and financial feasibility, and has served as managing Principal on more than forty inclusionary analyses.

Sincerely,



Nora Lake-Brown  
Principal

Attachment: Proposal to Provide Inclusionary Housing Consulting Services



# 1. Firm Qualifications and Experience

## 1.1 Firm Qualifications

### Inclusionary Housing Advisory Services

DRA has conducted more than 50 inclusionary housing analyses and 25 affordable housing nexus analyses, spanning more than 25 years of practice in this field. Our Principals have decades of experience advising local governments on the feasibility, zoning and design of inclusionary housing programs. DRA pioneered the pro forma approach, which has become the state-of-the art in inclusionary housing economic and policy analysis. This approach involves the economic valuation of a variety of incentives that may be offered to developers (e.g., density bonuses, fee waivers, fee deferrals, modifications in design, building and engineering codes and standards, including parking standards, expedited development processing, alternative floor area ratio and site planning reforms, tax exempt and other favorable financing). These incentives are compared against the cost to developers to comply with alternative affordable housing requirements. DRA has successfully used this methodology in preparation of inclusionary housing economic analyses for numerous large city clients, including Los Angeles, San Diego, Long Beach and San Jose, California; Phoenix, Arizona; Hawaii and Maui Counties, among many others.

DRA is expert in all aspects of inclusionary housing policy, including set-aside requirements for owner and rental housing, incentives, offsets, alternative compliance options and policy/regulatory matters. We can recommend changes to housing policy that will make it more effective and responsive to changing market conditions. DRA has also advised local government entities on the creation, implementation and monitoring of First-Time Homebuyer Programs for low and moderate income homebuyers. We are familiar with the numerous issues facing cities with restrictive covenants on for-sale units. When market home prices escalate rapidly, owners of restricted units often face temptations to refinance at amounts above the restricted home price, potentially making the home unaffordable to the next buyer. DRA assists its clients with the development of regulatory agreements that provide maximum protection in case of such events. Conversely, when market price of homes declines precipitously, or owners face drastic reductions in income due to job loss, cities often see an increase in foreclosures. DRA has advised cities on measures such as emergency foreclosure relief programs and the establishment of loss reserves to purchase troubled homes to avoid the loss of restrictive covenants.



The combination of DRA's understanding of inclusionary housing law with our expertise in land use planning, allows our clients to resolve some of the most difficult issues facing housing authorities and communities. Our thorough understanding of U.S. Supreme Court and state statutory requirements, as well as recent court decisions affecting inclusionary housing, have helped municipalities address density bonus law and Health and Safety Code provisions for affordable housing.

### Multifamily Affordable Housing Advisory Services

DRA has a long history of financial structuring, development and analysis of affordable housing projects. Our depth of experience provides DRA with a strong foundation for developing innovative methods of financing affordable housing. DRA's track record covers a wide range of renter and owner housing, mixed-use and commercial real estate transactions.

Financial feasibility analysis is one of DRA's core competencies. We have served as on-call development and financial advisor to numerous local agencies in Southern California, throughout the State of California, and nationally. In addition to the former San Diego Redevelopment Agency, we have worked for the Los Angeles Housing and Community Investment Department, the LA County Community Development Commission, the Housing Authorities of the Cities of Los Angeles, Riverside, and Richmond, California, and the Cities and former Redevelopment Agencies of Oakland, Berkeley, Pasadena, Oceanside, and Poway, to name a few.

DRA has advised on projects using many layers of financing provided by both the private and public sectors. DRA has a sophisticated understanding of complex financial transactions and structuring, as well as the real estate business acumen to best support all forms of affordable housing financing. We are expert in Low Income Housing Tax Credits (LIHTC), conventional and tax-exempt financing, HOME, California State funding programs from CalHFA, HCD and other sources, inclusionary, density bonus, accessory dwelling unit (ADU) and other affordable housing laws and policies, RAD, Section 18, Project-Based Vouchers, ACC and PFS contracts, GSE debt structures, FHA, Ginnie Mae, private mortgage insurance and custom made credit enhancement programs, construction, permanent and mezzanine financing, property tax abatements, and tax rules regarding credits, depreciation and capital gains.

DRA maintains a proprietary financial model that analyzes affordable housing projects and provides the data needed to prepare projections, evaluate economics, and perform financial sensitivity analyses for debt, equity, public sector financing, bond transactions, tax incentives, credit enhancement and pricing for those projects.



This model is capable of sensitivity analyses and quantification of the financial gaps in a wide range of affordable multifamily, single family, and mixed-use housing financial structures. The model quantitatively measures the economic value of alternative rent subsidy, capitalized subsidy, credit enhancement, rent vouchers, property tax abatements, and other financial structures. This analysis incorporates 9 percent and 4 percent LIHTC, conventional and tax-exempt debt (as they affect project financial feasibility; not with respect to issuance of municipal securities), tax increment financing, HOME, AHP and CDBG grants and loans, as well as rent and operating subsidies, and financially advantageous ground leases and residual receipts notes.

DRA also maintains excellent working relationships with all of the affordable housing funding agencies, lenders and investors active in financing affordable rental housing throughout California. These include the California Tax Credit Allocation Committee (TCAC), the California Debt Limit Allocation Committee (CDLAC), California Department of Housing and Community Development (HCD), California Housing Finance Agency (CalHFA), the San Francisco Federal Home Loan Bank, CalPERS and all major bank and LIHTC investors active in the State.

Significantly, DRA has long-established relationships with many affordable housing professionals and financial institutions worldwide. We are able to tap into those resources to validate or challenge interpretations and assumptions. These relationships include lenders, investors, syndicators, underwriters, developers, government-sponsored enterprises, and others who have extensive experience in affordable housing finance and development.

## 1.2 Selected Project Experience

### 1.2.1. City of Oceanside Inclusionary Housing Analysis

The City of Oceanside has engaged DRA to assist the City in undertaking a comprehensive review and analysis of its existing Inclusionary Housing Ordinance (IHO). The City seeks to update the IHO with a focus on encouraging developers to build affordable units with the goal of maximizing unit production. DRA will facilitate two Stakeholder Meetings designed to solicit the input of the residential development community on existing provisions of the IHO that developers find most problematic and on suggestions to improve the IHO to better stimulate on-site unit production. DRA will prepare an economic analysis to estimate the effect of alternative affordable housing set-aside requirements, incentives, and alternative compliance options on the financial feasibility of new market rate housing construction.

### **1.2.2. City of Pasadena, California**

DRA performed a nexus analysis for the City of Pasadena to update its inclusionary housing ordinance (IHO). Court decisions such as *Palmer v. City of Los Angeles*, and *Sterling Park, L.P., v. City of Palo Alto*, called into question the legal basis for the City's current IHO. To preserve its regulatory capacity to generate affordable housing, the City considered a fee-based system in addition to its current land-use-based system.

The City retained DRA to conduct a reassessment of its existing eight Inclusionary housing Sub-Areas to determine if they accurately reflect the current real estate market, and recommend needed adjustments. DRA reviewed trends associated with the payment of in lieu fees and the provision of affordable units by Sub-Area for both owner and renter housing projects since the inception of Pasadena's IHO. DRA developed four housing prototypes that reflect the current real estate market and existing zoning code in Pasadena. Using an affordability gap analysis we calculated the maximum supportable impact fee for residential development. Using an approach based on the relationship between new market-rate housing development, spending on goods and services, associated employment impacts, and the affordable housing requirements of the new workers, DRA performed a nexus study to estimate the number of households living in Pasadena who will qualify as very low, low or moderate income under the new housing prototypes. DRA also conducted an analysis of the potential effect of inclusionary housing requirements, alternatives and incentives, and nexus fees on the economic feasibility of new owner and renter housing development to assist the City Council in determining the most appropriate nexus fee for Pasadena.

### **1.2.3. KB Home, Harbor City, California**

DRA is advising KB Home on its inclusionary housing obligations under the County of Los Angeles's Inclusionary Housing Ordinance for the Harbor Point development in the Harbor City neighborhood. DRA reviewed County assessor calculations of appraised value and calculated affordable home prices as defined in the documents and CA Health and Safety Code requirements. DRA is also assisting KB Home in its negotiations with the County regarding the implementation of the inclusionary requirements for Harbor Pointe.



#### **1.2.4. City of San Jose, California**

DRA served as financial and development advisor to the San Jose Department of Housing, assessing the viability of adopting a citywide inclusionary housing program. As part of this assessment, DRA conducted an extensive analysis of inclusionary housing, affordable housing offsets and residual land value. This included conducting an affordability gap analysis for three income levels of San Jose owners and renters, identifying five prototypical housing developments and estimating their development cost. Budgets were established by interviewing local developers, conducting market studies of current market rent and sales prices for homes as well as land prices for vacant land, and conducting a residual land value analysis to compare the economic effect of three potential inclusionary housing requirements on the residual land value of the five prototypes studied. DRA also analyzed the economic effects of various potential incentives and offsets to offer developers for their compliance with the inclusionary requirements. Throughout the economic analysis, DRA conducted three public meetings with stakeholders to present the study's methodology and assumptions and to solicit feedback and comments. DRA also presented the study's methodology and findings to the City Council. Following completion of the analysis, DRA completed an assessment of the potential policy and program design issues and options for an inclusionary program. DRA assisted City staff in drafting policy memos and recommendations for the City Council, resulting in the first successful passage of an inclusionary housing program in the City of San Jose.

DRA is currently serving the City on a number of projects, including an analysis of the City's Affordable Rent Ordinance, and alternative debt and credit enhancement programs to promote moderate income rental housing production in San Jose.

#### **1.2.5. City of Los Angeles, California**

The City of Los Angeles commissioned DRA to conduct an extensive economic analysis of inclusionary housing, as one of the strategies the City can pursue to meet its affordable housing needs. The cost to build market-rate housing in Los Angeles was carefully analyzed with the help of a panel of for-profit and nonprofit housing developers active in the Los Angeles market. This collaborative process produced the economic assumptions, incentives and ten housing prototypes used in the study.

DRA analyzed the financial feasibility of the development prototypes under various combinations of inclusionary requirements, incentives, and compliance options, using a residual land value (RLV) analysis methodology. The RLV methodology calculates the value of a development based on its income potential and subtracts the

costs of development and developer profit to yield the underlying value of the land. DRA compared the residual land values generated by the prototypes under the various alternatives with data on land prices by geography within the Los Angeles area, to determine the effect of the inclusionary requirements and incentives on the financial feasibility of residential development.

To assess the effect of inclusionary housing on housing production in other communities, DRA compiled data on annual housing starts over a twenty-year period in California to determine if inclusionary housing programs negatively affect housing production. The analysis showed that for the jurisdictions surveyed, adoption of an inclusionary housing program is not associated with a negative effect on housing production. Rather, increases and decreases in housing starts most closely track the unemployment rate.

### **1.2.6. City of San Diego, California**

The San Diego Housing Commission retained DRA to advise a Task Force on economic and policy considerations to increase the supply of affordable housing. This assignment included an economic analysis to identify and quantify the value of various incentives that may be provided to residential developers to offset the costs of compliance with an inclusionary housing program. DRA identified building code and design standards that could potentially affect building costs. To quantify potential cost savings from reform of existing standards, DRA used an analysis of prototypical housing projects. DRA also quantified the economic benefit of other incentives that could be provided to developers, including density bonuses, fast-track permit processing, the waiver or deferral of development impact fees, off-site construction of affordable units, and acquisition/rehabilitation of existing substandard housing to create the affordable units. The economic analysis was conducted for three rental and three owner housing prototypes developed by DRA in conjunction with the San Diego Building Industry Association, Construction Industry Federation, Inclusionary Housing Task Force, and Housing Commission staff. Each prototype was analyzed at two different density levels and a range of affordable unit set-aside percentages. DRA also analyzed historical trends in household income and home prices in the City of San Diego over a 20-year period. The analysis showed that housing prices increased more rapidly than incomes and construction costs over the projection period, due to the increasing demand for housing in San Diego.

DRA worked with the task force over a period of more than six months to review the assumptions and results of the analysis and to prepare recommendations on the inclusionary housing program for presentation to the City Council.

### **1.2.7. City of Long Beach, California**

The City of Long Beach retained David Paul Rosen & Associates (DRA) to explore the potential of establishing a Housing Trust Fund, a dedicated, annually renewable source of subsidy dedicated for the development and preservation of affordable housing. The study analyzed key tools for producing affordable housing and/or generating funds to capitalize a Housing Trust Fund, including inclusionary housing and a commercial development linkage fee.

DRA reviewed policies and program options the City should consider for an inclusionary housing program, including affordable housing set-aside requirements, applicability to specific projects, term of affordability, options for compliance, and incentives that may be offered to developers to offset a portion of the costs of complying with inclusionary requirements. It also analyzed the economic effect to developers of complying with a potential inclusionary housing program, quantified the value of various incentives that may be offered to housing developers and estimated the extent to which the incentives offset the cost of providing affordable units.

DRA also quantified the nexus between various types of non-residential development and the demand for affordable housing in Long Beach and estimated the maximum supportable nexus fee under law. The study evaluated the potential economic impact of a commercial/industrial nexus fee in Long Beach on future commercial/industrial development.

In addition, the study provided an outline of the issues the City should consider as it develops a housing trust fund program, including the form of governance, uses of the funds, capital planning, and administration.

### **1.2.8. City of Hayward, California**

The City of Hayward retained DRA to assist in preparing an Inclusionary Housing Ordinance Review and a nexus study examining the legality and basis for establishing a rational nexus between market-rate residential development and the need for affordable housing in the City.

The methodology for the residential nexus analysis used the estimated sales prices or rents of a prototypical residential subdivision or apartment complex and moved through a series of linkages to the incomes of the households that purchase or rent the units, the annual expenditures of those households on goods and services, the jobs associated with the delivery of these goods and services, the income of the workers performing those jobs, the household income of those worker households, and finally

to the affordability level of the housing needed by those worker households. An affordability gap analysis was used to estimate the legally justifiable residential nexus fee required to mitigate new demand generated by new residential development for housing affordable to low and moderate income households.

DRA used four housing prototypes for the nexus analysis: single-family detached homes, townhomes, stacked flat condominiums with structured and underground parking, and stacked flat apartments with structured parking. The first three were modeled for owner households and the last one was modeled for renter households. These prototypes represent existing and planned housing developments in the community.

### **1.2.9. Town of Windsor, California**

DRA served as a development and financial advisor to the Town of Windsor in the areas of affordable housing, inclusionary housing, mobile home park conversion and preservation. DRA conducted an economic and financial analysis of a proposed development and financing request to the Town for affordable ownership housing. DRA performed a development cost analysis, affordable home purchase price analysis, and leverage analysis of State and Federal funds available to assist the Town. DRA advised staff on the proposed development's regulatory compliance with the Town's inclusionary housing ordinance, and with funding requirements of State, County and Federal sources of financing prospectively available to the development. DRA also advised the Town on the adequacy of the Town's affordable housing funds to assist this development.

### **1.2.10. City of Rancho Cordova, California**

DRA was commissioned by the City of Rancho Cordova to support the City's goal of establishing a Mixed Income Housing Program to ensure that at least 10 percent of new residential construction is affordable to low and moderate income households. DRA conducted a housing market analysis for the City, including analyses of rent, vacancy, home and land sales price trends over the previous five years. The analysis also reported on building permit activity and trends within the City. DRA analyzed the housing need in the City of Rancho Cordova, examining the projected population growth and affordable housing needs in the City and the ability of projected build-out potential to meet this need. DRA presented the results, as well as recommendations for an economic analysis to respond to the identified housing need, at a community stakeholder workshop.

### **1.2.11. City of Cloverdale, California**

DRA is currently advising the City of Cloverdale on issues regarding its inclusionary housing and density bonus ordinances. DRA prepared an update of the Cloverdale's in lieu fee, based on the most recent available household income and market price data. DRA also reviewed the City's Inclusionary Zoning and Density Bonus Ordinances, providing administrative guidance on changes and improvements to the program that may be adopted administratively by the City. DRA will make a presentation to the City Council, sharing background and recent court cases regarding inclusionary housing and nexus fees as well as DRA's recommendations for changes to the program.

### **1.2.12. City and County of Denver, Colorado**

DRA served the City and County of Denver in the development of a residential and non-residential linkage fee program to support affordable housing within Denver. We worked closely with City staff and the City Attorney's office to refine the methodology and prototypes we used to quantify the rational nexus between residential and non-residential development and the need for affordable housing. Residential prototypes ranged in density from single-family infill to 20-story high rises, reflecting different construction and parking types. Non-residential prototypes included mid- to high-rise office, hotel, retail, warehouse and manufacturing buildings. Our residential nexus methodology reflected the variable employment and housing demand impacts, by the household income, generated by the new market-rate tenants and homebuyers. For the non-residential nexus, the quantified employment and housing demand impacts varied depending upon the employment densities and occupation/wage profiles of alternative non-residential land uses. An affordability gap analysis determined the subsidy required to produce new affordable units and the resulting nexus fees needed to fill the gaps. The financial feasibility analysis evaluated the baseline economic feasibility of the prototypes given current market conditions, development and land costs as well as the potential effect of a nexus fee on financial performance. Based on the above analyses, DRA made affordable housing linkage fee policy recommendations.

As a result of DRA's recommendations, Denver's City Council Adopted the City's first ever dedicated local funding sources for affordable housing. This assignment also involved the significant participation of two Technical Advisory Committees, consisting of local housing experts, developers and housing advocates. DRA was also retained by Denver to produce a subsequent pro forma analysis of affordable housing incentives for transit-oriented development areas.

### **1.2.13. City of Portland, Oregon**

The City of Portland retained DRA to prepare a study examining the nexus between residential and non-residential development and the need for affordable housing in the City. Using a methodology designed to meet the requirements of relevant statutes and case law, DRA is estimating the justifiable nexus fees.

Using the residential and non-residential development prototypes DRA established for the assignment, DRA performed nexus impact calculations, a financial feasibility analysis, and an affordability gap analysis. We also prepared case studies of “competitive” communities. These are the communities that would potentially compete with Portland for commercial and residential development.

Using an affordability gap analysis approach, DRA calculated the fees required to provide affordable housing to new very low and low income households resulting from new development.

DRA also evaluated the impact of alternative levels of potential nexus fees on the feasibility of prototypical residential and non-residential developments using both Return on Equity (ROE) and Residual Land Value (RLV) analysis approaches. Based on the above analyses, DRA recommended to the City of Portland affordable housing linkage fee policy. Our engagement was expanded to include advising on the homeownership component of Portland’s Inclusionary Housing Program.

### **1.2.14. City of Seattle, Washington**

The City of Seattle retained DRA to prepare a nexus study quantifying the rational nexus between residential and non-residential development and the need for affordable housing in the City of Seattle. DRA calculated the growth in very low and low income households resulting from the employment impacts of new residential and non-residential development, based on analysis of a series of housing, office and hotel prototypes. DRA also calculated the affordability gap between the amount that low and moderate income households can afford to pay for housing and the cost of developing new affordable housing in Seattle. Using the results of the gap analysis and the estimated low and moderate income employee households generated by new development, DRA calculated the fees required to provide affordable housing to these very low and low income households by land use in low, middle and high cost areas of the City.

### **1.2.15. City of Cambridge, Massachusetts**

The City of Cambridge retained DRA to conduct a study of the impact of new market rate residential development upon affordable housing, housing supply, housing needs and socio-economic diversity in the City. Cambridge's current Inclusionary Zoning Ordinance (IZO) was adopted in 1998. DRA's study guided the City in updating the IZO on issues such as requirements for housing affordable to low and moderate income households, the size of affordable housing units created, and the types of development that should be subject to the ordinance.

Based on its national experience with inclusionary housing provisions and programs, DRA compared and contrasted key provisions of the City's program with others throughout Massachusetts and nationwide. DRA conducted a demographic and market analysis to analyze the impact of new market rate residential development upon the City's housing supply, housing needs, affordable housing stock, and socio-economic diversity. Using an affordability gap analysis, DRA calculated affordable home prices and rents by income level and compared them to recent market prices and rents in the City. DRA also prepared an economic impact analysis to evaluate the financial effect of the current IZO versus proposed changes. Cambridge has also asked to retain DRA for expert witness consultation and testimony services should they be needed to defend the City's affordable housing efforts.

### **1.2.16. City of Richmond, California**

DRA serves as development and financial advisor to the Richmond Housing Authority on its public housing and affordable housing inventory. To improve their financial viability and long-term sustainability, RHA has embarked on an analysis of repositioning options and recommendations for its Public Housing and Housing Choice Voucher (HCV) Programs. The goal of the repositioning effort is to develop financial structures that eliminate current operating shortfalls, improve the living conditions of residents, revitalize and/or redevelop RHA housing assets, put in place long-term sustainable financial repositioning of each asset, and bring each asset up to modern standards of design, energy efficiency, resident amenities and quality of construction.

DRA is advising RHA on its transitioning of public housing projects using RAD, Section 18 and Section 30 disposition processes. DRA is currently advising RHA on five different properties in different stages of the disposition process, involving the acquisition/rehabilitation of existing buildings and new construction to increase the density on existing development sites. DRA assists RHA in drafting RFPs and RFQs for redevelopment of the sites and the evaluation and due diligence on submitted

developer proposals, financial plans and pro formas. DRA advises RHA on negotiation of deal terms with the developers for Exclusive Negotiation Agreements and Loan, Disposition and Development Agreement. DRA assists RHA in successfully navigating the HUD disposition process and achieving the goals and schedule of its Public Housing Recovery and Sustainability (PHARS) Agreement with HUD.

#### **1.2.17. City of Oakland, California**

The City of Oakland Housing and Community Development engaged DRA to provide continuing consulting services regarding asset management and underwriting of the City's affordable multifamily rental and homeownership programs and portfolios. DRA is conducting an assessment of the City's asset management, underwriting, loan production and documentation policies, processes, systems and functions for its affordable multifamily rental housing program and portfolio, and is providing services regarding the City's affordable homeownership policies and loan portfolio. DRA will make recommendations to adopt best practices for these activities, review City and Department policies, discuss alternative policy options and their relative advantages and disadvantages. DRA worked with staff to prioritize tasks to develop the Phase One scope of services, budget and payment schedule for described below.

Specific tasks under this engagement include preparation of affordable multifamily housing loan underwriting guidelines, an Excel-based financial model to assist City staff in analyzing the feasibility of proposed multifamily projects and determining the reasonableness of requested subsidies from the City, revising the City's Notice of Funding Availability to best reflect the City's policies and priorities, preparing a five-year capital plan outlining proposed City financial expenditures on affordable housing, and reviewing the status of the City's for-sale restricted home loan portfolio.





## 2. Staff Qualifications

### 2.1 Project Team

All substantive services for this assignment will be performed by David Paul Rosen and Nora Lake-Brown. David Paul Rosen, Ph.D., Founder and Principal of DRA, is an internationally recognized authority in the fields of redevelopment, affordable housing finance, policy, land use, analysis, negotiation, lending and investment strategic planning. Nora Lake-Brown, Principal of DRA's Irvine office, has more than 35 years of experience in the analysis of real estate markets, local economies and financial feasibility, and has served as managing Principal on more than forty inclusionary analyses. Nora Lake-Brown will be responsible for the coordination and production of the study.

### 2.2 Resumes

#### 2.2.1 David Paul Rosen

David Paul Rosen, Ph.D., is founder and Principal of David Paul Rosen & Associates (DRA), a 38-year old financial and development consulting firm with expertise in capital formation strategies for affordable housing and community economic development. DRA's clients include federal agencies, the United States Congress, state and local agencies and legislative bodies, corporations, non-profit organizations and foundations. Dr. Rosen is nationally recognized in the field of affordable housing finance, policy, land use, analysis, negotiation, lending and investment strategic planning. He has personally advised on more than \$3.0 billion in development finance.

Dr. Rosen is responsible for some of the more important innovations in affordable housing development policy. He originated the concept of state housing trust funds, now in place in 47 states. These funds are a permanently dedicated, annually renewable source of capital for the production and preservation of affordable housing. He helped lead the efforts in the mid-1980s in California to negotiate with major money center banks under the Community Reinvestment Act (CRA) to make multi-billion dollar commitments to affordable housing development lending and investment. Dr. Rosen served as the inaugural Chairman of the California Organized Investment Network (COIN) Investment Advisory Board for the California Department of Insurance. Dr. Rosen led this first of its kind organization to develop an investment policy that encourages insurance companies to increase capital for affordable housing and neighborhood revitalization.



Dr. Rosen has advised more than 60 California jurisdictions on the economic analysis, design and adoption of inclusionary housing land use policies, programs and innovations.

Dr. Rosen was the lead consultant to the City of Oakland creating the Community Alliance for Syndicated Housing, now Merritt Community Capital, and has also served as a lead consultant to the Federal Home Loan Bank of Atlanta (Bank) in its dealings with FHA, Ginnie Mae and Freddie Mac. He advised the Bank's Chief Executive Officer and the Board of Directors on a wide range of community economic development and affordable housing initiatives throughout the nine state region of the Bank.

Dr. Rosen served as lead faculty to the California Redevelopment Association (CRA) Housing Institutes. DRA was selected by CRA as the sole faculty for its Basic and Advanced Affordable Housing Institutes statewide. Additionally, Dr. Rosen was selected to lead the CRA Institute on RFP/RFQ Developer Negotiations, as well as CRA's groundbreaking Sustainable Development Institute.

Dr. Rosen serves as financial, economic and development advisor to numerous California cities and agencies on long-term assignments. These include San Diego, Los Angeles, Sacramento, Oakland, Oceanside, Poway, Los Angeles County, Vallejo, Pittsburg, Fremont, Rancho Cucamonga, Brea, Tustin and many others. Assignments have included military base reuse, brownfield restoration, industrial park development, mixed use and affordable housing development, tax increment financing, asset management, community development loan securitization, small business lending, developer selection, negotiation, pricing, terms and conditions analysis for debt and equity investments. He is an acknowledged national expert in all forms of affordable housing finance for both renter and owner housing. Dr. Rosen is a widely published author, and a nationally and internationally recognized speaker on affordable housing finance, development, land use and asset management.

Dr. Rosen has led federal research efforts on tax and financial policy for affordable housing. He has briefed White House and senior Administration officials at a dozen federal agencies. He has advised HUD, FHA, Ginnie Mae, the Federal Home Loan Bank system, the Federal Housing Finance Agency, Freddie Mac, the World Bank and the International Finance Corporation on housing finance policy.

## **Education**

Bachelor of Arts, Political Science, **Columbia University**, 1972

Doctor of Philosophy, Public Policy, **Union Institute**, 1983



### **2.2.1 Nora Lake-Brown**

Nora Lake-Brown, Principal of DRA's Irvine office, has more than 35 years of experience in the analysis of real estate markets, local economies and financial feasibility. She has served as financial consultant on more than \$3.5 billion of affordable and market-rate housing, commercial, industrial and mixed-use real estate transactions and financings.

Ms. Lake-Brown is a nationally recognized authority on land value recapture, using residual land value analysis to quantify the land value increment associated with government actions such as rezoning, land use changes, and the provision of development incentives, so that a portion of the value can be recaptured for public benefit. She has assisted scores of cities with the preparation of residential market analyses, affordable housing needs assessments, affordability gap analyses, fiscal impact assessments, and comprehensive housing strategies.

Ms. Lake-Brown has analyzed more than 40 inclusionary housing programs for local governments, identifying mitigations that can partially offset the costs of compliance and analyzing the potential effect of inclusionary housing requirements on residential financial feasibility. Ms. Lake-Brown served as the principal investigator on inclusionary housing analyses for Los Angeles, San Diego, San Jose, Long Beach and other major cities, including Seattle, Portland, Denver and Cambridge. The study Ms. Lake-Brown directed for the City of Los Angeles remains the largest urban inclusionary housing analysis in the United States to date. She creates computerized financial models to quantify the affordability cost of inclusionary housing requirements and the economic value of potential offsets and non-cash incentive measures. Ms. Lake-Brown also advises on best practices in inclusionary housing policy based on her extensive California and nationwide experience.

Ms. Lake-Brown is acknowledged as one of the leading real estate economists dedicated to affordable housing development, transactions, finance and public policy in California. Ms. Lake-Brown's technical excellence, clear insight, and extensive track record in real estate and affordable housing development finance provide concise and expert analysis in an easily understandable format.

Ms. Lake-Brown served as a lead faculty of the California Redevelopment Association Affordable Housing and Developer Negotiation Institutes for six years. She's a frequent speaker at national conferences on redevelopment, land use planning, and affordable housing.

Ms. Lake-Brown has helped lead low income neighborhood revitalization efforts of nonprofit development corporations involving affordable housing for renters, owners, child



care facilities and community centers alike. She also provides asset management, portfolio overview and analysis, as well as strategic, business and financial planning for nonprofit organizations and public agencies active in the affordable housing development and finance.

### **Education**

B.A., Economics, With Honors, **University of California**, Santa Cruz, 1981

B.A., Environmental Studies, **University of California**, Santa Cruz, 1981

M.A., City and Regional Planning, Kennedy School of Government, **Harvard University**, 1983

## 3. Scope of Services

### 3.1 Understanding of the Scope of Services

The City of Montclair (City) seeks to retain a consultant to prepare an inclusionary housing financial evaluation to assist the City with development of the its Inclusionary Housing Ordinance (IHO). The City's goal is to develop a program that will assist the City in meeting its very low and low income RHNA housing requirements. The City seeks

The inclusionary housing financial evaluation is a critical component of developing an inclusionary housing ordinance as it will assess (1) the impacts created by the imposition of inclusionary housing requirements; (2) the feasibility of an inclusionary housing requirement in the Montclair real estate market; (3) the fee amounts that can be supported for projects that are permitted to pay an in-lieu fee; (4) a formula to determine the in-lieu fee based on changing market conditions; and (5) the maximum allowable inclusionary percentages.

In addition, the City seeks an overview of the following:

- Existing Inclusionary Housing programs in California;
- Key court cases impacting Inclusionary Housing policy;
- Recently adopted California Law regulating Inclusionary Housing policy;
- The role of the State Department of Housing & Community Development (HCD) in ensuring that Inclusionary Housing policies do not constrain the production of housing;
- State Density Bonus requirements and its relationship to Inclusionary Housing policy for Montclair; and
- Baseline recommendations for options for a potential Inclusionary Housing policy.

DRA also proposes to conduct a brief survey of IHO requirements in comparable and/or competing cities. This survey can assist in informing the City Council regarding best practices in local inclusionary housing policy as well as on the existing requirements in cities within Montclair's regional market area.

DRA's proposes to use a "gap analysis" methodology that calculates the in lieu fee as the "economic equivalent" of providing an on-site unit under the City's proposed IHO set-aside and income targeting requirements. DRA will also prepare a financial feasibility assessment to evaluate the potential effect of providing on-site units, off-site units or paying alternative levels of an in lieu fee on the financial feasibility of residential development in Montclair. Developers commonly raise questions regarding the effect of IHOs on development feasibility, and we find that the financial feasibility assessment provides useful information for the City Council as they make future decisions about the IHO and potential in lieu fees. Using the findings from the in lieu fee calculation and the feasibility assessment, DRA will make policy recommendations regarding the City's in lieu fee and other elements of the IHO to best meet the City's goals for the IHO.

### 3.3 Proposed Scope of Services

#### **Task 1: Project Initiation**

The DRA Team will convene a kick-off meeting with City staff to review and refine the proposed methodology, scope of work, communication protocols, and project schedule, as well as review key issues and assumptions for the analysis. In particular, DRA and City staff will discuss the residential prototypes to be used in the gap/in lieu fee calculation and financial feasibility analyses, the affordable housing set-asides and income targeting to be analyzed for renters and owner, the definitions of affordable housing expense to be used, and key policy issues of interest to the City. DRA's proposed budget assumes analysis of three alternative affordable housing set-aside and income targeting scenarios for renters and owners. DRA will also work with City staff to identify development incentives and offsets to be analyzed in the feasibility assessment.

DRA will ask staff to provide links or electronic copies of additional documents, ordinances, policies, past studies and other materials relevant to the assignment for DRA's review prior to the kick off meeting.

DRA will prepare an agenda, a list of additional information needed, prototype template, and other exhibits for review at the kick-off meeting.

**Deliverable:** Memorandum summarizing key decisions made during the kick-off meeting, including a development timeline that outlines tasks and deliverables, the process for selecting development prototypes for analysis, the affordable housing set-asides and income targeting to be analyzed, and the definitions of affordable housing expense for renters and owners to be used in the analysis.

## **Task 2: Background on Inclusionary Housing in California**

DRA will draft a memorandum providing background on inclusionary housing in California, including the following:

- An overview of the current and historical use of inclusionary housing in California, including data from recent surveys on the number of jurisdictions with IHOs, the affordable housing set-asides and income targeting commonly used for owner and renter housing, and other key IHO provisions.
- A summary of key court cases affecting inclusionary housing in California, in particular the *Palmer/Sixth Street Properties v. City of Los Angeles*, *CBIA v. City of San Jose*, and *616 Croft Ave., LLC vs. West Hollywood* cases.
- An outline of the requirements of AB1505 with respect to the content of inclusionary housing ordinances in California and the role of HCD in ensuring that IHOs do not constrain the production of housing; and
- An analysis of the relationship between State Density Bonus law and inclusionary housing policy in Montclair.

**Deliverable:** Memorandum on the background of inclusionary housing in California, to be incorporated into a chapter of the ARD Report.

## **Task 3: Gap Analysis and In Lieu Fee Calculation**

DRA proposes to calculate the in lieu fee representing the economic equivalent of providing on-site affordable units based on analysis of prototypical residential developments. From a policy perspective, setting the in-lieu fee option at an amount that is less than the economic equivalent of providing typical on-site units will encourage developers to pay the fee, resulting in fewer on-site units. If the City's desire is for on-site units, then setting the in lieu fee at levels equivalent to, or even higher than, the economic equivalent fee, will best meet the City's goals. Another method of encouraging on-site unit production is to provide incentives to developers for unit production. The economic value of potential incentives will be quantified in the financial feasibility analysis, as discussed in Task 4 below.

DRA proposes to use a gap analysis approach to estimate the economic equivalent in lieu fee for selected residential prototypes. The gap analysis compares the amount

households at specified income levels can pay toward housing with the cost of developing affordable housing in the City of Montclair. The gap between the two equals the cost to the developer of providing affordable units on site. Our methodology is described below.

### **Task 3a: Develop Residential Prototypes**

DRA will work collaboratively with City staff to develop a series of residential development prototypes representing the range of recently developed and/or proposed housing developments in the City for use in the housing affordability gap, in lieu fee calculation and the financial feasibility assessment. Development prototypes will be specified in terms of density, total housing units, unit bedroom count, unit sizes (SF), building stories, parking requirements, and type of building and parking construction (e.g., wood frame vs. podium construction, structured parking vs. surface parking).

DRA's budget assumes creating up to six rental and owner residential prototypes.

**Deliverable:** Draft Residential Prototypes Memorandum and excel table documenting the housing prototypes to be used in the gap analysis.

### **Task 3b: Gap Analysis and In Lieu Fee Calculation**

The steps in DRA's affordability gap analysis methodology are as follows:

1. Calculate the amount a tenant and homebuyer can afford to contribute to the cost of renting or owning a dwelling unit. Virtually all renter affordable housing policies today calculate affordable housing cost at 30% of gross income. Affordable net rents are calculated by deducting a utility allowance from affordable housing cost. We then calculate the amount of financing that can be supported from affordable net rents less operating costs at current market interest rates and terms for each rental prototype.

For owners, CA Health and Safety Code defines affordable housing cost for owners at 30% of gross income for very low and low income households and 35% of gross income for moderate income households. Per the California Department of Housing and Community Development (HCD), affordable housing cost for owners includes mortgage principal and interest, property taxes, property insurance, utilities, and HOA dues, as applicable.



2. Estimate the cost to develop rental and ownership units in Montclair. DRA will prepare estimated development budgets for each prototype including land acquisition, site improvements, building and parking construction costs, financing costs and other soft costs. Land costs will be estimated based on a review of recent land sales transactions and interviews with local housing developers and professionals. DRA will estimate construction costs for rental and owner housing based on a review of available project pro formas, published cost data, and interviews with developers and general contractors active in the market. DRA will work collaboratively with City staff to create a list of developers and other stakeholders to be interviewed.

3. Calculate the per unit affordable housing gap by unit bedroom count (one-bedroom, two-bedroom, etc.) for each rental and owner prototype. The per unit supportable financing for rental prototypes and the affordable home prices for owner housing will be subtracted from per unit total development costs to generate the per unit affordability gaps.

4. Calculate the total gap for each prototype based on the number of affordable units required), representing the total in lieu fee for the prototype. Dividing the total gap by the total number of units in the prototype and the total residential square footage of the prototype (including the market rate units) will result in per unit and per square foot in lieu fees, respectively.

**Deliverable:** Report chapter summarizing the methodology, assumptions and findings of the gap analysis and in lieu fee calculations.

#### **Task 4: Financial Feasibility Analysis**

A financial feasibility analysis provides useful information to City staff and the City Council in designing or modifying an IHO. DRA will analyze the potential effect of alternative inclusionary housing set-asides and income targeting on the financial feasibility of the residential prototypes.

DRA will evaluate the potential effect of alternative levels of rental and owner on- and off-site inclusionary requirements and in lieu fees on the feasibility of prototypical residential developments using a Residual Land Value (RLV) analysis approach. DRA will also quantify the value to developers of potential development incentives that may be offered to encourage on-site unit production.

Land residual analysis methodology calculates the value of a development based on its income potential and subtracts the costs of development (excluding land but

including an assumed return on equity), to yield the underlying value of the land. When evaluating alternative land uses, the alternative that generates the highest value to a site is considered its highest and best use. An alternative that generates a value to the land that is negative, or well below market land sales prices, is financially infeasible.

RLV analysis calculates the value of rental prototypes at a point in time by capitalizing the stabilized net operating income of the prototype, using current capitalization rates appropriate to the market area. We believe this is the most appropriate approach for this level of financial impact analysis as it does not require specificity of assumptions and complexity associated with dynamic financial models, such as internal rate of return (IRR) analysis. DRA will test the sensitivity of the model to different levels of project risk and changing market conditions by varying the capitalization rate to reflect different historical and current levels.

The financial feasibility of each prototype will be evaluated under the following scenarios, as appropriate:

1. assuming no inclusionary requirement or in lieu fee;
2. incorporating alternative inclusionary housing income targeting and set-aside requirements (up to three alternatives);
3. including in lieu fees that represent the economic equivalent of providing on-site affordable units (and/or alternative fee levels desired by the City);
4. assuming alternative compliance options, such and the provision of off-site inclusionary units; and
5. assuming the incorporation of development incentives that may be provided to developers to offset the cost of providing on-site inclusionary units. Potential incentives may include density bonuses, fee waivers, fee deferrals, modifications in design, building and engineering codes and standards, including parking standards, expedited development processing, alternative floor area ratio and site planning reforms, as well as tax exempt and other favorable financing. The City may also want to evaluate the effect of permitting design modifications on the inclusionary units, such as allowing alternative product types (e.g. townhome units instead of single-family detached units), smaller unit square footages or modest changes in interior finishes.

Comparing the financial performance of the prototypes before and after the inclusionary requirements, in lieu fees, alternative compliance options and development incentives will provide an indication of the effect of existing and potential program requirements on the feasibility of market-rate development.

**Deliverable:** Financial feasibility analysis report chapter or appendix.

### **Task 5: Policy Recommendations for Inclusionary Ordinance**

Based on the above analyses, current affordable housing best practices, and discussions with City staff, DRA will make policy recommendations on changes to the City's IHO.

Key policy issues include the amount of the in lieu fee for owner and renter housing, whether the in lieu fee should vary for different types of residential development in the City, and a formula or methodology for updating the in lieu fees over time. DRA's recommendations will be based on the findings of the gap analysis and financial feasibility assessment, the policy goals of the City, and DRA's experience with inclusionary housing best practices across California and nationwide.

DRA will also provide policy guidance on other topics related to the IHO including, but not limited to:

- Physical requirements of the affordable units (i.e. compared to market-rate units);
- Whether and under what conditions developers may use Accessory Dwelling Units (ADUs) to meet IHO requirements;
- Definitions of affordability for rental and for-sale housing;
- Alternatives for on-site compliance, such as off-site compliance (through new construction and/or acquisition/rehabilitation), land dedication, and/or other options;
- Project threshold size requirements or exemptions;
- Length of affordability restrictions for rental and for-sale housing;
- Administrative and monitoring fees;

- Enforcement of long-term affordability requirements, including documentation through regulatory agreements and land use covenants;
- Other key program requirements (e.g. effective date of program requirements/"grandfathering"); and
- Ongoing monitoring and evaluation of the inclusionary housing program.

**Deliverable:** Report chapter summarizing DRA's policy recommendations regarding the City's Inclusionary Housing Ordinance.

### **Task 6: Draft and Final Reports and Presentations**

DRA will prepare an Administrative Review Draft Report (ARD), describing the methodology, assumptions and findings of Tasks 3 and 4. Detailed analyses and tables will be provided in the Appendices. DRA will submit two electronic versions of the Administrative Review Draft Report (in Word and pdf formats).

DRA will incorporate one round of written comments compiled by City staff and will produce a Public Review Draft Report. If written comments are not received within 20 working days of submission, the ARD will be deemed complete for Public Review Draft (PRD) status.

Public written comment will be solicited on the PRD report, providing any and all members of the public and stakeholder representative groups with ample opportunity to provide written guidance and comment on the work in progress and the final economic findings. DRA will submit two electronic copies of the PRD to the City (in Word and pdf formats).

Following public review and input, including input from the meeting with the City Council, DRA will incorporate one more round of written comments compiled by staff and will produce the Final Report. DRA will consider written comments compiled by City staff and received by DRA within 20 working days of the City's receipt of the PRD. If written comments are not received, the PRD will be deemed complete for the Final Report.

DRA will submit two electronic copies of the Final Report (in Word and pdf formats).

The DRA Team will also prepare a PowerPoint presentation summarizing the findings in the Public Review Draft report for presentation to the Planning Commission and City Council, as appropriate.

Deliverables: Administrative Review Draft, Public Review Draft, and Final Reports.

### **Task 7: Meeting Participation**

The proposed budget assumes DRA will attend and present (virtually or in person) at two public meetings such as the Planning Commission and City Council. Attendance at additional meetings requested in writing by the City will be provided on a time and expense basis using DRA's current Professional Fee and Expense Reimbursement schedule.

DRA will also conduct selected telephone interviews with developers and real estate professionals active in the local area to assist in developing prototypes and assumptions for the analysis. DRA will participate in the kick-off meeting and regular teleconferences with City staff as needed to complete the scope of work.

**Deliverable:** Virtual or in person meeting attendance.

### **Task 8: (Optional Task) Case Studies of Selected Local IHO Programs**

As national leaders in affordable housing policy, DRA is expertly familiar with the inclusionary housing and nexus programs currently in place in jurisdictions throughout the United States. We frequently assist our clients with research and analysis of comparable programs from other communities. Such a survey of other jurisdictions may take several forms and serve multiple functions. DRA can assist with preparing case studies to analyze and illustrate inclusionary housing practices in communities similar to Montclair's size, economics, demographics and social values. In our 25 years of practice in nexus studies, our clients often find it helpful to focus on studies of "competitive" communities. Rather than focus on the programs of "comparable" communities across the country, this approach analyzes programs of other jurisdictions surrounding the client. These are the communities that would potentially compete with Montclair for commercial and residential development. Understanding the housing programs and fee structures of surrounding communities can help to design a program that will create the needed affordable housing without putting the City at a competitive disadvantage from surrounding jurisdictions. For a study of "comparable" cities, DRA would describe the state-of-the-art in inclusionary housing and nexus fee programs being used and explored in cities analogous to Montclair in size, economy and demographics.

Regardless of the goals and method of the case studies, DRA will work closely with City staff to establish the list of comparable or competitive jurisdictions to be used for the analysis. DRA will review and comment on the list of jurisdictions to be surveyed



provided by the City. DRA will provide a list of items to be included in each profile. The profile may include the following items, to be adjusted as needed in consultation with City staff:

- Year program adopted and/or revised
- Inclusionary housing set-aside requirements (% of units, income levels)
- Amount of in lieu/nexus fees and under what circumstances in lieu fees may be paid rather than providing units
- Basis of fees (per unit or per SF residential; definition of sq. ft. to which fee applies)
- Variations in inclusionary requirements and fees by (as applicable):
  - Land use category (i.e. non-residential)
  - Residential product type or income level
  - Unit size
  - Number of units in the development
  - Geographic submarket
- Options and incentives for providing on-site units instead of paying fees, if any
- Thresholds and exemptions
- Total revenues received and units created (time period), as available

Deliverable: Appendix report with case study profiles of inclusionary housing programs in up to five jurisdictions.

### **3.4 Schedule**

DRA is prepared to begin work immediately upon execution of a contract for this assignment. DRA estimates completion of the Administrative Review Draft Report within four to six months of contract execution and notice to proceed. DRA will work with City staff to prepare a schedule that meets the City's needs.

## 4. Price Proposal

DRA will complete the proposed scope of services for the following fixed-price fee per task. Payment is due upon submission of each deliverable listed below. DRA Principal Nora Lake-Brown will be the Project Manager and lead researcher on this assignment. The total fixed fee budget of \$\_\_\_\_\_ includes attendance by DRA Principal Nora Lake-Brown at two public meetings, along with the kick-off meeting and regular meetings with City staff, as well as all direct costs. At this time, all meetings will be held virtually due to COVID 19.

DRA's fixed fee budget, estimated hours and payment schedule by task to complete the scope of services is shown below. DRA's hourly rates are shown in Attachment A.

| <b>Task No.</b>       | <b>Task</b>                              | <b>Deliverable</b>              | <b>Payment</b>  |
|-----------------------|--|---------------------------------|-----------------|
| 1                     | Project Initiation                       | Memorandum and Project Timeline | \$7,500         |
| 2                     | Background on Inclusionary Housing in CA | Report Chapter                  | \$5,000         |
| 3a                    | Residential Prototypes                   | Memo/Excel Table                | \$7,500         |
| 3b                    | Gap Analysis and In Lieu Fee Calculation | Report Chapter                  | \$17,000        |
| 4                     | Financial Feasibility Anal.              | Appendix Report                 | \$15,000        |
| 5                     | Policy Recommendations                   | Memo                            | \$12,500        |
| 6a                    | ARD Report                               | ARD Report                      | \$2,000         |
| 6b                    | PRD Report                               | PRD Report                      | \$1,500         |
| 6c                    | Final Report                             | Final Report                    | \$1,000         |
| 7                     | Meeting Attendance                       | Prepare/Attend Meetings         | Included        |
|                       | <b>Total</b>                             |                                 | <b>\$69,000</b> |
| <b>Optional Tasks</b> |  |                                 |                 |
| 8                     | Case Studies                             | Appendix Report                 | \$10,000        |

# Attachment A

## 2021-2022 Professional Fee and Expense Reimbursement Schedule

|   |       |
|---|-------|
| Principal I   | \$375 |
| Principal II  | \$345 |
| Senior Associate  | \$325 |
| Associate   | \$290 |
| Research Associate I  | \$260 |
| Research Associate II   | \$255 |
| Data Entry, Word Processing, Administrative Assistance and Accounting | \$125 |

The following costs are reimbursable expenses with supporting receipts:

- Mileage at the equivalent of the then current federal mileage reimbursement rate; tolls
- Round-trip coach airfare, as mutually agreed by client and consultant
- Ground expenses: rental cars, parking, cabs and other
- Meals and lodging
- Long-distance telephone charges, facsimile charges and expedited courier service
- Copying and production charges
- Data service charges
- Supplies, as required for deliverables.

A 1.75% per month surcharge will be added to any invoice that is unpaid 30 days after the original date of the invoice. DRA may increase its Professional Fees on January 1, 2021, and will notify its clients in writing of this change.





## 5. References

### 5.1 City of Pasadena, California

DRA performed a gap analysis and in lieu fee calculations to update the City's inclusionary housing ordinance and reassessed its existing eight inclusionary housing sub-areas to recommend needed adjustments.

Bill Huang  
Housing Director  
649 N. Fair Oaks, 2<sup>nd</sup> Floor  
Pasadena, CA 91105  
[whuang@cityofpasadena.net](mailto:whuang@cityofpasadena.net)  
626-744-8300

Jim Wong  
Senior Project Manager  
649 N. Fair Oaks, 2<sup>nd</sup> Floor  
Pasadena, CA 91105  
[jwong@cityofpasadena.net](mailto:jwong@cityofpasadena.net)  
626-744-8316

### 5.2 City of Portland, Oregon

DRA prepared a residential and non-residential nexus study and inclusionary housing economic analysis for the City of Portland to determine the maximum legally justifiable nexus fees to fund affordable housing development in the City and calculated "economically equivalent" in lieu fees. DRA also prepared a feasibility study to evaluate the potential impact of alternative inclusionary housing requirements on more than 20 different rental and owner housing prototypes.

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502-823-3607

### 5.3 City of East Palo Alto, California

DRA prepared a nexus study examining the legality and basis for establishing a rational nexus between market-rate residential development and the need for affordable housing in the City of East Palo Alto. DRA also prepared a gap analysis and inclusionary housing in lieu fee analysis to update the City's IHO. In addition, DRA prepared a Comprehensive Housing Strategy for the City and served as development advisor on several affordable housing development projects.

Patrick Heisinger  
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East Palo Alto, CA 94303  
[pheisinger@cityofepa.org](mailto:pheisinger@cityofepa.org)  
650-853-3193

Victor Ramirez  
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650-853-3157

#### **5.4 City of Oakland, California**

DRA advises the City on asset management, underwriting, loan production and documentation policies, processes, systems and functions for its affordable multifamily rental housing program and portfolio. DRA prepared an Excel-based financial model to assist City staff in analyzing the feasibility or proposed multifamily projects and determining the reasonableness of requested subsidies from the City. The model was used by applicants in the City's latest Notice of Funding Availability.

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Oakland, CA 94612  
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510-238-3714

#### **5.5 Richmond Housing Authority, California**

DRA serves as development and financial advisor to the Richmond Housing Authority on its public housing and affordable housing inventory.

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