

AGENDA
REGULAR MEETING OF THE HOLTVILLE PLANNING COMMISSION
CIVIC CENTER – 121 WEST 5TH STREET
Monday, October 17, 2016 – 6:00 p.m.

Chairperson: Ross Daniels
Vice Chairperson: Georgina Camacho
Planning Commission Members:
John Britschgi, Matt Turner, Grecia Meza

Legal Counsel: Steve Walker
Secretary: Denise Garcia
Executive Officer: Nick Wells
Ex-Officio Member: Richard Layton

1. **Meeting Convenes**
2. **Pledge of Allegiance**
3. **Commission Secretary Re:** Verification of Posting of Agenda
4. **Approval of Minutes:** Regular Minutes of September 19, 2016
5. **Public Comments:** This is the time for the public to address the Planning Commission on any item not appearing on the agenda that is within the subject matter jurisdiction of the Planning Commission. The Chairman reserves the right to limit the time. The Chairman will recognize you and when you come to the microphone, please state your name and address for the record. You are not allowed to make personal attacks on individuals or make comments which are slanderous or which may invade an individual's personal privacy.
6. **New Business:**
 - a. **Open Public Hearing**
Discussion/Related Action to Adopt Resolution #16-06 Recommending Proposed Textual Amendments to the Zoning Ordinance and Establishment of a Density Bonus Ordinance Consistent with State Law and Housing Element Objectives – Justina Arce, City Planner
7. **New Business:**
None
8. **Reports from Planning Commissioners**
9. **Reports from City Officers**
 - a. **Executive Officer Report**
 - b. **City Attorney Report**
 - c. **City Planner Quarterly Grant Report**
 - d. **City Planner Planning Report**
10. **Information Only:**
None

Adjournment:

I, Denise Garcia, Interim Secretary of the Planning Commission of the City of Holtville, California, **DO HEREBY CERTIFY** that the foregoing agenda was duly posted at Holtville City Hall on October 14, 2016.

NOTICE

In compliance with the American Disabilities Act (ADA), the City of Holtville will make reasonable efforts to accommodate persons with qualified disabilities. If you require special assistance, please contact the City Clerk's office at 760-356-3013 at least 48 hours in advance of the meeting. Any writings or documents provided to a majority of the Holtville City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's office located at City Hall, 121 W. 5th St, during normal business hours.

**THE MINUTES OF THE REGULAR MEETING OF
THE HOLTVILLE PLANNING COMMISSION
Monday, September 19, 2016**

The regular meeting of the Holtville Planning Commission was held on Monday, September 19, 2016 at 6:00 p.m. in the Civic Center. Commissioners present were Georgina Camacho, John Britschgi, Ross Daniels, and Matt Turner. Commissioner Grecia Meza was absent. Staff members present were Nick Wells and Denise Garcia. City Planner Justina Arce, Council Member Richard Layton and City Attorney Steve Walker were also present.

PLANNING COMMISSION OPEN SESSION MEETING CALLED TO ORDER:

Chairperson Daniels called the meeting to order at 6:02 p.m.

PLEDGE OF ALLEGIANCE:

The pledge of allegiance was led by Mr. Daniels.

VERIFICATION OF POSTING OF AGENDA:

Denise Garcia, Secretary verified that the agenda was duly posted at City Hall on Friday, September 16, 2016.

APPROVAL OF MINUTES:

A motion was made by Mr. Britschgi and seconded by Ms. Camacho to approve the Minutes of the May 16, 2016, Regular Meeting. The motion carried in the form of a roll call vote.

AYES: Daniels, Turner, Camacho, Britschgi

NOES: None

ABSENT: Meza

ABSTAIN: None

PUBLIC COMMENTS:

None

UNFINISHED BUSINESS:

Open Continued Public Hearing for the Clear Talk Cell Tower to be Located on Public Property at the Ralph Samaha Field, APN045-211-001:

Chairman Ross Daniels opened the continued public hearing at 6:13 p.m.

Discussion/Related Action to adopt:

- **RESOLUTION 16-03 Approving the Environmental Certification of Mitigated Negative Declaration – Justina Arce, City Planner**

The City Planner went over the Staff Report for the proposed Mitigated Negative Declaration and noted comments and responses during the public review period. She also noted that certification of the Mitigation Negative Declaration did not constitute as approval of the project as that action would be discussed as a spate action item.

Wally Leimgruber spoke to the Commission and informed them that he had written a letter to the City expressing his concerns about the tower regarding public safety and how many providers will be using the tower. He stated one pod is below standards. He spoke in opposition of the tower and informed the Commission that an emissions test can be requested, yet the City doesn't require it for the Radio Frequency Study. He requested that

the emissions study be done. Mr. Leimgruber also mentioned that the alley-way leading to the tower should be paved.

Victor Gillespie, a Clear Talk representative, responded to Mr. Leimgruber's request for the Radio Frequency Test, stating that Clear Talk is following the guidelines set by the FCC. He also stated that they have not been asked to do this by the County and they have a total of twenty seven towers.

Ruth Chambers, resident of Holtville, said that she was concerned about the Tower for several reasons. She said it was unsightly, going in an inappropriate location in a public park and feels that is illegal and that the City should not use public property for profit.

Betty Van Der Linden, resident of Holtville, questioned the zoning of the area and stated that she feels even though it is considered open space, the tower does not fit in a residential area with kids. Ms. Van Der Linden also said that a more appropriate place would be in an industrial area of town. She feels that Holtville's draw is rustic and wants it to stay that way, reiterating that another place should be found for the tower.

Chairman Ross Daniels requested that Mr. Gillespie explain why that area of town was chosen for the tower.

Mr. Gillespie responded, stating that it was the best location for better cell speeds and data coverage.

A motion was made by Commissioner Turner and seconded by Mr. Britschgi to Certify the Mitigated Negative Declaration as presented. The motion carried in the form of a roll call vote.

AYES: Britschgi, Turner, Camacho, Daniels

NOES: None

ABSENT: Meza

ABSTAIN: None

- **RESOLUTION 16-04 Approving the Conditional Use Permit #16-02 – Justina Arce, City Planner**

The City Planner went over the Staff Report for the proposed Conditional Use Permit and noted that all Mitigation Measures in the environmental document had been incorporated as conditions of approval in CUP 16-02 under consideration.

Annie DePaoli, Holtville resident, said that the park was not the proper spot, for the children. She informed the commission that a petition was passed around in opposition for the cell tower.

Christina Toten asked who was going to monitor kids kicking soccer balls into the fenced area of the enclosure. She wanted to know who's responsibility it would be if they were hurt.

Elaine Ponton, a retired school teacher, told the Commission that she is the owner of one of the homes on Fern where two small children are currently living. She said that the tower will be near a church, swimming pool, and where children will be playing. She told the Commission that the parks are the jewel of Holtville. She expressed her concern over the possibility of the tower coming down in an earthquake or storm and possibly injuring

someone or damaging nearby property. She also said she worried that children would attempt to climb the tower.

Victor Gillespie commented that the emissions is really low, less than 3 watts, and that the towers are built to withstand earthquakes and wind storms have not made towers fail, that he knows of. He said falling is a non-issue.

Commission Member Matt Turner asked how often the FCC comes out and checks the emissions. Mr. Gillespie said he did not know for sure, but said that they do.

Chairman Daniels asked about the perimeter access of the enclosure. Victor informed the Commission that there is a 12 foot fence around the tower and that the first peg on the tower is 20 feet from the ground.

Commission Member John Britschgi informed other members and the public that he went to see a similar tower located in Somerton, Arizona and stated that it was fine.

City Manager Nick Wells informed the Commission that there were two changes to the Conditions of Approval which included the elimination of the landscaping requirement and that screening should be modified to privacy slats instead of hedge-link around the perimeter. Mr. Wells also noted that the lights would not be upgraded with MUSCO lighting, but replaced with what is currently there. He noted that instead of the Public Benefit Agreement, there would be a one-time monetary contribution of \$10,000.

Ms. Arce requested clarification on who would be responsible for the maintenance on the privacy slats and it was noted by the Commission that NTCH/Clear Talk would be.

Bettie Van Der Linden asked Planning Commission Members if they really wanted it in town.

Ms. Arce informed Ms. Toten that the proposed fence was enclosed and she passed a photograph of similar enclosed units that would prevent balls from entering the lease area. She also noted that all of the issues had been raised and addressed to some extent in the environmental document and the draft Conditions of Approval. She informed the Commissioner that modification to the conditions in order to satisfactorily address the community's concerns was at their discretion.

Justina stated that any graffiti will be cleaned by Clear Talk.

Ruth Chambers produced signatures from Holtville residents that live around the park area that are opposed to the Cell Tower being placed in Samaha Park and asked why several people she contacted did not know about the tower.

Christina Toten asked how many signatures would be required to put this on hold. She also asked if letters were sent out in both English and Spanish as she felt that a number of residents living directly across from the Park on Holt were Spanish speakers. Justina Arce stated that the letters were not sent out in Spanish, only in English.

Steve Walker stated that those concerned had the right to file an appeal with Council.

Wally Leimgruber pointed out that the Public Notice was published stating that the meeting start time was for 6:30p.m., yet the agenda stated that the meeting start time was for 6:00 p.m. He also explained that that's why Ms. Ponton came in late and other people might have missed the meeting.

City Manager Nick Wells reminded the audience that the current time was 7:20 p.m. and that the Public Hearing was still open for people to speak.

A motion was made by Mr. Daniels and seconded by Ms. Camacho to adopt Resolution #16-04 to approve Conditional Use Permit 16-02 with the changes noted. The motion carried in the form of a roll call vote.

- **RESOLUTION 16-05 Approving the Public Benefit Agreement between the Holtville Planning Commission and NTCH-CA, Inc., DBA "Clear Talk", for the Clear Talk Cell Tower to be located on Public Property at the Ralph Samaha Field – Justina Arce, City Planner**

The City Planner presented the Staff Report and reiterated the changes presented by the city Manager and agreed to by the Commission regarding elimination of landscaping and replacement of lighting. It was noted for the record that the \$500 annual fee for maintenance would remain.

A motion was made by Commissioner Daniels to approve Resolution 16-05 approving the Public Benefit Agreement between the Holtville Planning Commission and NTCH-CA, Inc. for the Clear Talk Cell Tower to be located on Public Property at the Ralph Samaha Field and seconded by Mr. Britschgi. The motion carried in the form of a roll call vote.

AYES: Britschgi, Turner, Camacho, Daniels

NOES: None

ABSENT: Meza

ABSTAIN: None

Mr. Daniels closed the public hearing at 7:28 p.m.

NEW BUSINESS

None

REPORTS OF PLANNING COMMISSIONERS

None

REPORTS OF CITY OFFICERS:

Mr. Wells gave a brief verbal report on recent City activities. Steve Walker invited the Commission to attend Brown Act Training being held at the County of Imperial. Justina Arce reported on the updates for the BOR Grant.

ADJOURNMENT:

There being no further business, Chairperson Daniels adjourned the meeting at 7:34 p.m.

Ross Daniels, Chairperson

Denise Garcia, Secretary



pc staff report

Report #1

To: Planning Commission
Nicholas Wells, City Manager

From: Andrea Montano, Assistant Planner

Date: October 17, 2016

Project: **Proposed Zoning Ordinance Textual Amendments to Further Housing Element Objectives under 2006-2014 Plan Period**

Summary:

Project:	Textual Amendments to Zoning Ordinance - Furthering Housing Element Objectives
Project Location:	All Residential Zones
Pending Action:	Hold Public Hearing (Attachment A-Public Notice) Review Draft Zoning Text Amendments and Make Recommendation to City Council via Resolution 16-06
Zoning:	No Zone Changes Text Amendment affect Allowed Uses & Densities
General Plan:	No Changes
Environmental:	Exempt Per Section 15061 (b)(3)

BACKGROUND AND HISTORY

The City is in the process of updating the Housing Element as contracted with Michael Baker International on August 28, 2015 as part of the General Plan Update. During their Housing Element Review and Update of the 2008 adopted Housing Element, they communicated to the City that the State mandates had not been complied with and that they were necessary in order to find a new Housing Element in compliance by the Department of Housing and Community

Development. The City's Housing Element established policies and programs consistent with State law. Many of these actions were unable to be completed during the 2006-2014 performance period due to staffing challenges and budget limitations and continue to be a priority prior to or concurrent with the adoption of the 2014-2021 Housing Element Update which is currently under Public Review.

The purpose of this staff report is to provide an overview of the subject policies and present the textual amendments proposed for consistency. Action items include establishment of a density bonus ordinance, increased land use allowances in residential zones to accommodate farmworker housing, Single-Room Occupancy, Emergency Shelters, Transitional and Supportive Housing, and Group Homes. These actions were initiated when the Planning Commission and City Council approved and adopted the 2008 Housing Element. The Planning Commission is now charged with review of the proposed amendments at a Public Hearing for a recommendation to City Council.

ISSUES FOR DISCUSSION

Applicable State Policies- State law requires that the City's Zoning Ordinance give certain considerations to a variety of housing types, including Group Homes, Farmworker Housing, Single Room Occupancies (SRO's), Emergency Shelters, Transitional and Supportive Housing, and other similar special needs housing types. Although the Holtville Zoning Ordinance informally allows these housing types in applicable zones, not all are explicitly specified in the Ordinance by name, and not all are allowed by right. Specific State Senate Bills tied to the proposed actions are summarized as follows:

- **SB 2** (effective January 1, 2008) was passed by the California Legislature modifying the State Housing Element law to require local planning and zoning regulations to facilitate homeless shelters. Specifically, SB 2 requires all cities and counties to provide at least one zoning category in which emergency shelters can be located without discretionary approval from the local government. State Law (SB 2) further requires that Transitional Housing and Supportive Housing only be subject to those restrictions that apply to other residential uses of the same type in the same zone and that group care facilities for six or fewer individuals be allowed by right in all residential zones
- **SB 1545** (effective-January 1, 2000) was passed by the State Legislature to address farmworkers housing needs. SB 1545 additionally requires that employee/farmworker housing land uses be treated in the same manner as any other agricultural activity and agricultural use in an agricultural zone, without necessitating any other discretionary zoning clearance.
- **DBL-Government Code §§ 65915** was first passed in 1979 and since then has undergone several amendments. California's Density Bonus Law (DBL) in general, allows developers whose housing development proposals meet certain thresholds of affordability be granted/receive density bonuses beyond the maximum densities allowed in residential zones, and incentives and development waivers from the local agency/City.

Local Adopted Policies- The City of Holtville adopted the follow Housing Element Policies 2008 consistent with the aforementioned statutes:

Policy 1.2: Encourage density bonus and other regulatory incentives for single family units that provide for lower income household integration.

Policy 2.1: Promote mixed-use housing integration with commercial activities in the downtown area of Holtville for target groups such as small business owners, elderly households, single person households, etc.

Policy 2.6: Periodically review City regulations, ordinances, and residential fees to ensure that they do not unduly constrain housing development.

Adopted Program Actions- The 2006-2014 Housing Element incorporated the following program action items in support of the aforementioned policies:

Action: 2. Density Bonus and Incentives Program Pursuant to State density bonus law, if a developer allocates at least 10 percent of single-family units in a housing project to lower income households, or at least 50 percent for "qualifying residents" (e.g. seniors), the City must either: a) grant a density bonus of 25 percent, along with one additional regulatory concession to ensure that the housing development will be produced at reduced cost, or b) provide other incentives of equivalent financial value based upon the land cost per dwelling unit. The developer shall agree to and the City shall ensure affordability and sale to qualified lower income households. The City will also use the density bonus ordinance process to encourage the development of large family units (3+ bedrooms) that are affordable to lower income households. At least 50 percent of the single-family units allocated to lower income households will be required to be at least 3 bedrooms.

Action: 22. Special Needs Residential Land Use Clarification & Zoning Amendment State law requires that the City's Zoning Ordinance give certain considerations to a variety of housing types, including Farmworker Housing, Single Room Occupancies (SRO's), Emergency Housing, and Transitional and Supportive Housing. Although the Zoning Ordinance informally allows these housing types in all residential, not all are explicitly. The maximum number of beds/persons permitted to be served nightly; specified in the Ordinance by name. The current ordinance provides examples such as foster homes, social rehabilitation facilities, community treatment facilities and transitional care facilities. As such, the City will clarify the Zoning Ordinance via an amendment to clarify that the following housing types are allowed in certain residential and agricultural areas as outlined below:

Farmworker Housing- Pursuant to Health and Safety Code Section 17021.6 which precludes a local government from requiring a conditional use permit, zoning variance, and/or other zoning clearance for employee farmworker housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household in all agricultural zones, farmworker housing shall be explicitly specified.

SROs- Single-Room Occupancy (SRO) units are recognized by the State as a valuable form of affordable private housing for lower-income individuals, seniors and persons with disabilities. In order to promote the new construction of SROs in Holtville, the City will explicitly identify the residential zones under which SRO's are allowed by right.

Emergency Shelters- The City will amend its Zoning Ordinance to clarify that "transitional care facilities" include Emergency Shelters. Emergency Shelters will be subject to the same development and management standards as other permitted uses in R-2 and R-3 Zones, as summarized in the Constraints Section of the Housing Element. In addition, the City will develop written, objective standards for emergency shelters as permitted under SB 2:

Transitional and Supportive Housing- Transitional and Supportive Housing will be subject to the same development and management standards as other permitted uses in R-2 and R-3 Zones, as summarized in the Constraints Section of the Housing Element. Parking requirements, fire regulations, and design standards should not impede the efficient use of these sites.

Housing for Persons with Disabilities (Group Homes with more than 6 persons)- Pursuant to the Holtville Zoning Ordinance, housing for persons with disabilities for six persons or less is allowed by right in all residential zones; however, housing for persons

with disabilities that contain more than six persons will be subject to the same development and management standards as other permitted uses in R-2 and R-3 Zones, as summarized in the Constraints Section of the Housing Element. Parking requirements and the need for accessory structures to accommodate the disabled should not impede the efficient use of these sites.

Amendments Recommended- Implementation of the aforementioned actions require textual changes in the City of Holtville Zoning Ordinance and the establishment of a new Density Bonus Section. Changes are proposed in the permitted and conditional uses allowed in residential zones, as well as text amendments to definitions and development standards in relation farm worker housing, transitional housing, supportive housing, second units and residential group care facilities (See **Attachment B- Zoning Text Amendments**). The amendments format underlines the proposed new language, strikes through the existing language to be deleted, and leaves existing language to be retained as is, as recommended by Michael Baker International to meet the aforementioned Housing Element objectives and State law. A new **Section 17.70 "Density Bonus"** to the Holtville Zoning Ordinance is proposed **Attachment C-Density Bonus Text**.

ENVIRONMENTAL

The textual amendments to the zoning ordinance are exempt from California Environmental Quality Act (CEQA). Pursuant to CEQA requirements a Notice of Exemption was filed with OPR on October 11, 2016, citing exemption per Section 15061 (b) (3) General Rule. Under this General Rule, if it can be seen with certainty that the project does not have potential for causing a significant effect on the environment it is not subject to CEQA.

PUBLIC NOTICING

Pursuant to Section 17.64.020 2. of the Holtville Zoning Ordinance, a change in the text of the regulations may be initiated by the Planning Commission or City Council subject to Public Hearing. The amendments proposed were initiated under the adopted 2008 Housing Element. A Public Hearing notice was posted on October 5, 2016 at least ten days prior to the hearing date of October 17, 2016. The Notice was also published in English and Spanish in the Holtville Tribune.

RECOMMENDATION AND PENDING ACTION

Pursuant to Section 17.64.020 of the Zoning Ordinance, the Planning Commission should hold the public hearing and consider all testimonies for and against, and consider the following findings with a recommendation to City Council on the proposed amendments, with or without modifications, via Resolution 16-06 (**Attachment D-Resolution 16-06**):

1. **Adopt Resolution 16-06 (Attachment D)** to recommend textual amendments and addition of a Density Bonus ordinance to City Council; or
2. **Adopt Resolution 16-06** to recommend textual amendments and addition of a Density Bonus ordinance with modifications as deemed necessary by the Commission to address additional comments received during the Public Hearing; or
3. **Not Adopt Resolution 16-06** and provide alternative directive to Staff.

ATTACHMENTS

Attachment A- Public Hearing Notice
Attachment B- Zoning Text Amendments
Attachment C- Density Bonus Text
Attachment D- Resolution

**Attachment A-
Public Hearing Notice**

Attachment A- Public Hearing Notice



PUBLIC HEARING NOTICE

NOTICE IS HEREBY GIVEN that the City of Holtville Planning Commission will conduct a public hearing.

SUBJECT: Zoning Ordinance Text Amendments to Further the Housing Element Objectives

PROJECT LOCATION: All Residential Zones

ACTION: Review Proposed Amendments for Recommendation to City

ENVIRONMENTAL: Exempt Per Section 15061 (b)(3)

DATE & TIME OF HEARING: October 17, 2016 at 6:00 p.m.

HEARING LOCATION: City Hall
121 W. Fifth Street
Holtville, California 92250

DESCRIPTION:

For consistency with, and implementation of, the City of Holtville's Housing Element and State Policies, the Planning Commission will consider textual amendments to the Holtville Zoning Ordinance. Changes are proposed in the permitted and conditional uses allowed in residential zones, as well as text amendments to definitions and development standards in relation farm worker housing, transitional housing, supportive housing, second units and residential group care facilities. The incorporation of a density bonus section will also be considered.

If you would like more information about the public hearing please contact the City Planner, Justina G. Arce at (760) 337-3883. A detailed description of the subject project is on file at the Planning Department at City Hall, located at 121 West Fifth Street, Holtville CA 92250 and at The Holt Group, 1601 North Imperial Avenue, El Centro, CA 92243 between the hours of 8:00 a.m. and 5:00 p.m. Monday through Friday.

If you are unable to attend the public hearing, you may direct written comments to Ms. Denise Garcia, City Clerk at the City Hall address. If you plan on attending the public hearing and need a special accommodation because of a sensory or mobility impairment/disability, or have a need for an interpreter, please contact Ms. Denise Garcia, City Clerk at (760) 356-2912 to arrange for those accommodations to be made.

The City promotes fair housing to all economic segments of the community regardless of age, race, color, religion, sex, national origin, sexual preference, marital status, or handicap.


Denise Garcia, City Clerk


Posted Date

Attachment B-
Zoning Text Amendments

Exhibit B- Zoning Text Amendments

Underlined is proposed new language.

~~Strike-through is existing language to be deleted.~~

Standard type is existing language to be retained.

1. Definitions

17.04.070 "Farm Worker Housing" means any attached or detached dwelling unit used to house farm/agricultural workers and their family members, including temporary mobile homes. For the purpose of calculating density, no more than one food preparation area shall be provided for each Farm Worker Housing unit. Farm worker housing is divided into to the following subtypes:

- Any employee housing for 6 persons or fewer
- Any employee housing consisting of no more than 36 beds in group quarters or 12 units or spaces each designed for use by a single family or household as further defined by Section 17008 of the California Health and Safety Code.

17.04.200 "S" definitions.

"Supportive Housing" means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an on-site or off-site service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community

17.04.210 "T" definitions.

"Target Population" means persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

"Transitional Housing" means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance. rental housing operated under program requirements that call for the termination of assistance. (Ord. 472 § 3, 2010; Ord. 441 § 1, 2000).

2. Use Tables

**Table 17.16-1
Permitted and Conditional Uses
– OS Open Space Zone**

Uses	Permitted Use	Conditional Use
Agricultural land used for production of food or fiber <u>on 20 acres or more</u>	X	<u>X</u>
Plant and animal preservation	X	
Special management areas including fault zones, unstable soil and high fire risk areas	X	
Outdoor recreation – Parks, utility easements, trails and scenic highway corridors	X	
<u>Farm worker housing, consisting of no more than 36 beds in group quarters or 12 units or spaces each designed for use by a single family or household on 20 acres or more</u>		<u>X</u>
City Hall and fire station		X
Commercial recreation facilities		X
Electrical substations		X
Public utility structures		X
Reservoirs		X
Residential uses on lots, or parcels with a minimum size of 20 acres		X
<u>Transitional housing on lots, or parcels with a minimum size of 20 acres</u>		<u>X</u>
<u>Supportive housing on lots, or parcels with a minimum size of 20 acres</u>		<u>X</u>

**Table 17.18-1
A-1 Agricultural Zone
– Permitted and Conditional Uses**

Uses	Permitted Use	Conditional Use'
Single-family homes and mobile homes subject to the density limits contained in the general plan	X	
<u>Farm worker housing for 6 persons or fewer</u>	<u>X</u>	
Farm worker housing, consisting of no more than 36 beds in group quarters or 12 units or spaces each designed for use by a single family or household	X	
Growing and harvesting of agricultural crops	X	
Farm animals and poultry for the production of farm products, such as milk and eggs (excluding feed lots, slaughterhouses, rendering plants and similar offensive uses)	X	
Orchards and nurseries	X	
Commercial and light industrial uses which support or are connected to the agricultural industry. The following uses are permitted: 1. Tractor and other farm implement repair and/or service shops 2. Welding shops which repair agricultural equipment 3. Agricultural equipment sales offices and display yards for the sale of farm equipment 4. Commercial fruit stands and other stands which sell agricultural products to the general public Other commercial and light industrial uses which are agriculturally related and compatible with surrounding uses are: 1. Accessory buildings and structures 2. Home occupations as provided in the home occupation regulations	X	
<u>Transitional Housing or Supportive Housing</u>	<u>X</u>	
Churches, temples or other places used exclusively for religious worship		X
Communications equipment buildings		X
Country clubs		X
Golf courses		X
Electric distribution substations, including microwave facilities		X
Fire stations		X
Libraries		X
Museums		X
Police stations		X
Schools, through grade 12, accredited, including appurtenant facilities, which offer instruction required to be taught in the public schools by the Education Code of the State of California, but excluding trade or commercial schools		X
Service stations/convenience stores		X
Storage, temporary, of materials and construction equipment used in construction or maintenance of streets and highways, sewers, storm drains, underground conduits, flood control works, pipelines and similar uses		X
Day care centers		X

**Table 17.20-1
RR-1 Low Density Rural Residential Zone
– Permitted and Conditional Uses**

Uses	Permitted Use ¹	Conditional Use ²
Accessory buildings and structures	X	
Agricultural crops	X	
Animals on lots or parcels at least one-half acre in size with large animals restricted to one per half-acre, except that parcels larger than five acres could have one large animal per half-acre for the first five acres and four per acre for all acres beyond the initial five acres	X	
Hatching, raising and fattening of chickens, rabbits or cattle for domestic use only. There shall be no killing or dressing of any such animals or poultry on the premises for commercial purposes	X	
Orchards and nurseries	X	
Home occupations as provided in Chapter 17.46 HMC	X	
Single-family homes and mobile homes	X	
Residential care homes serving up to six clients, includes foster family homes and small family homes for nonmedical assisted group care	X	
<u>Second unit</u>	<u>X</u>	
<u>Farm worker housing for 6 persons or fewer</u>	<u>X</u>	
<u>Farm worker housing, consisting of no more than 36 beds in group quarters or 12 units or spaces each designed for use by a single family or household</u>	<u>X</u>	
<u>Transitional housing or Supportive Housing</u>	<u>X</u>	
Churches, temples or other places used exclusively for religious worship		X
Communications equipment buildings		X
Country clubs		X
Electric distribution substations, including microwave facilities		X
Fire stations		X
Golf courses		X
Libraries		X
Museums		X
Police stations		X
Service stations/convenience stores		X
Schools, through grade 12, accredited, including appurtenant facilities, which offer instruction required to be taught in the public schools by the Education Code of the State of California, but excluding trade or commercial schools		X
Storage, temporary, of materials and construction equipment used in construction or maintenance of streets and highways, sewers, storm drains, underground conduits, flood control works, pipelines and similar uses		X

**Table 17.22-1
RR-2 Medium Density Rural Residential Zone
– Permitted and Conditional Uses**

Uses	Permitted Use ¹	Conditional Use ²
Accessory buildings and structures	X	
Agricultural crops	X	
Animals, large and small, subject to the following limitations: (A) In order to keep large animals such as cattle and horses, the parcel size shall be at least one-half acre, except that no more than 10 large animals shall be kept regardless of the parcel size; and (B) the number of small animals such as goats, sheep and swine shall be limited to no more than two per one-half acre lot or parcel, with a limit of 10 per lot or parcel	X	
Home occupations as provided in Chapter <u>17.46</u> HMC	X	
Single-family homes and mobile homes	X	
Residential care homes serving up to six clients, includes foster family homes and small family homes for nonmedical assisted group care	X	
<u>Transitional housing or Supportive Housing</u>	<u>X</u>	
<u>Second unit</u>	<u>X</u>	
<u>Farm worker housing for 6 persons or fewer</u>	<u>X</u>	
<u>Farm worker housing, consisting of no more than 36 beds in group quarters or 12 units or spaces each designed for use by a single family or household</u>	<u>X</u>	
Orchards and nurseries	X	
Churches, temples or other places used exclusively for religious worship		X
Communication equipment buildings		X
Country clubs		X
Day care centers		X
Electric distribution substations, including microwave facilities		X
Fire stations		X
Golf courses		X
Libraries		X
Museums		X
Police stations		X
Service stations/convenience stores		X
Schools, through grade 12, accredited, including appurtenant facilities, which offer instruction required to be taught in the public schools by the Education Code of the State of California, but excluding trade or commercial schools		X
Storage, temporary, of materials and construction equipment used in construction or maintenance of streets and highways, sewers, storm drains, underground conduits, flood control works, pipelines and similar uses		X

Table 17.24-1
R-1 Single-Family Zone
- Permitted and Conditional Uses

Uses	Permitted Use ¹	Conditional Use ²
Accessory buildings and structures including auto-mobile garages and carports	X	
Animals in accordance with Chapter 7.12 HMC and usual household pets	X	
Home occupations as provided in Chapter 17.46 HMC	X	
Private greenhouses and horticultural collections, flower and vegetable gardens	X	
Single-family detached residential dwellings including mobile homes	X	
Residential care homes serving up to six clients, includes foster family homes and small family homes for nonmedical assisted group care	X	
<u>Transitional housing or Supportive Housing</u>	<u>X</u>	
<u>Second unit</u>	<u>X</u>	
<u>Farm worker housing for 6 persons or fewer</u>	<u>X</u>	
Churches, convents, monasteries, and other religious institutions		X
Day nurseries and nursery schools		X
Educational institutions		X
Flag poles, radio towers, masts or aerials in excess of 35 feet above the ground		X
Public libraries and museums		X
Public parks and recreational facilities		X
Public utility and public service facilities		X

**Chapter 17.26
R-2 TWO-FAMILY ZONE**

Sections:

17.26.010 Intent.

17.26.020 Permitted uses.

17.26.030 Conditional uses.

17.26.040 Minimum property development standards.

17.26.050 Special objective standards for ~~transitional housing facilities~~ and emergency shelters.

**Table 17.26-1
R-2 Two-Family Zone
– Permitted and Conditional Uses**

Uses	Permitted Use ¹	Conditional Use ²
Accessory buildings and structures	X	
Animals in accordance with Chapter <u>7.12</u> HMC and usual household pets	X	
Home occupations as provided in Chapter <u>17.46</u> HMC	X	
Single-family residential dwellings, including mobile homes	X	
Two-family residential dwelling units	X	
Residential care homes serving up to six clients, includes foster family homes and small family homes for nonmedical assisted group care	X	
Residential care homes serving greater than six clients, includes foster family homes and small family homes for nonmedical assisted group care	X	
Transitional care facilities and Emergency shelters serving six <u>ten</u> or fewer persons	X	
Transitional housing or Supportive Housing	X	
Second unit	X	
Farm worker housing for 6 persons or fewer	X	
Day nurseries and nursery schools		X
Educational institutions		X
Flag poles, radio towers, masts or aerials of 35 feet above the ground		X
Public libraries		X
Public parks and public recreation facilities		X
Public utility and public service facilities		X
Religious institutions		X

17.26.050 Special objective standards for ~~transitional housing facilities~~ and emergency shelters.

All ~~transitional housing~~ and emergency shelters in the R-2 zone shall meet all the applicable development standards as listed above, and in addition meet the following requirements:

- A. ~~Facilities and~~ Emergency shelters shall be limited to a maximum of ~~six~~ ten beds.
- B. Parking requirements shall be the same as for nursing homes and convalescent hospitals as described in Table 17.52-1.
- C. All waiting and intake areas shall be within an enclosed building and shall have a legal occupancy rating of ~~six~~ ten people.
- D. Each facility shall accommodate a minimum daytime staff of one staff member per ~~six~~ ten occupied beds, and a minimum nighttime staff of one staff per ~~six~~ ten occupied beds.
- E. No parcel with an ~~transitional home~~ or emergency shelter shall be established closer than 300 feet from another parcel with an ~~transitional home~~ or emergency shelter use.
- F. The length of stay within an ~~transitional housing facility~~ or emergency shelter shall be limited to a maximum of six months.
- G. The exterior lighting of the building housing the ~~transitional housing facility~~ or emergency shelter shall be provided to adequately illuminate all sides of the building to allow for security to monitor all sides of the structure.
- H. Security staff or electronic cameras with video monitors that can be viewed by nighttime staff shall be provided to monitor the exterior of the building housing the ~~transitional housing~~ or emergency care facilities. The exterior of the building shall be monitored by security staff or electronic cameras between 10:00 p.m. and 6:00 a.m. (Ord. 472 § 3, 2010).

**Chapter 17.28
R-3 MULTIFAMILY ZONE**

Sections:

- 17.28.010 Intent.**
- 17.28.020 Permitted uses.**
- 17.28.030 Conditional uses.**
- 17.28.040 Minimum property development standards.**
- 17.28.050 Landscaping requirements.**
- 17.28.060 Special objective standards for transitional housing facilities and emergency shelters.**

**Table 17.28-1
R-3 Multifamily Zone
– Permitted and Conditional Uses**

Uses	Permitted Use ¹	Conditional Use ²
Accessory buildings and structures	X	
Home occupations as provided in Chapter 17.46 HMC	X	
Household pets in accordance with Chapter 7.12 HMC	X	
Multiple housing units, including apartments, condominiums and townhouses	X	
Single-family and two-family residential dwellings, including mobile homes	X	
Residential care homes serving up to six clients, includes foster family homes and small family homes for nonmedical assisted group care	X	
<u>Residential care homes serving greater than six clients, includes foster family homes and small family homes for nonmedical assisted group care</u>	<u>X</u>	
Transitional housing facilities and Emergency shelters serving six ten or fewer persons	X	
<u>Transitional housing or Supportive Housing</u>	<u>X</u>	
<u>Second unit</u>	<u>X</u>	
<u>Farm worker housing for 6 persons or fewer</u>	<u>X</u>	
Day nurseries and nursery schools		X
Educational institutions		X
Flag poles, radio towers, masts or aerials in excess of 35 feet above the ground surface		X
Hospitals, nursing homes and long-term care facilities		X
Public libraries and museums		X
Public parks and public recreational facilities		X
Public utility and public service facilities		X
Religious institutions		X
Roominghouses and boardinghouses		X

17.28.060 Special objective standards for ~~transitional housing facilities and~~ emergency shelters.

All ~~group care facilities and~~ emergency shelters in the R-3 zone shall meet all the applicable development standards listed in the applicable zone, and in addition meet the following requirements:

- A. ~~Facilities and~~Emergency shelters shall be limited to a maximum of ~~six~~ ten beds.
- B. Parking requirements shall be the same as for nursing homes and convalescent hospitals as described in Table 17.52-1.
- C. All waiting and intake areas shall be within an enclosed building and shall have a legal occupancy rating of ~~six~~ ten people.
- D. Each facility shall accommodate a minimum daytime staff of one staff member per ~~six~~ ten occupied beds, and a minimum nighttime staff of one staff per ~~six~~ ten occupied beds.
- E. No parcel with an ~~transitional home or~~ emergency shelter shall be established closer than 300 feet from another parcel with an ~~transitional home or~~ emergency shelter use.
- F. The length of stay within an ~~transitional housing facility or~~ emergency shelter shall be limited to a maximum of six months.
- G. The exterior lighting of the building housing the ~~transitional housing facility or~~ emergency shelter shall be provided to adequately illuminate all sides of the building to allow for security to monitor all sides of the structure.
- H. Security staff or electronic cameras with video monitors that can be viewed by nighttime staff shall be provided to monitor the exterior of the building housing the ~~transitional housing or~~ emergency care facilities. The exterior of the building shall be monitored by security staff or electronic cameras between 10:00 p.m. and 6:00 a.m. (Ord. 472 § 3, 2010).

**Table 17.30-1
R-4 Mobile Home Park Zone
– Permitted and Conditional Uses**

Uses	Permitted Use ¹	Conditional Use ²
Accessory buildings and/or structures	X	
Home occupations as provided in Chapter 17.46 HMC	X	
Household pets in accordance with Chapter 7.12 HMC	X	
Mobile homes not on a permanent foundation	X	
Residential care homes serving up to six clients, includes foster family homes and small family homes for nonmedical assisted group care	X	
Transitional housing or Supportive Housing		X
Apartments, at the same density and standards as permitted in this zone but limited to 15 feet or one story		X
Commercial recreation facilities		X
Flag poles, radio towers, masts or aerials in excess of 35 feet above the ground		X
Incidental uses ³ : 1. Dwelling for owner and/or manager 2. Food markets related only to the park 3. Restroom facilities 4. Nonalcoholic beverage services related only to the park 5. Personal services 6. Recreation facilities 7. Restaurants, including dancing and alcoholic beverage sales for park use only 8. Sale of items related to maintenance and operations of mobile homes within the park		X
Recreational vehicle park: 1. Motor homes 2. Recreation vehicles 3. Campers 4. Camp cars 5. Tent campers		X
Trailers occupied for uses other than habitation		X
Travel trailer park: 1. Trailers		X

Table 17.32-1
RC Residential Commercial Mixed Use Zone
- Permitted and Conditional Uses

Uses	Permitted Use ¹	Conditional Use ²
All uses permitted in Chapters 17.26, 17.28 and 17.36 HMC existing on October 7, 1996	X	
<u>Farm worker housing for 6 persons or fewer</u>	<u>X</u>	
<u>Second unit</u>		<u>X</u>
Residential care homes serving up to six clients, includes foster family homes and small family homes for nonmedical assisted group care		X
Transitional Housing		X
Supportive Housing		X
A conditional use permit will be required for all new development or uses within the residential/commercial mixed use zone to ensure compatibility, zoning and general plan consistency, and to ensure they do not undermine the intent of the RC zone.		X

**Table 17.36-1
C-2 General Commercial Zone
– Permitted and Conditional Uses**

Uses	Permitted Use ¹	Conditional Use ²
All permitted uses allowed in Chapter 17.34 HMC	X	
Fee-based commercial recreation	X	
Financial, professional services and office uses which are conducted in office buildings or clinics	X	
Garment assembly, manufacturing and wholesale distribution	X	
General service uses, primarily engaged in rendering services to individuals and business establishments	X	
Motel, hotel, motor hotel	X	
Newspaper publishing, printing, and publishing establishments	X	
Parking lots	X	
Nonprofit private institutions and organizations which operate on a membership basis for the promotion of the interest of their members	X	
Radio and television broadcasting studios	X	
Retail uses engaged in selling merchandise for personal, household or farm consumption, and rendering services incidental to the sale of the goods	X	
Schools, business and professional, including art, barber, beauty, dance, drama, music and swimming	X	
Trade schools	X	
Transportation terminals	X	
Telephone exchanges	X	
All conditional uses allowed in Chapter 17.34 HMC		X
Automotive body repair and/or automotive painting		X
Automotive repair		X
Automobile/truck washes or laundries		X
Building materials		X
Contractor's storage yard		X
Distribution agencies		X
Equipment rental		X
Feed and fuel		X
Lumberyard		X
Machinery and equipment rentals		X
Material storage yard		X

Uses	Permitted Use ¹	Conditional Use ²
Residential facilities and group care facilities serving more than six persons for the 24-hour nonmedical care of persons in need of personal services, supervision, or assistance; includes transitional care facilities and emergency shelters		X
<u>Transitional housing or Supportive Housing</u>		X
Long-term care facilities		X
Places of assembly with a seating capacity for more than 100 persons		X
Public libraries, fire stations, and other public offices and related uses		X
Sales of new and used vehicles		X
Truck terminals		X
Utility service yards		X

17.36.080 Special objective standards for ~~transitional housing facilities~~ and emergency shelters.

All group care facilities and emergency shelters in the C-2 zone shall meet all the applicable development standards listed in the applicable zone, and in addition meet the following requirements:

- A. Parking requirements shall be the same as for nursing homes and convalescent hospitals as described in Table 17.52-1.
- B. All waiting and intake areas shall be within an enclosed building and shall have a legal occupancy rating as determined by the conditional use permit.
- C. Each facility shall accommodate a minimum daytime staff of one staff member per six occupied beds, and a minimum nighttime staff of one staff per six occupied beds.
- D. No parcel with an ~~transitional home~~ or emergency shelter shall be established closer than 300 feet from another parcel with a transitional home or emergency shelter use.
- E. The length of stay within an ~~transitional housing facility~~ or emergency shelter shall be limited to a maximum of six months.
- F. The exterior lighting of the building housing the ~~transitional housing facility~~ or emergency shelter shall be provided to adequately illuminate all sides of the building to allow for security to monitor all sides of the structure.
- G. Security staff or electronic cameras with video monitors that can be viewed by nighttime staff shall be provided to monitor the exterior of the building housing the ~~transitional housing~~ or emergency care facilities. The exterior of the building shall be monitored by security staff or electronic cameras between 10:00 p.m. and 6:00 a.m. (Ord. 472 § 3, 2010).

**Chapter 17.41
DOWNTOWN CODE
Table 17.41.050-1:
Allowed Uses**

Uses	D-A Zone	D-B Zone
Attached Single-Family Residential	N	C
Commercial Recreation and Entertainment	P ¹	P ¹
Detached Single-Family Residential	N	C
Government/Institutional	P	P
Home Occupation	N	P
Hotel/Motel	P	P
Single-Room Occupancy	N	P
Live/Work Space	P	P
Mixed Use	P	P
Multifamily Residential	C	C
<u>Farm worker housing for 6 persons or fewer</u>	<u>N</u>	<u>C</u>
<u>Transitional housing or Supportive</u>	<u>C</u>	<u>C</u>
<u>Second unit</u>	<u>N</u>	<u>C</u>
Offices	P	P
Retail Commercial	P ¹	P ¹
Sit-Down Restaurants	P	P
Warehousing, Manufacturing, Wholesaling and Distribution	N	C

3. Second Units

Chapter 17.48 SECOND DWELLING UNITS

Sections:

- 17.48.010 Intent.
- 17.48.020 Prohibition.
- 17.48.030 Definition.
- 17.48.040 Environment.
- 17.48.050 Development standards and conditions for approval of new second units.
- 17.48.060 Required findings and conditions.
- 17.48.070 Procedure for establishing second unit.
- 17.48.010 Intent.

The intent of this chapter is to provide development standards for second dwelling units on lots that contain single-family dwellings to ensure that second units are compatible with existing neighborhoods. (Ord. 441 § 1, 2000).

17.48.020 Applicability and Fees.

~~Second dwelling units shall be allowed as detailed in the zone chapters. No second dwelling unit shall be constructed by any person who has not first obtained a conditional use permit from the planning commission and paid the fees shall be as set by the city council by resolution. (Ord. 441 § 1, 2000).~~

17.48.040 Environment.

A. The approval of a second unit in the single-family residential zone is exempt from the provisions of the California Environmental Quality Act (CEQA).

B. Conditionally Permitted Second Units. Second units on a block are limited to four in number and shall not be constructed on blocks without alleys for the following reasons:

~~1.A.~~ Since the city has approximately four miles citywide of unpaved alleys, second units shall be limited to four in number per block to ensure that no further adverse impacts occur from dust generation, trackout and traffic generation; and

~~2.B.~~ Second units shall not be constructed in blocks without alleys since tandem parking of a second unit vehicle is not permitted. (Ord. 441 § 1, 2000).

17.48.050 Development standards and conditions for approval of new second units.

Table 17.48-1 depicts development standards for second dwelling units.

**Table 17.48-1
Second Dwelling Units
– Development Standards and Conditions for Approval of New Second Units**

Second Dwelling Units	Standards and Conditions
New second dwelling units	Must meet requirements of Chapter <u>17.20</u> HMC relating to height, setback, lot coverage, parking, architectural review, site plan review fees and charges
Parking	One off-street paved parking space
Height	No more than two stories, with parking in the lower level
Minimum lot area	6,000 square feet (lot shall contain an existing residential dwelling which is owner-occupied)
Maximum unit size	A. 30 percent of the existing residential floor area, if attached B. Not exceeding 1,200 square feet if detached

In addition to the development standards described in Table 17.48-1, the following development standards also apply to second dwelling units:

- A. The second dwelling unit shall meet requirements of the zone in which it is located relating to height, setback, lot coverage, architectural review, site plan review, fees and charges;
- B. The second dwelling unit may be constructed within an existing building or detached accessory building;
- C. The second living unit shall conform in design, materials and colors consistent with the main living unit, when attached;
- D. The owner shall pay to the city all appropriate fees at the time the building permit is obtained;
- E. The second unit may not be sold separately. However, the second unit shall be provided separate water and electric meters;
- F. Property owners within a 300-foot radius of the site, and property owners within the existing block, will be notified in writing of the proposed second unit, and shall be notified at least 10 days prior to a decision by the planning commission; and
- G. In the case where an existing small dwelling unit abuts an alley, the new second dwelling unit maximum size may be larger as long as the total lot coverage does not exceed 50 percent. (Ord. 441 § 1, 2000).

17.48.060 Required findings and conditions.

~~A conditional use permit in accordance with this chapter shall be required to be issued by the planning commission provided the following findings are made:~~

A second unit will be allowed, provided that:

- A. The proposed second unit is conformity with the standards of the zone and other applicable ordinances;
- B. The plan for the second unit reflects sufficient consideration of the relationship between the proposed buildings, structures, traffic demands, parking, and those that already exist or have been approved for the general neighborhood so as to preserve and protect neighborhood character, and once in place will not adversely impact this neighborhood character;
- C. The second unit is not so different in its exterior design and appearance from that of other existing structures in the general neighborhood so as to cause the local environs to materially depreciate in appearance and value;
- D. All necessary city permits will be obtained prior to construction; and
- E. Construction work must begin under the building permit within 12 months after the effective date of the building permit and carried on diligently to completion or the permit shall expire. (Ord. 441 § 1, 2000).

~~17.48.070 Procedure for establishing second unit.~~

~~A second unit must be established through the conditional use permit process described in Chapter 17.60 HMC. (Ord. 441 § 1, 2000).~~

**Attachment C-
Density Bonus Text**

Attachment C- Density Bonus Text

4. Density Bonus – New Chapter

Chapter 17.49 Density Bonus

Sections:

17.49.010 Purpose

17.49.020 Applicability

17.49.030 Definitions

17.49.040 Eligibility for Density Bonus and Incentives

17.49.050 Application and Fees Required

17.49.060 Effect of Proposal for Waiver or Reduction of Development Standards

17.49.070 Density Bonus Allowance for Housing Development with Affordable Housing Component

17.49.080 Density Bonus for Housing Development with Affordable Housing Component and Child Care Facility

17.49.090 Density Bonus for Senior Citizen Housing Development

17.49.100 Density Bonus for Land Donations

17.49.110 Affordable Housing Incentives

17.49.120 Number of Incentives Granted

17.49.130 Criteria for Denial of Application for Incentives

17.49.140 Waiver or Modification of Development Standards

17.49.150 Parking Standard Modifications for Qualified Housing Development

17.49.160 Density Bonus and Affordable Housing Incentives Program

17.49.170 Determination on Density Bonus and Affordable Housing Incentives Program Requirements

17.49.180 Affordable Housing Agreements and Equity Sharing Agreements

17.49.190 Density Bonus or Incentives for Condominium Conversion Projects

17.49.200 Enforcement Provisions

17.49.010 Purpose

This chapter implements the statutory requirements set forth in Government Code § 65915 et seq. (known as state density bonus law). To the extent practicable, the citation to the governing statutory provision is included next to the implementing ordinance section. If any provision of this chapter conflicts with state law, the latter shall control. Applicable statutes should be consulted for amendments prior to applying the ordinance provision.

17.49.020 Applicability

The density bonuses and incentives contained in this chapter shall apply to housing developments eligible for a density bonus under state density bonus law. When an applicant seeks a density bonus for a housing development within, or for the donation of land for housing within, the City's jurisdiction that meets the requirements set out in California Government Code § 65915, the actions and procedures set out in this chapter shall apply. The burden is on the applicant to show that the housing development meets such requirements. The density bonus provisions of California Government Code §§ 65915–65918 (state density bonus law), as may be amended from time to time, are incorporated by reference into this chapter. The City reserves the right to review applications for a density bonus in accordance with California Government Code §§ 65915–65918.

17.49.030 Definitions

In addition to the definitions in Chapter 17.04, the following definitions in this section apply to this chapter and shall control where there is a conflict with the definitions in Chapter 17.04. State law definitions, as they may be amended from time to time, control over the definitions in this section. Where the definitions are provided by state law, the citation to the statute follows.

- A. "Affordable Housing Benefits": Means one or more of the following:
 - 1. A density bonus pursuant to Section 17.49.070.
 - 2. An incentive pursuant to Section 17.49.110.
 - 3. A development standard waiver or modification pursuant to Section 17.49.140.
 - 4. A parking standard modification pursuant to Section 17.49.150.
- B. "Affordable Housing": Dwelling units with a sales price or rent within the means of a low- or moderate-income household as defined by state or federal legislation. As used in this Development Code:
 - 1. Very low income refers to family units/household whose annual income is fifty percent (50%) or less of the area's median income as defined in Health and Safety Code Section 50105. (Gov. Code § 65915(b)(1)(B))
 - 2. Low income refers to family units/households whose annual income is between fifty percent (50%) and eighty percent (80%) of the area's median income as defined in Health and Safety Code Section 50079.5. (Gov. Code § 65915(b)(1)(A))
 - 3. Moderate income refers to family units/households whose annual income is between eighty percent (80%) and one-hundred twenty percent (120%) of the area's median income as defined in Health and Safety Code Section 50093. (Gov. Code § 65915(b)(1)(D))
- C. "Affordable Housing Cost": The definition set forth in Health and Safety Code Section 50052.5. (Gov. Code § 65915(c)(1))
- D. "Affordable Housing Developer": The applicant or permittee of a qualified housing development and its assignees or successors in interest.
- E. "Affordable Rent": The definition set forth in Health and Safety Code Section 50053. (Gov. Code § 65915(c)(1))
- F. "Child Care Facility": A child day care facility other than a family day care home, including but not limited to infant centers, preschools, extended day care facilities, and school age child care centers. (Gov. Code § 65915(h)(4))
- G. "Common Interest Development": Any of the following: a community apartment project, a condominium project, a planned development, and a stock cooperative pursuant to Civil Code Section 1351(c) and pursuant to Civil Code Section 4100. All Common Interest Development units must be offered to the public for purchase. (Gov. Code § 65915(b)(1)(D))

- H. “Condominium Conversion Project”: A residential project in which the applicant proposes to convert apartment units to condominiums pursuant to Government Code Section 65915.5(a).
- I. “Density Bonus Units”: Dwelling units granted pursuant to Section 17.49.040 which exceed the otherwise Maximum Allowable Residential Density.
- J. “Density Bonus”: A process by which a city can increase the density within a development project by a percentage established by law or through which the city offers incentives supporting economic viability in return for quarantees with respect to the preservation of the rights of use or sale for affordable housing purposes.
- K. “Development Code”: The City development code set forth in Title 19 of the City of Holtville Municipal Code.
- L. “Development Standard”: A site or construction condition, including but not limited to a height limitation, a setback requirement, a floor area ratio, an on-site open-space requirement, or a parking ratio, that applies to a residential development pursuant to the Development Code, the General Plan, or other City condition, law, policy, resolution, or regulation. (Gov. Code § 65915(o)(1))
- M. “Housing Development”: A development project of five or more residential units and includes a subdivision or Common Interest Development that is approved by the City and consists of residential units or unimproved residential lots and either a project to substantially rehabilitate and convert an existing commercial building to residential use or the substantial rehabilitation of an existing multifamily dwelling where the result of the rehabilitation would be a net increase in available residential units. (Gov. Code § 65915(i))
- N. “Incentive”: Means “incentives and concessions” as that phrase is used in Government Code Section 65915.
- O. “Market-rate Unit”: A dwelling unit that is not an Affordable Unit.
- P. “Maximum Allowable Residential Density”: The density allowed under the Development Code and the Land Use Element of the General Plan, or if a range of density is permitted, means the maximum allowable density for the specific district density range applicable to the project. If the density allowed under the Development Code is inconsistent with the density allowed under the Land Use Element of the General Plan, the General Plan density shall prevail. (Gov. Code § 65915(o)(2))
- Q. “Minimum Affordable Housing Component”: A Housing Development project which includes a minimum of any of the following:
 1. Very Low Income Minimum Affordable Housing Component – Provides at least five percent (5%) of the total units for very low-income household residents (Gov. Code § 65915(b)(1)(B)); or
 2. Low Income Minimum Affordable Housing Component – Provides at least ten percent (10%) of the total units for low-income households (Gov. Code § 65915(b)(1)(A)); or
 3. Moderate Income Minimum Affordable Housing Component – Provides at least ten percent (10%) of the total dwelling units in a Common Interest Development for moderate-income households (Gov. Code § 65915(b)(1)(D)).
- R. “Other Incentives of Equivalent Financial Value”: The reduction or waiver of requirements which the City might otherwise apply as conditions of condominium conversion approval, but shall not be construed to require the City to provide cash transfer payments or other monetary compensation. (Gov. Code § 65915.5(c))
- S. “Qualified Housing Development”: A housing development that meets the requirements of Section 17.49.040 for density bonus.
- T. “Qualified Land”: Land offered for donation in accordance with Section 17.49.100 that meets the criteria set forth in Section 17.49.100.A.
- U. “Senior Citizen Housing Development”: A residential development that is developed, substantially rehabilitated, or substantially renovated for, senior citizens and that has at least thirty-five (35) senior citizen housing development units. (Gov. Code § 65915(b)(1)(C))
- V. “Senior Citizen Housing Development Unit”: A residential dwelling unit within a senior citizen housing development that is available to, and occupied by, a senior citizen as defined in Civil Code § 51.3.

- W. "Specific, Adverse Impact": A significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application for the housing development was deemed complete. Inconsistency with the Development Code or General Plan land use designation shall not constitute a specific, adverse impact upon the public health or safety. (Gov. Code § 65589.5(d)(2))
- X. "Total Units and Total Dwelling Units": Dwelling units other than density bonus units. (Gov. Code § 65915(b)(3))

17.49.040 Eligibility for Density Bonuses and Incentives

- A. Density bonuses are available to affordable housing developers in accordance with this chapter for the following:
 - 1. Housing developments which include a minimum affordable housing component (Section 17.49.070 and Section 17.49.190.A);
 - 2. Housing developments which include a minimum affordable housing component and a child care facility (Section 17.49.080);
 - 3. Senior citizen housing developments (Section 17.49.090); and
 - 4. Land donations for very low income housing (Section 17.49.100).
- B. For the purpose of calculating a density bonus, the residential units must be on contiguous sites that are the subject of one development application, but do not have to be based upon individual subdivision maps or parcels. (Gov. Code § 65915(i))

17.49.050 Application and Fees Required

- A. Application Filing and Processing. When an applicant seeks a density bonus for a housing development that meets the criteria set out in Section 17.49.070 (California Government Code Section 65915) the affordable housing developer must comply with all of the following requirements:
 - 1. File an application for a density bonus in accordance with this section that includes a minimum affordable housing component, whether or not the project also requires or has been granted a Conditional Use Permit or other permits or approvals. (Gov. Code § 65915(d)(1))
 - 2. State in the application the specific minimum affordable housing component proposed for the housing development. (Gov. Code § 65915(b)(2))
 - 3. Enter into an agreement with the City or its designee pursuant to Section 17.49.180 to maintain and enforce the affordable housing component of the housing development. (Gov. Code § 65915(c))
- B. Application Fees. Application fees shall be as set by the city council by resolution.
 - 1. If an application for a density bonus requires an unusual amount or specialized type of study or evaluation by city staff, a consultant or legal counsel, city staff shall estimate the cost thereof and require the applicant to pay an additional fee or make one or more deposits to pay such cost before the study or evaluation is begun. On completion of the study or evaluation and before the city council decides the application, city staff shall determine the actual cost of the work and the difference between the actual cost and the amount paid by the applicant, and shall require the applicant to pay any deficiency or shall refund to the applicant any excess.

17.49.060 Effect of Proposal for Waiver or Reduction of Development Standards

A proposal for the waiver or reduction of development standards shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to California Government Code § 65915(d).

17.49.070 Density Bonus Allowance for Housing Development with Affordable Housing Component

- A. If the requirements of Section 17.49.040 are met, then the affordable housing developer is entitled to a density bonus pursuant to Government Code § 65915(f) as follows:

Table 17.49.070-1

Density Bonus Allowance for Housing Development Projects with Affordable Housing Component

<u>Household Income Category</u>	<u>Minimum Percent of Affordable Units</u>	<u>Minimum Density Bonus</u>	<u>Additional Density Bonus for Each 1% Increase in Affordable Units</u>	<u>Maximum Percent of Affordable Units</u>	<u>Maximum Possible Density Bonus</u>
<u>Affordable Housing Development</u>					
<u>Very Low Income</u>	<u>5%</u>	<u>20%</u>	<u>2.50%</u>	<u>11%</u>	<u>35%</u>
<u>Low Income</u>	<u>10%</u>	<u>20%</u>	<u>1.50%</u>	<u>20%</u>	<u>35%</u>
<u>Moderate Income (Common Interest Developments)</u>	<u>10%</u>	<u>5%</u>	<u>1%</u>	<u>40%</u>	<u>35%</u>

- B. As demonstrated in Table 17.49.070-1, the amount of density bonus to which the applicant is entitled shall vary according to the amount by which the percentage of affordable units offered by the applicant exceeds the percentage of the minimum affordable housing component; the applicant may also elect to accept a lesser percentage of density bonus. (Gov. Code § 65915(f).)
- C. All density calculations resulting in fractional units shall be rounded up to the next whole number. (Gov. Code § 65915(f)(5).)

17.49.080 Density Bonus for Housing Development with Affordable Housing Component and Child Care Facility

- A. Criteria. For a density bonus to be granted pursuant to Section 17.49.080.B for including a minimum affordable housing component with a child care facility in a housing development, all of the following must be satisfied:
1. Compliance with each requirement in Section 17.49.040. (Gov. Code § 65915(h)(1))
 2. The housing development must include a child care facility that will be located on the premises of, as part of, or adjacent to, the housing development. (Gov. Code § 65915(h)(1))
 3. Approval of the housing development must be conditioned to ensure that both of the following occur:
 - a. The child care facility must remain in operation for a period of time that is as long as or longer than the period of time during which the affordable units are required to remain affordable pursuant to Section 17.49.180. (Gov. Code § 65915(h)(2)(A))
 - b. Of the children who attend the child care facility, the children of very low-income households, low-income households, or moderate-income households must equal a percentage that is equal to or greater than the percentage of dwelling units that are required under the respective minimum affordable housing component income category for which the density bonus is sought. (Gov. Code § 65915(h)(2)(B))
 4. The City has not made a finding based upon substantial evidence that the community has adequate child care facilities. (Gov. Code § 65915(h)(3))
- B. Density Bonus Allowance. If the requirements of Section 17.49.080.A are met, then an applicant for a housing development with an affordable housing component and child care facility is entitled to:
1. A density bonus pursuant to Section 17.49.070; and
 2. An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the child care facility. (Gov. Code § 65915(h)(1)(A))

17.49.090 Density Bonus for Senior Citizen Housing Development

An applicant for a senior citizen housing development or a mobile home park that limits residency based on age requirements for housing for older persons pursuant to Civil Code Sections 798.76 or 799.5 is entitled to a density bonus of twenty percent (20%) of the number of senior citizen housing development units and up to a maximum of fifty percent (50%). (Gov. Code § 65915(b)(1)(C)&(f)(3))

17.49.100 Density Bonus for Land Donations

- A. Criteria. For a density bonus for a qualified land donation to be granted pursuant to Section 17.49.100.B, all of the requirements of this section must be met.
1. The applicant must be applying for a tentative subdivision map, parcel map, or other residential development approval. (Gov. Code § 65915(g)(1))
 2. The application must include at least a ten percent (10%) minimum affordable housing component for very low-income households. (Gov. Code § 65915(g)(1))
 3. The applicant must agree to donate and transfer qualified land which is land that meets both of the following criteria:
 - a. The developable acreage and zoning classification of the land being transferred must be sufficient to permit construction of units affordable to very low-income households in an amount not less than ten percent (10%) of the number of residential units of the proposed development pursuant to Section 8116-2.5.1(a) (Gov. Code § 65915(g)(2)(B)); and
 - b. The transferred land must be at least 1 acre in size or of sufficient size to permit development of at least 40 units, have the appropriate General Plan land use designation, be appropriately zoned with appropriate development standards for development at the density described in Government Code Section 65583.2(c)(3), and is or will be served by adequate public facilities and infrastructure (Gov. Code § 65915(g)(2)(C)).
 4. The qualified land must be transferred to the City or to a housing developer approved by the City. The City may require the applicant to identify and transfer the land to an approved housing developer. (Gov. Code § 65915(g)(2)(F))
 5. The qualified land must have all of the permits and approvals, other than building permits, necessary for the development of the very low-income housing affordable units on the qualified land, not later than the date of approval of the final subdivision map, parcel map, or residential development application filed. However, the City may subject the proposed development to subsequent design review to the extent authorized by Government Code Section 65583.2(i) if the design is not reviewed by the City prior to the time of transfer. (Gov. Code § 65915(g)(2)(D))
 6. The qualified land must be donated and transferred no later than the date of approval of the final subdivision map, parcel map, or residential development application. (Gov. Code § 65915(g)(2)(A))
 7. The qualified land and the affordable units must be subject to a deed restriction ensuring continued affordability of the units consistent with Section 17.49.180, which must be recorded against the qualified land at the time of the transfer. (Gov. Code § 65915(g)(2)(E))
 8. The qualified land must be within the boundary of the proposed development or, if the City agrees, within one-quarter mile of the boundary of the proposed development. (Gov. Code § 65915(g)(2)(G))
 9. A proposed source of funding for the very low-income household units must be identified not later than the date of approval of the final subdivision map, parcel map, or residential development application. (Gov. Code § 65915(g)(2)(H))
- B. Density Bonus Allowance for Qualified Land Donation for Very Low Income Housing. If the requirements of Section 17.49.100.A are satisfied, the applicant shall be entitled to at least a fifteen percent (15%) increase above the otherwise maximum allowable residential density for the entire development, as follows (Gov. Code § 65915(g)(1)):

Table 17.49.100-1

Density Bonus Allowances for Qualified Land Donation Projects

<u>Household Income Category</u>	<u>Minimum Percentage of Very Low Income Units</u>	<u>Density Bonus</u>	<u>Additional Density Bonus for Each 1% Increase in Very Low Income Units</u>	<u>Maximum Possible Density Bonus</u>
<u>Very Low Income Housing</u>	<u>10% of entire development</u>	<u>15%</u>	<u>1%</u>	<u>50% (max. combined)</u>

- C. All density calculations resulting in fractional units shall be rounded up to the next whole number. (Gov. Code § 65915(q)(2))

17.49.110 Affordable Housing Incentives

- A. Government Code subsections 65915(d), (j), (k), and (l) govern the following provisions regarding affordable housing incentives.

- B. Qualifications for Incentives. Subject to Section 17.49.130, all of the following applicable requirements must be satisfied to be granted an incentive(s) pursuant to Sections 17.49.110.B and 17.49.120:

1. The applicant for an incentive must also be an applicant for a density bonus and qualify for a density bonus pursuant to Section 17.49.040 (Gov. Code § 65915(d)(1)).
2. A specific written proposal for an incentive(s) must be submitted with the application for a density bonus (Gov. Code § 65915(b)(1) and (d)(1)).
3. If an incentive(s) pursuant to Sections 17.49.110 and 17.49.120 is sought, the applicant must establish that each requested incentive would result in identifiable, financially sufficient, and actual cost reductions for the qualified housing development (Gov. Code § 65915(k)(1) & (3)).
4. If an incentive(s) pursuant to Section 17.49.110.B.2 is sought, the applicant must establish that requirements of that section are met (Gov. Code § 65915(k)(2)).
5. If an additional incentive for a child care facility is sought pursuant to Section 17.49.120.B, the applicant must establish that requirements of that section are met (Gov. Code § 65915(h)(1)(B)).
6. The granting of an incentive shall not be interpreted, in and of itself, to require a General Plan amendment, zoning change, or other discretionary approval. (Gov. Code § 65915(j).) An incentive is applicable only to the project for which it is granted. An applicant for an incentive may request a meeting with the Community Development Director (Director) and, if requested, the Director will meet with the applicant to discuss the proposal. (Gov. Code § 65915(d)(1).)

- C. Types of Incentives. For the purposes of this chapter, "incentive" means any of the following:

1. A reduction in site development standards or a modification of Development Code requirements or design guidelines that exceed the minimum building standards approved by the California Building Standards Commission as provided in Part 2.5 (commencing with Section 18901) of Division 13 of the Health and Safety Code, including, but not limited to, a reduction in setback and square footage requirements and in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable, financially sufficient, and actual cost reductions. (Gov. Code § 65915(k)(1))
2. Approval of mixed-use zoning in conjunction with the qualified housing development if commercial, office, industrial, or other land uses will reduce the cost of the qualified housing development and if the commercial, office, industrial, or other land uses are compatible with the qualified housing development and the existing or planned development in the area where the proposed qualified housing development will be located. (Gov. Code § 65915(k)(2))
3. Other regulatory incentives proposed by the affordable housing developer or the City that result in identifiable, financially sufficient, and actual cost reductions. (Gov. Code § 65915(k)(3))

4. Nothing in this section limits or requires the provision of direct financial incentives by the City for the qualified housing development, including the provision of publicly owned land, or the waiver of fees or dedication requirements. (Gov. Code § 65915(l))

17.49.120 Number of Incentives Granted

- A. Subject to Section 17.49.130, the applicant who meets the requirements of Section 17.49.110.A shall receive the following number of incentives described below and as shown in Table 17.49.120-1.
 1. One incentive for qualified housing development projects that include at least ten percent (10%) of the total units for low-income households, at least five percent (5%) for very low-income households, or at least ten percent (10%) for persons and families of moderate-income households in a common interest development. (Gov. Code § 65915(d)(2)(A))
 2. Two incentives for qualified housing development projects that include at least twenty percent (20%) of the total units for low-income households, at least ten percent (10%) for very low-income households, or at least twenty percent (20%) for persons and families of moderate-income households in a common interest development. (Gov. Code § 65915(d)(2)(B))
 3. Three incentives for qualified housing development projects that include at least thirty percent (30%) of the total units for low-income households, at least fifteen percent (15%) for very low-income households, or at least thirty percent (30%) for persons and families of moderate-income households in a common interest development. (Gov. Code § 65915(d)(2)(C))
- B. A qualified housing development proposal that includes a child care facility shall be granted an additional incentive that contributes significantly to the economic feasibility of the construction of the child care facility. (Gov. Code § 65915(h)(1)(B))

Table 17.49.120-1

Incentive Allowances for Qualified Housing Developments

<u>Income Category</u>	<u>Minimum % of Affordable Units</u>		
<u>Very Low Income</u>	<u>5%</u>	<u>10%</u>	<u>15%</u>
<u>Low Income</u>	<u>10%</u>	<u>20%</u>	<u>30%</u>
<u>Common Interest Development (Moderate Income)</u>	<u>10%</u>	<u>20%</u>	<u>30%</u>
<u>Incentives Allowed</u>	<u>1</u>	<u>2</u>	<u>3</u>

17.49.130 Criteria for Denial of Application for Incentives

- A. Except as otherwise provided in this chapter or by state law, if the requirements of Section 17.49.110.A are met, the City shall grant the incentive(s) that are authorized by Sections 17.49.110.B and 17.49.120 unless a written finding, based upon substantial evidence, is made with respect to any of the following, in which case the City may refuse to grant the incentive(s):
 1. The incentive is not required in order to provide affordable housing costs or affordable rents for the affordable units subject to the qualified housing development application. (Gov. Code § 65915(d)(1)(A))
 2. The incentive would have a specific, adverse impact, as defined in Government Code Section 65589.5(d)(2), upon the public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact without rendering the development unaffordable to low- and moderate-income households. (Gov. Code § 65915(d)(1)(B); Gov. Code § 65915(d)(3))
 3. The incentive would be contrary to state or federal law. (Gov. Code § 65915(d)(1)(C))

4. The community has adequate child care facilities, in which case the additional incentive for a child care facility pursuant to Section 17.49.120.B may be denied. (Gov. Code § 65915(h)(3))

17.49.140 Waiver or Modification of Development Standards

A. Requirements for Waiver or Modification of Development Standards

1. Application. To qualify for a waiver or reduction of one or more development standards, the applicant must submit a written application (together with an application for a qualified housing development) that states the specific development standard(s) sought to be modified or waived and the basis of the request (Gov. Code § 65915(e)(1)). An applicant for a waiver or modification of development standard(s) pursuant to this section may request a meeting with the Director to review the proposal. If requested, the Director shall meet with the applicant (Gov. Code § 65915(e)(1)). An application for the waiver or reduction of development standard(s) pursuant to this section shall neither reduce nor increase the number of incentives to which the applicant is entitled pursuant to Section 17.49.110. (Gov. Code § 65915(e)(2))
2. Findings. All of the following findings must be made for each waiver or reduction requested:
 - a. The development standard for which a waiver or reduction is requested will have the effect of physically precluding the construction of the proposed qualified housing development at the densities or with the incentives permitted under this chapter. (Gov. Code § 65915(e)(1))
 - b. The requested waiver or reduction of a development standard will not have a specific, adverse impact, as defined in Government Code Section 65589.5(d)(2), upon the health, safety, or physical environment or, if such a specific, adverse impact exists, there is a feasible method to satisfactorily mitigate or avoid the specific, adverse impact. (Gov. Code § 65915(e)(1))
 - c. The requested waiver or reduction of a development standard will not have an adverse impact on any real property that is listed in the California Register of Historical Resources. (Gov. Code § 65915(e)(1))
 - d. The requested waiver or reduction of a development standard is not contrary to state or federal law. (Gov. Code § 65915(e)(1))
3. Granting Application for Waiver or Modification of Development Standards. If the requirements of Sections 17.49.140.A are satisfied, the application for waiver or modification of development standard(s) shall be granted. If the requirements of Sections 17.49.140.A are satisfied, the City shall not apply a development standard that will have the effect of physically precluding the construction of a qualified housing development at the densities or with the incentives permitted by this chapter. (Gov. Code § 65915(e)(1))

17.49.150 Parking Standard Modifications for Qualified Housing Developments

- A. Requirements for Parking Standard Modifications. Parking standard modifications pursuant to Section 17.49.150.B are available only for qualified housing developments. An application for parking standard modifications stating the specific modification requested pursuant to Section 17.49.150.B must be submitted with the qualified housing development application. (Gov. Code § 65915(p)(3))
- B. Parking Standard Modifications. If the requirements of Section 17.49.150.A are met, the vehicular parking ratio, inclusive of handicapped and guest parking, shall not exceed the following ratios (Gov. Code § 65915(p)(1)), except where noted under Section 17.49.150.C:
 1. Zero to one bedroom: one on-site parking space.
 2. Two to three bedrooms: two on-site parking spaces.
 3. Four and more bedrooms: two and one-half on-site parking spaces.
- C. Exceptions. Upon request of the applicant, the following maximum parking standards shall apply, inclusive of handicap and guest parking, to the entire housing development subject to this chapter, as required by Government Code Section 65915(p)(2):
 1. A maximum of 0.5 parking spaces per bedroom shall apply when all of the following conditions apply:

- a. The development includes the maximum percentage of low- or very low-income units provided for Section 17.49.070, Density Bonus Allowance for Housing Development with Affordable Housing Component.
 - b. The development is located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code.
 - c. There is unobstructed access to the major transit stop from the development. A development shall have unobstructed access to a major transit stop if a resident is able to access the major transit stop without encountering natural or constructed impediments.
2. A maximum of 0.5 parking spaces per unit shall apply when all of the following conditions apply:
- a. The development consists solely of rental units, exclusive of a manager's unit or units, with an affordable housing cost to lower-income families, as provided in Section 50052.5 of the Health and Safety Code.
 - b. The development is located within one-half mile of a major transit stop, as defined in subdivision (b) of Section 21155 of the Public Resources Code.
 - c. There is unobstructed access to the major transit stop from the development. A development shall have unobstructed access to a major transit stop if a resident is able to access the major transit stop without encountering natural or constructed impediments.
3. A maximum of 0.5 parking spaces per unit shall apply when all of the following conditions apply:
- a. The development consists solely of rental units, exclusive of a manager's unit or units, with an affordable housing cost to lower-income families, as provided in Section 50052.5 of the Health and Safety Code.
 - b. The development is for individuals who are 62 years of age or older which complies with Sections 51.2 and 51.3 of the Civil Code.
 - c. The development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.
4. A maximum of 0.3 parking spaces per unit shall apply when all of the following conditions apply:
- a. The development consists solely of rental units, exclusive of a manager's unit or units, with an affordable housing cost to lower-income families, as provided in Section 50052.5 of the Health and Safety Code.
 - b. The development is a special needs housing development, as defined in Section 51312 of the Health and Safety Code.
 - c. The development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day.
- D. If the total number of parking spaces required for the qualified housing development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this section, "on-site parking" may be provided through tandem parking or uncovered parking, but not through on-street parking. (Gov. Code § 65915(p)(2))
- E. Except as otherwise provided in this section, all other provisions of Chapter 17.54 (Off-Street Parking) applicable to residential development apply.
- F. An applicant may request additional parking incentives beyond those provided in this section if applied for pursuant to Section 17.49.110. (Gov. Code § 65915(p)(3))
- G. Notwithstanding allowances in Section 17.49.150(C) above, if the City or an independent consultant has conducted an area-wide or jurisdiction-wide parking study in the last seven years, then the City may impose a higher vehicular parking ratio not to exceed the ratio described in Section 17.49.150.B, based on substantial evidence found in the parking study that includes, but is not limited to, an analysis of parking availability, differing levels of transit access, walkability access to transit services, the potential for shared parking, the effect of parking requirements on the cost of market-rate and subsidized developments, and

the lower rates of car ownership for low- and very low-income individuals, including seniors and special needs individuals. The City shall pay the costs of any new study. The City shall make findings, based on a parking study completed in conformity with this paragraph, supporting the need for the higher parking ratio.

17.49.160 Density Bonus and Affordable Housing Incentives Program

- A. Project Design and Phasing. Projects seeking an affordable housing benefit pursuant to this chapter must comply with the following requirements, unless otherwise specified in writing by the Director:
1. Location/Dispersal of Units. Affordable units shall be reasonably dispersed throughout the development where feasible and shall contain on average the same (or greater) number of bedrooms as the market-rate units.
 2. Phasing. If a project is to be developed in phases, each phase must contain the same or substantially similar proportion of affordable units and market-rate units.
 3. Exterior Appearance. The exterior appearance and quality of the affordable units must be similar to the market-rate units. The exterior materials and improvements of the affordable units must be similar to, and architecturally compatible with, the market-rate units.
- B. Application Requirements. An application for one or more affordable housing benefits must be submitted as follows:
1. Each affordable housing benefit requested must be specifically stated in writing on the application form provided by the City.
 2. The application must include the information and documents necessary to establish that the requirements of this chapter are satisfied for each affordable housing benefit requested, including:
 - a. For density bonus requests, that the requirements of Section 17.49.040 are met;
 - b. For incentive requests, that the requirements of Section 17.49.110 are met;
 - c. For development standard waiver or modification requests, that the requirements of Section 17.49.140 are met; and/or
 - d. For parking standard modification requests, that the requirements of Section 17.49.150 are met.
 3. The application must be submitted concurrently with a complete application for a qualified housing development.
 4. The application must include a site plan that complies with and includes the following:
 - a. For senior citizen housing development projects, the number and location of proposed total units and density bonus units.
 - b. For all qualified housing development projects other than senior citizen housing development projects, the number and location of proposed total units, affordable units, and density bonus units. The density bonus units shall be permitted in geographic areas of the qualified housing development other than the areas where the affordable units are located. (Gov. Code § 65915(i))
 - c. The location, design, and phasing criteria required by Section 17.49.160.A, including any proposed development standard(s) modifications or waivers pursuant to Section 17.49.140.
 5. The application for a qualified housing development must state the level of affordability of the affordable units and include a proposal for compliance with Section 17.49.180 for ensuring affordability.
 6. If a density bonus is requested for a qualified land donation pursuant to Section 17.49.100, the application must show the location of the qualified land in addition to including sufficient information to establish that each requirement in Section 17.49.100 has been met.
 7. If an additional density bonus or incentive is requested for a child care facility pursuant to Section 17.49.080 and/or Section 17.49.120.B the application shall show the location and

square footage of the child care facility and include sufficient information to establish that each requirement in Section 17.49.080 and/or Section 17.49.120.B has been met.

- C. An application for an affordable housing benefit under this chapter will not be processed until all of the provisions of this section are complied with as determined by the Director, and shall be processed concurrently with the application for the qualified housing development project for which the affordable housing benefit is sought. Prior to the submittal of an application for a qualified housing development, an applicant may submit to the Director a preliminary proposal for affordable housing benefits. The Director shall, within 90 days of receipt of a written proposal, notify the applicant of the Director's preliminary response and schedule a meeting with the applicant to discuss the proposal and the Director's preliminary response.

17.49.170 Determination on Density Bonus and Affordable Housing Incentives Program Requirements

- A. The decision-making body for the underlying qualified housing development application is authorized to approve or deny an application for an affordable housing benefit in accordance with this chapter.
1. Affordable Housing Benefit Determinations. An application for an affordable housing benefit shall be granted if the requirements of this chapter are satisfied unless:
 - a. The application is for an incentive for which a finding is made in accordance with Section 17.49.130; or
 - b. The underlying application for the qualified housing development is not approved independent of and without consideration of the application for the affordable housing benefit.
 2. Affordable Housing Benefit Compliance Provisions. To ensure compliance with this chapter and state law, approval of an application for an affordable housing benefit may be subject to, without limitation:
 - a. The imposition of conditions of approval to the qualified housing development, including imposition of fees necessary to monitor and enforce the provisions of this chapter;
 - b. An affordable housing agreement and, if applicable, an equity sharing agreement pursuant to Section 1.72.190; and
 - c. Recorded deed restriction implementing conditions of approval and/or contractual or legally mandated provisions.
 3. A decision regarding an affordable housing benefit application is subject to the appeal provisions of Section 8111-7.

17.49.180 Affordable Housing Agreement and Equity Sharing Agreements

- A. General Requirements. No density bonus pursuant to Section 17.49.040 shall be granted unless and until the affordable housing developer, or its designee approved in writing by the Director, enters into an affordable housing agreement and, if applicable, an equity sharing agreement, with the City or its designee pursuant to and in compliance with this section (Gov. Code § 65915(c)). The agreements shall be in the form provided by the City which shall contain terms and conditions mandated by, or necessary to implement, state law and this Article. The Director may designate a qualified administrator or entity to administer the provisions of this section on behalf of the City. The affordable housing agreement shall be recorded prior to, or concurrently with, final map recordation or, where the qualified housing development does not include a map, prior to issuance of a building permit for any structure on the site. The Director is hereby authorized to enter into the agreements authorized by this section on behalf of the City upon approval of the agreements by City Attorney for legal form and sufficiency.
- B. Low or Very Low Income Minimum Affordable Housing Component or Senior Citizen Housing Development.
1. The affordable housing developer of a qualified housing development based upon the inclusion of low income- and/or very low-income affordable units must enter into an agreement with the City to maintain the continued affordability of the affordable units for 55 years (for rental units) or 30 years (for for-sale units), or a longer period if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program, as follows (Gov. Code § 65915(c)(1)). The agreement shall establish specific compliance

standards and specific remedies available to the city if such compliance standards are not met. The agreement shall, among other things, specify the number of lower-income affordable units by number of bedrooms; standards for qualifying household incomes or other qualifying criteria, such as age; standards for maximum rents or sales prices; the person responsible for certifying tenant or owner incomes; procedures by which vacancies will be filled and units sold; required annual report and monitoring fees; restrictions imposed on lower-income affordable units on sale or transfer; and methods of enforcing such restrictions.

2. Rental units. Rents for the low-income and very low-income affordable units that qualified the housing development for the density bonus pursuant to Section 17.49.040 shall be set and maintained at an affordable rent (Gov. Code § 65915(c)(1)). The agreement shall set rents for the lower-income density bonus units at an affordable rent as defined in Health and Safety Code Section 50053. The agreement shall require that owner-occupied units be made available at an affordable housing cost as defined in Health and Safety Code Section 50052.5.
3. For-Sale Units. Owner-occupied low-income and very low-income affordable units that qualified the housing development for the density bonus pursuant to Section 17.49.040 shall be available at an affordable housing cost (Gov. Code § 65915(c)(1)). The affordable housing developer of qualified housing development based upon a very low- or low-income minimum affordable component shall enter into an equity sharing agreement with the City or developer. The agreement shall be between the City and the buyer or the developer and the buyer if the developer is the seller of the unit. The City shall enforce the equity sharing unless it is in conflict with the requirements of another public funding source or law (Gov. Code § 65915(c)(2)). The equity sharing agreement shall include at a minimum the following provisions:
 - a. Upon resale, the seller of the unit shall retain the value of any improvements, the down payment, and the seller's proportionate share of appreciation. The City shall recapture any initial subsidy, as defined in subparagraph (b), and its proportionate share of appreciation, as defined in subparagraph (c), which amount shall be used within five years for any of the purposes described in subdivision (e) of Section 33334.2 of the Health and Safety Code that promote homeownership.
 - b. For purposes of this section, the City's initial subsidy shall be equal to the fair market value of the home at the time of initial sale minus the initial sale price to the very low-income household, plus the amount of any down payment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value.
 - c. For purposes of this subdivision, the City's proportionate share of appreciation shall be equal to the ratio of the City's initial subsidy to the fair market value of the home at the time of initial sale.
4. Senior Units. At least thirty-five (35) senior citizen housing development units are maintained and available for rent or sale to senior citizens as defined in Civil Code Section 51.3.

C. Moderate-Income Minimum Affordable Housing Component.

1. The affordable housing developer of a qualified housing development based upon the inclusion of moderate-income affordable units in a common interest development must enter into an agreement with the City ensuring that:
 - a. The initial occupants of the moderate income affordable units that are directly related to the receipt of the density bonus are persons and families of a moderate-income household.
 - b. The units are offered at an affordable housing cost. (Gov. Code § 65915(c)(2))
2. The affordable housing developer of a qualified housing development based upon a moderate-income minimum affordable component shall enter into an equity sharing agreement with the City or developer (Gov. Code § 65915(c)(2)). The agreement shall be between the City and the buyer or the developer and the buyer if the developer is the seller of the unit. The City shall enforce the equity sharing agreement unless it is in conflict with the requirements of another public funding source or law (Gov. Code § 65915(c)(2)). The equity sharing agreement shall include at a minimum the following provisions:

- a. Upon resale, the seller of the unit shall retain the value of improvements, the down payment, and the seller's proportionate share of appreciation. The City shall recapture any initial subsidy, as defined in subparagraph b, and its proportionate share of appreciation, as defined in subparagraph c, which amount shall be used within five years for any of the purposes described in Health and Safety Code Section 33334.2(e) that promote homeownership. (Gov. Code § 65915(c)(2)(A))
 - b. The City's initial subsidy shall be equal to the fair market value of the unit at the time of initial sale minus the initial sale price to the moderate-income household, plus the amount of any down payment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value. (Gov. Code § 65915(c)(2)(B))
 - c. The City's proportionate share of appreciation shall be equal to the ratio of the City's initial subsidy to the fair market value of the unit at the time of initial sale. (Gov. Code § 65915(c)(2)(C))
3. Minimum Affordable Housing Component and Child Care Facility. If an additional density bonus or incentive is granted because a child care facility is included in the qualified housing development, the affordable housing agreement shall also include the affordable housing developer's obligations pursuant to Section 17.49.080.A.3 for maintaining a child care facility, if not otherwise addressed through conditions of approval.

17.49.190 Density Bonus or Incentives for Condominium Conversion Projects

- A. Requirements for density bonus or incentive for condominium conversion projects.
 1. Applicant to convert apartments to a condominium project agrees to provide at least:
 - a. Thirty-three percent (33%) of the total units of the proposed condominium project to persons and families of moderate-income households, or
 - b. Fifteen percent (15%) of the total units of the proposed condominium project to persons and families of low-income households.
 2. If applicant agrees to pay for the reasonably necessary administrative costs incurred by the City pursuant to this section, the City shall either:
 - a. Grant a density bonus, or
 - b. Provide other incentives of equivalent financial value. (Gov. Code § 65915.5(a))
- B. Definition of Density Bonus for Condominium Conversion Projects. If the requirements of Section 17.49.190.A are met, then the condominium conversion project will be entitled to an increase in units of twenty-five percent (25%) over the number of apartments, to be provided within the existing structure(s) proposed for conversion from apartments to condominiums. (Gov. Code § 65915.5(b))
- C. Pre-Submittal Preliminary Proposals for Density Bonus or Incentive for Condominium Conversion Projects. Prior to the submittal of a formal request for subdivision map approval or other application for necessary discretionary approvals, an applicant to convert apartments to a condominium project may submit to the Director a preliminary proposal for density bonus or other incentives of equivalent financial value. The Director shall, within 90 days of receipt of a written proposal, notify the applicant of the Director's preliminary response and schedule a meeting with the applicant to discuss the proposal and the Director's preliminary response. (Gov. Code § 65915.5(d))
- D. Application for Density Bonus or Incentives for Condominium Conversion Projects. An applicant must submit a completed application provided by the City for a density bonus or for other incentives of equivalent financial value. The application must be submitted concurrently with the application for the condominium conversion project. The application must include the following:
 1. All information and documentation necessary to establish that the requirements of Section 17.49.190.A are met;
 2. The proposal for a density bonus or the proposal for other incentives of equivalent financial value;

3. Site plans demonstrating the location of the units to be converted, the affordable units, the market-rate units, and the density bonus units in the condominium conversion project; and
 4. Any other information and documentation requested by the City to determine if the requirements of Section 17.49.190.A are met.
- E. Both the application for a density bonus or other incentives of equivalent financial value and the application for the condominium conversion must be complete before the application for a density bonus or other incentives of equivalent financial value will be considered.
- F. Granting Density Bonus or Incentive for Condominium Conversion Projects.
1. Approval
 - a. If the requirements of Section 17.49.190.A are met, the decision-making body for the condominium conversion project application is authorized to grant an application for a density bonus or other incentives of equivalent financial value, subject to Section 17.49.190.F.2.
 - b. Reasonable conditions may be placed on the granting of a density bonus or other incentives of equivalent financial value that are found appropriate, including but not limited to entering into an affordable housing agreement pursuant to Section 17.49.180 which ensures continued affordability of units to subsequent purchasers who are persons and families of moderate-income or low-income households. (Gov. Code § 65915.5(a))
 2. Ineligibility. An applicant shall be ineligible for a density bonus or other incentives of equivalent financial value if the apartments proposed for conversion constitute a qualified housing development for which a density bonus as defined in Section 16-411 or other incentives were provided. (Gov. Code § 65915.5(f).)
 3. Decision on Condominium Conversion Project. Nothing in this section shall be construed to require the City to approve a proposal to convert apartments to condominiums. (Gov. Code § 65915.5(e))

17.49.200 Enforcement Provisions

- A. Occupancy. Prior to occupancy of an affordable unit, the household's eligibility for occupancy of the affordable unit must be demonstrated to the City. This provision applies throughout the restricted time periods pursuant to Section 17.49.180 and applies to any change in ownership or tenancy, including subletting, of the affordable unit.
- B. Ongoing Compliance. Upon request, the affordable housing developer must show that the affordable units are continually in compliance with this chapter and the terms of the affordable housing agreement. Upon 30-day notice, the City may perform an audit to determine compliance with this chapter and the terms of any agreement or restriction.
- C. Enforcement. The City has the authority to enforce the provisions of this chapter, the terms of affordable housing agreements and equity sharing agreements, deed restrictions, covenants, resale restrictions, promissory notes, deed of trust, conditions of approval, permit conditions, and any other requirements placed on the affordable units or the approval of the qualified housing development. In addition to the enforcement powers granted in this chapter, the City may, at its discretion, take any other enforcement action permitted by law, including those authorized by City ordinances. Such enforcement actions may include, but are not limited to, a civil action for specific performance of the restrictions and agreement(s), damages for breach of contract, restitution, and injunctive relief. The remedies provided for herein shall be cumulative and not exclusive and shall not preclude the City from seeking any other remedy or relief to which it otherwise would be entitled under law or equity.

Attachment D- Resolution

RESOLUTION NO. PC 16-06

**A RESOLUTION OF THE HOLTVILLE PLANNING COMMISSION
RECOMMENDING ADOPTING OF THE PROPOSED ZONING ORDINANCE
TEXT AMENDMENTS AND DENSITY BONUS ORDINANCE TO FURTHER
THE HOUSING ELEMENT OBJECTIVES**

WHEREAS, the City of Holtville is required to adopt a Housing Element of the General Plan, in compliance with State Law, which sets forth goals, policies, and programs to define and clarify housing allowances and meet housing objectives; and

WHEREAS, The City of Holtville initiated a comprehensive update of the Holtville Housing Element which was adopted on October 2008 and is currently performing a second mandatory Housing Element Update; and

WHEREAS, the 2008 Housing Element incorporated policies and respective action programs that necessitate amendments to the Holtville Zoning Ordinance and establishment of a Density Bonus Ordinance for compliance with State Law; and

WHEREAS, a duly noticed public hearing was held by the Planning Commission on October 17, 2016 to provide citizens an opportunity to comment on the proposed zoning ordinance amendments; and

WHEREAS, upon hearing and considering all testimony and arguments, analyzing the information submitted by staff and considering any written and oral comment received, the Holtville Planning Commission considered all facts relating to the proposed amendments to the Holtville Zoning Ordinance; and

NOW THEREFORE LET IT BE RESOLVED, that the Holtville Planning Commission determines as follows:

- A) That the foregoing recitations are true and correct; and
- B) That based on the evidence presented at the public hearing, the Planning Commission hereby recommends approval of the proposed Zoning Ordinance Amendments and Density Bonus Ordinance, hereby incorporated as Exhibit B and Exhibit C, respectively, and based on the following findings:
 - 1. The project has been reviewed in accordance with the requirements set forth by the City of Holtville for implementation of the California Environmental Quality Act.
 - 2. The proposed amendments to the Holtville Zoning Ordinance and adoption of the Density Bonus Ordinance are consistent with the objectives of the Holtville General Plan.

APPROVED AND ADOPTED at the regular meeting of the Planning Commission of the City of Holtville, California held on this 17th day of October, 2016.

Ross Daniels, Chairman

I, the undersigned, Secretary of the City of Holtville Planning Commission, DO HEREBY CERTIFY, that the foregoing resolution was adopted at a regular meeting of the Planning Commission held on the 17th day of October, 2016, by the following votes:

AYES:

NOES:

ABSTAIN:

ABSENT:

Denise Garcia, Secretary



Planning Staff report

2016 Quarterly Report No. 3

To: Holtville City Council
Holtville Planning Commission
Nicholas Wells, City Manager

From: Andrea Montano, Assistant Planner

Date: October 3, 2016

Projects: Private Planning Permits (in order of submittal)

1. Melon LLC Annexation GP Amendment & Pre-zone
2. Bornt Lot Line Adjustment & Lot Merger
3. Clear Talk Tower CUP
4. Osborne Jurisdictional Boundary Change & Pre-Zone
5. Four-plex Site Plan Review & Alley Dedication

City Planning Projects

6. Wetlands Trail Link & Acquisition from IID
7. Elizabeth Potts Estate Alley Dedication

This Planning Staff Report covers the period from *July 1, 2016, through September 30, 2016*, unless otherwise specified. The purpose of the following communication is to provide a summary report to the City of Holtville of the planning work currently being performed by The Holt Group in regards to planning and development projects in the City, and more specifically the projects referenced above and further detailed below.

PRIVATE DEVELOPER PLANNING APPLICATIONS

1. **Melon LLC Annexation, General Plan Amendment & Zone Change-** A formal application for the proposed Annexation, General Plan Amendment and Zone Change were received on September 4, 2014 from Jeff Lyons, agent representative for Melon LLC. The initial review determined that the application was unacceptable and incomplete due to, but not limited to the following reasons: 1) the application did not have a specific project identified and no site plan was prepared which is an Annexation requirement from both LAFCo and the City, 2) none of the required studies were submitted for environmental assessment such as hydrology and traffic, and 3) corresponding application fees were not submitted. A letter communicating our findings was sent to Mr. Jeff Lyons on September 8, 2014 and with cc's to Mr. John Hawk, property owner. Subsequently the City was copied on a letter from LAFCo to John Hawk, dated September 8 2014, rejecting their Annexation application due to lack of a project and insufficient information for project assessment for CEQA compliance. As of September 30, 2014, a resubmission had not been received. The City was notified by Mr. Lyons that the project has no development partner and the intent of the property owner was to annex without a project and that they were unaware of a development requirement.

As of December 31, 2014, a resubmission had not been received. As of March 31, 2015, a resubmission had not been received, however, Mr. Hawk did attend the March 16, 2015 Planning Commission meeting and discussed in general under public comments of a new multifamily proposal. As of the end of June 2015, a project had not been submitted to planning staff for review.

On September 4, 2015, Mr. Sager and Mr. Hawk met with the City Planner and City Engineer to discuss concept plans. It was determined that the plans were missing pertinent information such as all of the utility connections, proposed off-site improvements, and stormwater facilities. It was noted at the meeting that they did not have a developing partner yet. The City Planner provided direction on the information needed, and the issues that must be addressed. She noted the importance of having a development partner as a development agreement and eventual bond would be required for the off-site facilities. They were also informed that the new reduction in impact fees would be in effect for three years and their project could realize a savings of over \$100,000 if permitted within that timeframe. Mr. Sager and Mr. Hawk noted that they understood what needed to be done and left no submission with staff. As of December 31, 2015, no submissions had been made and there were no updates to report.

The City Manager had opportunity to meet with the applicants during the first quarter regarding progress. However, as of March 31, 2016, no submissions were made and there was no progress to report to City Council for the first quarter.

Another meeting was requested by Mr. John Hawk and held on May 4, 2015 at Holtville City Hall with Nick Wells and Justina Arce. The project status was discussed at the meeting and Mr. Hawk appeared surprised that LAFCo had rejected their annexation application. A copy of the September 8, 2014 letter from LAFCo, addressed to him, was provided to Mr. Hawk. Mr. Hawk was again advised that a development project needed to be defined and addressed in order to move forward with the annexation. The City Manager recommended that Mr. Hawk seek assistance from consulting firms experienced in development and how DD&E might be able to provide the needed services.

Another meeting was requested by Mr. John Hawk and his consultant DD&E and held on July 28, 2016 with LAFCo in attendance. The proponents were advised by LAFCo to complete the land organization applications through the County of Imperial prior to moving forward with the annexation packet. Annette Leon of DD&E contacted THG on September 21st, indicating that they have had a bit of a challenge on completing the packet for the County thus the delay and that they would soon submit a packet with a duplicate to the City so that the City could issue a letter in accordance with the proposed actions. As of September 30, 2016, no packet had been received by the City.

2. **Bornt Lot Line Adjustment & Lot Merger**- On September 8, 2014, 2014, Jeff Lyon on behalf of Alan and Mary Bornt submitted an application for a Lot Line Adjustment affecting parcel(s) 045-330-073 and 045-340-025 owned by Alan L. and Mary L. Bornt and parcel(s) 045-330-07 and 045-340-029 owned by Donald K. and Donna J. Osborne. The purpose of the lot-line adjustment was to transfer property from Mr. Don Osborne to the Bornt farming operation. The application was deemed inadequate for processing because: 1) the lot line adjustment map was missing required information, such as existing structures and their location, utilities, dimensions, adjacent access roads and driveways, easements, rights-of-way, and correct size text on map, 2) grant deeds for all properties were not included, and 3) legal descriptions and Plat were not shown on a separate 8.5" x 11" size sheet, and thus a letter providing directive on the matter was mailed to Mr. Jeff Lyons on September 15, 2014 with copies to Alan Bornt. As of September 30, 2014 a resubmission had not been received.

Mr. Lyon resubmitted a modified packet on October 31, 2014, however, legal descriptions and plat maps were not submitted as noted above because field work had not been completed.

Subsequently, Mr. Lyon submitted the legal descriptions and plat maps on November 12, 2014. A first review was completed and issues were noted. Of specific concern was that a lot merger was being concurrently proposed with a multi-jurisdictional parcel owned by Don Osborne. The Lot Line Adjustment between the recently annexed Bornt Property (County Merger 0016) and Osborne Parcel 045-330-071, within the City Limits, would be pretty straight forward and current submission would only require slight modification of the boundaries of the “remaining” Osborne City Parcel 045-330-071 so that it conforms to City adopted standards for minimum lot-width requirements. The merger between the remaining Osborne City Parcel 045-330-071 and Osborne County Parcel 045-240-029 has these same issues as the Bornt’s original request and would also require for Osborne County Parcel 045-340-029 to be annexed before any lot merger with Osborne City Parcel 045-330-071 can take place. Planning Staff followed up with Imperial County and LAFCo who continue to be in agreement with the City’s position. Field work had still not been done as of December 31, 2014. As of March 31, 2015, no additional submittals were made to the City. A letter would go out in April regarding lack of activity and interest in continuing lot line adjustment.

The letter did not go out as a meeting with Management and planning staff was instead scheduled and held on May 27, 2015. Attendees included Alan Bornt, AJ Bornt, and Mary Bornt. Discussion ensued regarding property boundaries and challenges. Mr. Alan Bornt indicated that they would attempt a meeting with Mr. Don Osborne regarding the Maple Avenue issues as the Bornt's were unaware it belonged to the parcel they are purchasing from Don Osborne.

On June 18, 2015, Jeff Lyons forwarded to Nick Wells and Jurg Heuberger of LAFCo some de-annexation proposals that involved an additional parcel also owned by Don Osborne. Mr. Lyons followed up on July 1st regarding a response and included City Planning in the email. Subsequently, Mr. Lyons was forwarded a checklist of procedures along with the corresponding application, fee, and deposit requirements. He was advised that applications through LAFCo and Imperial County would need to be processed concurrently and that copies needed to be submitted to the City as well. As of September 30, 2015 no formal applications had been submitted. As of December 31, 2015, no additional submissions were made and there were no updates to report. This project continued to be contingent of the boundary adjustment application (annexation/de-annexation). As of March 31, 2016, no additional submissions had been made and there is no progress to report. There was no activity during the second quarter.

On September 8, 2016 Jeff Lyon re-submitted the LLA application packet to the City of Holtville. The legal descriptions and plat maps were reviewed by the engineers and found right-of way data on Bonds Corner Road to be inconsistent with prior submittals. A letter was drafted to his attention on September 29, 2016 requesting support documentation for the Bonds Corner right-of-way.

3. **Clear Talk Tower Conditional Use Permit** - The City received an incomplete application packet from Victor Gillespie on June 22, 2015 for the installation of a Telecommunication Tower at Samaha Park. A letter was drafted by the City Planner with guidance on general requirements and applicable fees and further forwarded a copy of the applicable Municipal Code Sections to the applicant (Ordinance 442). The City’s letter went out on June 23, 2015. No additional submissions had been received as of June 30, 2015.

The potential lease agreement was presented to City Council on August 24, 2015 for review prior to the applicant making any substantial investment on the required submittals. City Council was generally agreeable with the proposal. As of September 30, 2015, no additional submissions had been made.

On October 13, 2015, a letter was sent to Victor Gillespie regarding a preliminary review, permitting and site zoning. The letter reiterated required fees, documentation, and procedures

for processing, as well as the need for a Zone Change/Text Amendment prior to CUP issuance. Mr. Gillespie was in contact with Mr. Nick Wells in early January 2016, but no submissions were received.

Although the Open Space Zone does not outright, or conditionally allow "Communications Facilities," the City's adopted Communications Ordinance allows for community facilities in public property as long as there is a lease in place. A public hearing was scheduled before the Planning Commission for April 18, 2016 to review the project and proposed Public Benefit Agreement; however, staff had insufficient information as of the end of March to make some of the required findings. Of specific importance was the pending Radio Frequency Exposure Report. Since the code is clear in that a permit is contingent upon the finding that the communications facility shall be sited or operated in such a manner that it does not pose, either by itself or in combination with other such facilities, a potential threat to public health. To that end, no communications facility or combination of facilities shall produce at any time power densities that exceed the current FCC adopted standards for human exposure to RF fields. Certification that a facility meets this standard is required. A copy of the report and/or certification from the FCC needs to be submitted.

Quorum was not met, therefore the April 18th meeting was rescheduled to May 16, 2016. A meeting was held between the City Planner and Clear Talk representatives to go over the details of items required prior to action. The scheduled meeting before the Planning Commission was held on May 16, 2016. It was noted that the project application continued to be substantially incomplete. The Planning Commission was informed that a change in approach had been directed from the "Single User Approval by the Planning Commission with Option for Colocation Modifications by City Council in Compliance with CEQA" to "Multiple User Approval with CEQA Certification by the Planning Commission with Option for Restrictions by the City Council". Due to this change, a CEQA Review is required before the planning commission can proceed.

An Information Request Form was sent to Mr. Gillespie on May 16th noting that the following items were pending for formal CEQA review and placement for action: fees (\$300 fee and \$1,000 deposit) and the Site Analysis per code requirements and a Radio Frequency Exposure Report if satellite facilities were incorporated. Subsequently, Mr. Gillespie, submitted payment for CEQA review on May 25th. As of the end of June, no additional reports had been received; however, the City Manager and City Attorney authorized staff on July 6th to move forward with project under the limited site analysis previously prepared.

The Initial Study was completed by staff on July 20, 2016 and the EEC, consistent of City Department Managers, met on July 21, 2016 to approve the Initial Study and Draft Mitigation Measures and also added additional conditions to the project. Mitigation Measures were incorporated to mitigate impacts to Air Quality, Aesthetics, Geology/Soils, Noise, and Recreation. The Notice of Intent to adopt a Negative Declaration was filed on August 2, 2016 and circulated for thirty days with the final comment period ending on September 8, 2016. It was published in the Holtville Tribune on August 4th and August 11th and posted at City Hall. Three comments were received all of which were addressed by planning staff. The environmental review findings were presented to the Planning Commission on September 19, 2016 and the MND was Certified as presented after considering public comments. A number of residents were in attendance and voiced opposition to the project. Two petitions regarding the same were handed to the City Clerk.

The Conditional Use Permit was processed concurrent to the CEQA review and all residents within 300' received a written Notice of Public Hearing. A meeting was held by the City Manager and City Planner on August 31, 2016 with two Clear Talk Representatives regarding the pending items for Code Compliance: 1) Alternative Site Analysis, and 2) Radio Frequency Emissions Certification. Samples of the emission

certifications were reviewed with them and emailed to Mr. Gillespie. Subsequently, a Site Plan Analysis was completed by the Applicant and submitted to the City on September 12, 2016. A Radio Frequency Emissions Certification was not submitted.

At the time of the public hearing resident opposition continued for the Conditional Use Permit. The Planning Commission made two changes to the Conditions of Approval: #1 Eliminated Landscaping Plan and #2 Removed New Lighting Requirements (to reuse existing lighting) and added the pending Frequency Emissions Certification as a Condition of Approval. Additionally the Planning Commission took action on the Public Benefit Agreement for consistency removing the lighting requirement and instead applied a one-time Cash contribution of \$10,000 to the City's Park Fund.

An appeal was submitted to the City on September 23, 2016 stating conflict with the following policy areas:

- *Protection of Impacts to Property (conditions do protect public property but property values to nearby residents may arguably be not applicable)*
- *Encouragement of Placement in Non-Residential Areas (The Open Space Zone is a non-residential zone)*
- *Minimize Towers in the City of Holtville (This would be the only tower within the incorporated City Limits)*
- *Encourage Joint Use (the tower is permitted to accommodate co-location)*
- *Visual Pollution (Unfortunately the Planning Commission did remove the landscape conditions originally included to mitigate aesthetic impacts as required by code. This deviation from the code was done without notification of a variance as required by the Municipal Code and State Statute and may be considered a reason for appeal)*
- *Radio Frequency Hazards (although a Radio Frequency Emission Report has not been submitted it is a Condition of Approval)*
- *Avoid Potential damage From Tower Failure- (There were a number of conditions that addressed the structural integrity required of the facility)*

4. **Osborne Jurisdictional Changes & Pre-Zone** - On July 27, 2015, the City of Holtville received communication from GS Lyon Consultants on behalf of Donald Osborne regarding the partial de-annexation of a portion of APN 045-330-071 and pre-zone and annexation of a portion of APN 045-340-029, both owned by Mr. Osborne. The subject area for de-annexation is approximately 0.97 acres in size and the subject area for annexation is approximately 0.33 acres in size. The jurisdictional boundary adjustment is being requested so that a subsequent legal parcel boundary adjustment between an abutting property owned by Alan and Mary Bornt and the aforementioned Osborne properties can be accommodated. A future lot line adjustment will allow Alan and Mary Bornt to obtain a legal title on property currently purchased/leased from Mr. Osborne. LAFCo recommended that City Council provide preliminary support of the proposed jurisdictional changes. On August 24, 2015, the Holtville City Council passed Resolution CC 15-21, in support of the partial de-annexation of 045-330-071, and the pre-zone and partial annexation of APN 045-340-029. As of September 30, 2015, a formal application had not been received by the proponents.

On October 13, 2015, a letter was sent to Jeffrey Lyons regarding application submittal requirements, explaining the requirement of a uniform application, title documents, annexation fees, plat map, and legal description.

On November 2, 2015, a LAFCO Application was submitted to LAFCO by Mr. Osborne. On November 11, 2015, the application was accepted for filing by LAFCO. Although a reminder of pending submission was emailed to Jeff Lyons on November 17, 2015 with cc's to the Bornt's, there was no City application or fees submitted to the City of Holtville as of December 31, 2015 for proposed jurisdictional changes. Mr. Lyons indicated on November

18, 2015 that he was working with Mr. Osborne and his clients in getting the required information together.

Mr. Jeff Lyons communicated on February 16 that the engineering team was working on the field survey to verify that all physical improvements match the current legal descriptions. An application had not been received as of the end of March. There was no activity to report during the second quarter.

On September 8, 2016 Jeff Lyons re-submitted the Annexation/De-Annexation application packet to the City of Holtville. However, processing fees were not paid to the City. A cursory review of the submittal was prepared and a letter was drafted to his attention on September 29, 2016 requesting support documentation for the Bonds Corner right-of-way and informing him that no reviews would be completed until the applicable fees are paid.

5. **Four Plex and Alley Dedication-** A site plan review application and building permit application were submitted by Cadd Works, Inc. on March 16, 2016 for construction of a four-plex at 521 Chestnut Avenue (APN 450-271-005) which is zoned R-3 Multi-family. The submittal for the 3,594 square foot complex included improvement plans which were reviewed by City staff. On March 23, 2016, City Staff sent a letter to Salvador Franco of Cadd Works, Inc. rejecting the site plan for the following reasons: 1) the parcel had incorrect dimensions and did not depict the alleyway area to be dedicated to the City of Holtville and 2) the site plan did not contain building setbacks, a grading plan, and other pertinent information.

On April 6, 2016 City Staff issued another letter to Salvador Franco discussing the site plan that was re-submitted on April 1, 2016. The site plan that was re-submitted was inconsistent with the requested information of March 23, 2016. The site plan noted issue: 1) The parcel had incorrect dimensions and did not depict the alleyway area to be dedicated to the City of Holtville, 2) Missing dimensions 3) There was no Landscaping plan, and no Grading Plan, 4) The trash exposure did not meet the minimum side yard setback of 10 feet, and 5) The proposed wood fence height in the front yard did not meet standards. There was no further activity to report during the second quarter.

On September 19, 2016 Manuel Yanez of Yanez Engineering resubmitted information that was requested on April 4, 2016. A review of the site plan was consistent with City Standards, but is pending approval of the Grading Plan, and Landscape Plan. The subsequent plans are currently under the review of an Engineer.

CITY PLANNING PROJECTS

6. **Wetlands Trail Link/Acquisition from IID** - The City has actively been working on securing a pathway, the approximate distance of .52 miles from the Alamo River Recreational trail to Zenos Road in order to connect to the Holtville Wetlands. City Staff met with IID officials who were willing to gift the required easements as long as the City provides the legal descriptions and plat maps. A portion of the Habitat Conservation Fund grant received in 2012 was to be used to create a conceptual pathway from the current trail to the wetlands based on existing topography. The concept is complete and the City Manager authorized the preparation of the legal description and plat maps to be presented to the IID. A Preliminary Title Report was ordered and obtained on August 1, 2013 and the survey Staff has been working on preparing the easements. It is anticipated that the easements will be drafted for review by The Holt Group Staff during the third quarter.

The legal descriptions and plat maps were completed by survey staff on December 4, 2013. On December 6, 2013, Staff submitted an enclosure letter to Randy Gray of IID Real Estate, providing the legal descriptions and plat map for a 20-foot wide easement. Randy Gray was contacted on December 27, 2013 to obtain a project status update. Mr. Gray informed that

he had circulated the easement documentation and that thus far, other departments had accepted the legal documentation, as prepared.

The IID reviewed the Legal Description and Plat Map and found them acceptable on March 10, 2014. The same day, IID Staff notified the City that they would prefer the City enter into a Site Access Agreement and Encroachment Permit rather than the proposed Grant of Easement. Planning staff forwarded on April 1, 2014 the draft Site Access Agreement to the City Attorney for his review and comment.

The draft Site Access Agreement was presented to City Council on April 28th where the Agreement was approved. The agreement was then executed with the proper City signatures and delivered to the IID on May 12, 2014 for their review and execution. As of June 30, 2014, the Agreement still being reviewed internally and will be released once any revisions have been processed by the IID. The final Site Access Agreement was received on April 14, 2014 by The Holt Group and the original was forwarded to the City Manager on April 17, 2014. The next steps for this project are to complete the environmental and be shovel ready at the next opportunity for grant funding. No additional updates were available as of June 30, 2015.

No additional updates were available as of September 30, 2015. As of December 31, 2015, there were no updates to report. Activity on Wetlands has now reactivated this project as of March 2016. City Council authorized staff to obtain cost estimates to complete biological and cultural studies pending for environmental compliance.

Biological Study cost estimates were requested from Baker International, & Barret's Biological in April. Also in April, a Cultural Study cost estimate was requested from Brian F. Smith and Associates. The costs from Baker International were \$8,980, Barret's Biological were \$3,670, and Brian F. Smith and Associates \$4,300. Council approved at the May 5th meeting the biological study services from Barret's Biological and the Cultural Study from Brian F. Smith and Associates. A consultation to the NAHC was filed on May 27th for a sacred lands search and to obtain a contact list of the tribes to be contacted for initial consultation. The Initial Study has been completed and it was anticipated that the Environmental Evaluation Committee would review in July.

The Mitigated Negative Declaration is on hold pending additional studies warranted after the Cultural Study was received and recommended a Phase II study. Brian F. Smith and Associates discovered five sites along the Alamo River Trail that could potentially be site of cultural significance, four refuse locations, and one at the railroad bridge. The recommendations found in the study indicated that additional research and recordation would be required at the aforementioned locations. Cultural Study cost estimates were requested from Chambers Group, Brian F. Smith and Associates, and Tierra Environmental for a Phase II Cultural Study. The costs will be presented to the City Council at the October 24th meeting to receive additional directive.

7. **Elizabeth Potts Estate Alley Dedication-** Elizabeth Underwood, representative of the Elizabeth Potts Estate, contacted the City of Holtville on April 1st in regards to dedicating a private section of the alleyway between Chestnut and Maple Avenue, and 5th and 6th Street. A letter was sent to Ms. Underwood on May 27th informing her that the City received her request to dedicate private property, and provided a sample grant deed to her that she would need to coordinate from her mother's estate and return to the City. As of June 30, 2016, no dedication paperwork had been received.

The City was contacted on September 8, 2015 by the County of Imperial regarding right-of-way issues and prior County records being in error as it relates to dedication for Ms. Potts. Ms. Arce forwarded to the County record of survey maps on file that document the historical right of way of that area. On September 12, the County informed the City that they had successfully transferred title of the parcel to the City of Holtville per provided

map OM 7-34. She communicated that previous taxes assessed to the Estate of Elizabeth Potts would be cancelled. This item has now closed and will be removed from additional reporting.

Should you have any questions and/or concerns regarding the information in this report, please feel free to contact Justina G. Arce at (760) 337-3883 or City Manager Nicholas Wells at (760) 356-4574.



quarterly grant report

July-September 2016 Report

To: Nicholas Wells, City Manager
Holtville City Council
Holtville Planning Commission

From: Gustavo Gomez, Planning Assistant

Date: October 03, 2016

Projects: City Grant Applications/Projects

1. Alamo River Recreational Trails – Department of Parks & Recreation
2. BECC Application for Wastewater Treatment Plant (PDAP/BEIF) FY 10/11
3. CWSRF Application for Wastewater Treatment Plant
4. HCF Program Grant Application for Alamo River Conservation Project
5. Walnut Avenue South to 2nd Street Improvements- RSTP Grant Application
6. SR 115/5th Street STIP Program Phase II Project (north side)
7. 6th Street RSTP Call for Projects 2015
8. 9th Street Phase III RSTP/CMAQ Call for Projects 2015
9. State Waterboards DWSRF Application
10. Wetlands BOR Grant
11. *Community Benefit Program-Wetlands Look-Out Project*
12. *Sustainable Communities Benefit Grant-GP and SAP*

The purpose of the following memo is to provide a summary report to the City of Holtville of the planning work currently being performed by The Holt Group in regards to the City's grant applications and grant administration projects, and more specifically the projects referenced above and detailed below. *Updates are in bold italics and for the time period of July 1, 2016, thru, September 30, 2016*, unless otherwise noted. Further note that in order to save space, some immaterial history has been omitted, but is logged in prior reports should anyone wish to review at a future date.

1. Alamo River Recreational Trails-Department of Parks and Recreation (\$489,169.30)

In August 2008 City Manager, Laura Fischer directed THG to prepare the resubmission of an application, which was prepared on September 2008. The application was strengthened due to an IID easement that was secured and the completed survey work. A full Staff Report and a copy of the application were submitted to City Council at the September 14, 2009 meeting. On June 16, 2010, the City received a formal letter from the Department of Parks and Recreation, stating that the project had been awarded \$430,468 and that the City needed to comply with NEPA, National Historic Preservation Act of 1966, and the State or local Transportation Improvement Plan. The Regional Transportation Plan listing and Preliminary Environmental Study were completed on January 3, 2011. A contract with the State was executed on July 25, 2011 by City Manager, Alex Meyerhoff and the City procured for design, bidding and construction services.

The resolution for selection of a consultant was presented to City Council in November 2011 by City Manager Alex Meyerhoff and action was delayed since matching funds were originally from RDA Fund. Since this was an adopted Regional Transportation

Plan (RTP) project, City Council opted to use LTA funds and continue to move forward with the project. On January 17, 2012, the City received a reimbursement check from the State for \$296,000. On January 23, 2012, City Council awarded the contract for design and engineering services to Mia Lehrer + Associates for \$134,325 and a Notice to Proceed was issued on March 21, 2012 to the consultant. Mia Lehrer held a public meeting on May 7, 2012 and also presented design concepts to two High School Classes. The consultant communicated its challenge of site amenities not being found at the cost budgeted. THG provided Mia Lehrer with a number of facility specifications in order to keep the design within budget. Mr. Jeff Hutchins, project manager suggested elimination of a restroom facility, however, the City communicated that no amenities should be eliminated as the State would need to authorize a change in the scope of work. The State agency communicated that scope changes would be feasible but that a formal request needed to be submitted to DPR as amenities were a scoring factor.

The final plan check was completed and comments on minor edits were issued to Mia Lehrer on March 5, 2013.—A progress grant report was submitted to the State on April 17, 2013. Jeff Hutchins held a pre-bid meeting on June 18th. The bid opening date had been extended to July 16th via addendum #3. The City received a total of two bids: Pyramid Construction (\$1,021,279) and Hazard Construction (\$853,128). Some of the improvements engineered by Mia Lehrer resulted in significant cost overruns. At the direction of the City Manager, THG reviewed the construction bid items and prepared a memo to City Management dated September 4th on potential items that could be removed from the project scope to lower project costs and subsequently submitted a request to the DPR on August 15th for a reduced project scope of work. A response was received from the State on August 16, 2013 requesting a letter describing the scope of work change, a revised Application, Cost Estimate, and Site Plan. On December 27, 2013, the letter describing the scope of work change, a revised Application, Cost Estimate, and Site Plan were submitted to the State.

On February 3, 2014, the City received a letter from the State approving the change in scope of work. The project was re-bid by Mia Lehrer, per change in scope, and a bid opening was held on March 28, 2014. Three bids were received from Granite Construction (\$678,999), Hazard Construction (\$568,148), and Pyramid Construction (\$508,483). City management was in the process of negotiating with the availability of Class II base for trail pavement, location of fill export, and possibility of fill import. Other elements such as rope railing, signage and bollards could be installed by the City at a future date in order to bring down project costs.

Cost reductions of \$66,900 were successfully negotiated by THG with Pyramid Construction in June 2014 for the following items: Reduction of soil exporting costs per unit (\$29,580 in savings); Removal of installation of all three trash receptacles (\$4,800 in savings)-purchased under separate grant; Removal of installation of all rail track post & rope guide (\$17,520 in savings); Removal of installation of Alamo River Trail Sign (\$5,000 in savings); Removal of installation of bollards (\$10,000 in savings) to be installed at a future date by City staff.

City Council awarded the construction contract to Pyramid Construction on June 9, 2014. The kick-off meeting was held on June 27th and subsequently THG issued a memorandum to Mia Lehrer on July 2nd to communicate and recap construction management requirements expected of Mia Lehrer for the construction phase of the project. It was determined by Mia Lehrer and the City Manager to only issue a Notice to Procure (pending acceptable contract documents) for the bridge equipment and that a Notice to Proceed on Construction would take place in September.

Pyramid submitted a payment request in the amount of \$59,850.00 for the pre-fabricated bridges, which was paid by the City on July 11, 2014. The Holt Group, in turn, submitted Reimbursement #4 to the State for the material purchased on July 1st, 2014 and the City

was reimbursed on December 9th, 2014. A Notice to Proceed was issued by Mia Lehrer to the contractor on November 18th 2014 after some clarifications on design between Mia Lehrer and the Bridge manufacturer were resolved.

The project was subsequently and temporarily halted until a Labor Compliance Officer was brought on board and construction management inspection scope of work was agreed to. A Labor Compliance contract was approved by City Council on December 8th, 2014. David Dale of Dynamic Engineering was also brought in to perform daily inspection/construction management services at a cost not to exceed \$12,000 since Mia Lehrer was unable to complete the daily inspections as required. This amount would be deducted from their contract. Construction began on December 15th, 2014.

Construction Management Service invoices were also paid in January averaging \$17,000 to Mia Lehrer and North Gardens Management. Pyramid Construction was also paid \$175,249.80 on January 20th, 2015. The Holt Group, in turn, submitted Reimbursement #5 on January 27, 2015 to the State for the incurred costs, in the total amount of \$192,181.00. In January 23, 2015, City Council approved Construction Change Order #1 in the amount of \$52,070.20, for a change in scope that would require piling to be constructed using the "Wet Shaft" method of placement.

On February 25, 2015, Semi Annual Reports were submitted to the Office of Grants and Local Services. On March 25, 2015, The Holt Group submitted Reimbursement #6 to the State for additional construction management costs in the total amount of \$20,702.00. This Reimbursement included two Labor Compliance payment requests in the amount of \$1,530 and \$578, two North Gardens Management construction management payment requests in the amount of \$3,400 and \$3,740, and a Pyramid Construction construction services payment request in the amount of \$11,454.18.

On July 10, 2015, the City was notified by the California Department of Parks and Recreation that additional RTP grant funds were available for projects that had encountered cost overruns. Since the Alamo River project had cost overruns as well as Construction bid items that had to be removed to fit the budget, the project was eligible to apply for additional funding. On July 14, 2015, a packet requesting additional funds was submitted to the Department of Parks and Recreation. The packet included a letter from the City Manager explaining the need for additional funds, a revised RTP application, a revised Cost Estimate form, and a revised schedule of events.

The City received a letter on September 17, 2015, informing them that the Office of Grants and Local Services (OGALS) recommended approval of a portion of the requested additional funds in the amount of \$255,353 to the Federal Highway Administration (FHWA). FHWA approved the additional funds for this project on July 30, 2015, bringing the total new grant amount to \$685,821. OGALS notified the City that an amended grant contract would be delivered soon.

On December 11, 2015, the State contacted the City Planner to let her know the City was out of compliance with the OMB Circular Single Audit requirements and it could affect funding. City finance staff was addressing this item with the auditor.

A status report was delivered to the Department of Parks and Recreation on January 8, 2016. The City of Holtville received the new grant agreement on February 17. Signatures were coordinated from Nick Wells and returned to the State on March 2, 2016 stipulating funds had to be drawn by the end of the fiscal year, but would not be released unless compliance with the OMB Circular Audit were submitted by the March 31, 2016 deadline. The Single Audit was successfully filed.

In the interim, all the different components of the last trail sign are scheduled to arrive by mid May for installation immediately to follow, according to the Contractor. This will enable the City to process the final close-out documents by the June 2016 deadline.

A Notice of Completion was filed and recorded on May 26, 2016. The City of Holtville received and paid final invoices from Pyramid Construction, North Gardens Management, and Mia Lehrer & Associates. The Holt Group, in turn, submitted Final Reimbursement under the second grant on May 30, 2016 in the amount of \$231,534.46 for total costs incurred (minus 12% match). At the direction of the City Manager, the grant was closed and slightly over \$100,000 was left at the State level. Funds were not intended to be drawn since the construction items were never reinstated into the Pyramid Construction Contract by City Management and the Construction Manager.

The State contacted the Holt Group and communicated that all funds should be expended given that if they had disencumbered Federal Funds it would not look well for their performance and it may further affect the City of Holtville under future funding requests. After receiving authorization from the City Manager, The Holt Group, coordinated a thirty day extension from the State of California and a Change Order with Pyramid Construction, obtaining current Insurance Certification for scope of work to be completed within twenty five days. The added scope consisted of rail posts and guide and installation of trash receptacles that had been stored at Public Works.

A revised Notice of Completion was filed on July 26, 2016. The State was sent photos and they were very pleased with the finishes. The ribbon cutting event took place September 2, 2016. For the first reimbursement of Grant 2, an amount of \$231, 800 was requested. The second and final reimbursement is pending recordation of Deed Restriction by City Attorney.

2. **BECC/NADBank Wastewater Treatment Plant Application FY 10/11 (Anticipated Project Costs \$5,616,000.00, however as of December 31, 2013 costs were \$11,885,956)** – THG was given directive to prepare capital improvement applications through BECC. City Council authorized the City Manager as the approving official for the required submittals on October 11, 2010. The project was for the rehabilitation of the existing plant and included related costs for environmental compliance and processing of State Revolving Fund Application. The WWTP Improvement Project application was forwarded to the BECC EPA Office on October 27, 2010 and copies were provided to the City Manager on October 28, 2010. By mid January 2011, BECC conducted field review visits to the project sites. The project was pre-selected and was in process for FY 11/12 BEIF-PDAP Prioritization.

Grant funding for 50% of the design was officially awarded through BECC via a letter dated May 11, 2012 under EPA Region 9's US-Mexico Border PDAP. A meeting was held with BECC on June 14, 2012 to discuss BECC Certification requirements and WWTP PER Review. The Design would focus on the preferred alternative identified under the PER and more specifically described as the Biolac[®] Wave Oxidation (Integral Clarifier) System alternative. The City received a comments report dated June 22, 2012 from BECC communicating that the PER had been reviewed and that PER modifications were being requested. The requested changes were six (6) as follows: 1) Capacity consideration for septage holding tank of 25,000 gallons seems an over built, the City should reconsider the adequate volume needed; 2) Addition of proper laboratory and offices building inclusion to the improvements; 3) Clearer understating of the type of industrial discharges to the WWTP, quantities and characteristics; 4) Plan on tracking the tanker trucks irregularly dumping wastewater to the WWTP; 5) A biosolids-handling plan has to be described more in detail. The plan should include the sludge thickening process to be utilized, along with sludge windrowing, drying, storage and landfill application; and 6) Emergency backup generator should be considered. The comments report communicated that a response was required from the City to communicate if recommendations were accepted in order to authorize BECC to move forward with RFP Scope of Work development.

The letter also stated that BECC would be providing 50% of design costs up to \$500,000. The PER modifications would be covered by the awarded PDAP funding, the City would simply need to provide documentation of the Lee & Ro RFP Process. Once the PER was updated, the RFP process for the design phase would be initiated. A letter on funding status dated June 18, 2012 was also submitted to the RWQCB to provide an update on the funding milestone deadline of June 27, 2012.

Two teleconference meetings were conducted November through December 2012 with BECC to discuss the Certification Schedule, RFP for design services and concern over the pending SHPO Clearance. On December 10, 2012, City Council approved THG to proceed with the preparation of the RFP for design services for the WWTP, without the SHPO Clearance, in order to not further delay compliance of the Board Order. The final, advertised WWTP design RFP documents were submitted to BECC on December 13th. The project advertised on December 20th and EPA Notified the City of Environmental Clearance on January 4, 2013. A meeting was held at THG office with BECC and Mr. Alex Meyerhoff (via phone) on February 21st to discuss pending action items to initiate the WWTP Project. These included submission of procurement data and contracts.

Lee and Ro, Inc. and Albert A. Webb Associates, Inc. forwarded proposals for the design of the Holtville WWTP on February 14th. A Selection Committee assembled by City Management met on February 19th to review the consulting engineering proposals and recommend a design consultant on a qualification based selection. At the February 25th Council Meeting, the City Council accepted the recommendation of the Selection Committee, which was to award the contract to Lee & Ro in the amount of \$697,256. A kick-off meeting was held on March 19, 2013 by Lee & Ro with IID, EPA, BECC, Landmark and THG to discuss the project design and schedule.

THG Drafted a Public Participation Plan, which was reviewed and approved by City Council. The First Public Presentation was also reviewed and authorized by the Local Steering Committee on June 28, 2013. The Local Steering Committee also reviewed the 30% design plans and scheduled the first public meeting for July 15th. The City and THG also held a meeting with NADBank on June 11th to discuss the projects design status. Lee & Ro had completed 30% of the design plans in June and the City Engineer reviewed the plans and issued comments. A meeting was held with Lee & Ro on July 24th to review the 90% design plans. The Local Steering Committee also met on August 6th to review the 90% design plans and scheduled the final public meeting. The final design plans were completed in August and submitted to BECC for review. A total of three reimbursement requests were also submitted by the City for design costs.

The August EOOPC was \$8,866,000 which was \$1,775,910 over the SRF construction commitment. There was a total project costs gap of \$3,371,790. A meeting was held with NADBank in September to discuss the financial gap and it was communicated that assistance could be provided through the BEIF Program. NADBank requested that the City submit twenty-nine documents for an analysis. The first submittal to BECC was made on September 18th with only the Building Permit pending.

The Building Permit was submitted to BECC on October 23rd. A Second Public Meeting was also held on October 14th. The EOOPC was since then updated by both Lee & Ro and then adjusted by NADBank. Subsequently, BECC communicated that the City would need to hold a third public meeting to reflect the revised project costs and a financial assistance amount of \$3,559,910 under the BEIF Grant Program. The Final Public Meeting was held on November 25th by the City Council.

A total of two reimbursement requests and two progress reports were submitted to BECC between October and December with the most current submitted on December 6th. The draft Project Certification Document was published on December 15, 2013 which initiated the 30 public notification process before a formal proposal could be advertised. The project was certified by BECC on February 25, 2014, however the City had not

received the Construction Assistance Grant Agreement from NADBank as it was pending issues associated with Buy American Clause and Disadvantaged Business Enterprise Goals which are required by the primary lender the CWSRF but rejected by NADBank. The issue was being resolved by EPA who was the origin of funding for both programs to some extent. Lee & Ro was in the process of completing the specifications with the required language.

Construction Management Services: An Expression of Interest (EOI) for Construction Management was advertised by the City Engineer on February 27, 2014. Two of the responding firms were disqualified. Full proposals from the remaining firm (Dudek and Associates) was received on April 16, 2014 but exceeded the available budget of \$887,500 by \$1,028,300. The bid was rejected and NADBank procured qualified firms a second time. The City was authorized to request one bid from HDR. The City requested a bid from HDR which came in at \$1,073,000. It was anticipated that the contingency would cover the \$185,500 gap. Selection of Construction Management Services were brought before City Council once the Sub-Grant Agreement for the project was approved by NADBank which was pending resolution regarding Disadvantaged Business Enterprise and American Iron & Steel Language requirements. EPA was working with NADBank to clear American Iron & Steel and DBE Language. The Construction Manager, HDR, was selected during this report period and a contract for services was executed on July 30, 2014.

Construction Services: It was anticipated that the Request for Proposals for Construction would be advertised by May however, this was delayed due to the Construction Manager not yet being selected. The Advertisement for Bids for Construction Services was estimated to be advertised in August 2014. The construction bid opening date and evaluations were to be completed in September for potential recommendation to City Council by October 2014. This schedule has been significantly delayed as of the end of September. HDR had to be allowed time to review the construction bid documents, and comments were received from HDR on September 30, 2014. It is anticipated that the advertisement for bid for construction services would be published in October for potential recommendation to City Council in November 2014 or early December.

HDR completed their review and comment by November 25, 2014. The Bid Documents, however, were not approved by NADBank in October of 2014 and instead significant restructuring and itemization was requested on by NADBank which were out of the norm of all engineering firms involved (Lee&Ro, HDR, and THG). Discussions ensued between EPA and NADBank and the City on whether HDR was fulfilling their contract. HDR made some modifications and appealed on others and submitted the report to NADBank on December 15th, 2014. NADBank responded on December 19th, 2014 with some modest additional changes which were completed by Lee & Ro.

Monthly progress reports were completed for January, February and March 2015. On February 9, 2015, the City of Holtville City Council authorized a Construction bid advertisement and the bid advertisement went up on February 24, 2015. The City Engineer issued a couple of addendums and as a result, the bid opening was delayed through April 14, 2015. It was anticipated that an award recommendation would come to Council by the end of April.

NADBank Monthly Progress Reports were completed for April, May, and June 2015. NADBank completed their bid evaluation review on June 16, 2015 and the Sub-Grant Agreement was received on June 22, 2015 in the amount of \$6,889,870. City Council may now consider award of contract for construction services. Action was scheduled for the July 13, 2015 Council Meeting.

NADBank Monthly Progress Reports were completed for July, August, and September 2015. The City awarded the Construction contract to Pacific Hydrotech for Construction

Services at the July 13, 2015 City Council meeting. A Notice to Proceed was issued on July 29, 2015. Change Order #1 and #2 were in progress during September. Change Order #1 addressed DBE changes and had zero costs and no extension of time. Change Order #2 was associated with potable water systems.

NADBank monthly progress reports were submitted for October, November, and December 2015. On October 6, 2015, Change Orders #1 and #2 were accepted by the City as well as Change Order #3 which was for IID design fees. On October 22, 2015, NADBank sent a letter to the City approving Change Orders #1-#3 which increased the construction contract amount by \$103,746.26 to be paid out of grant contingency monies. The Construction Management firm was coordinating fund draws from NADBank within approved amounts for construction funding.

NADBank monthly progress reports were submitted for January, February, and March 2016. The first invoice for construction management services by HDR was submitted on March 8, 2016. The invoice was rejected by NADBank because it was inconsistent with the submitted proposal and award contract for tasks, personnel, and costs. Revisions or request for change order were requested from HDR. As of March 29th 2016, an invoice resubmittal had not been received from HDR. The billing delay from HDR has posed an issue as HDR has not paid some of the sub-consultants (surveyor) and they had halted work needed to continue to the project. A follow up with HDR indicated that they would be able to speed up schedule and get back on track. Currently, the construction schedule is 57% lapsed but only 37% complete.

NADBank monthly progress reports were submitted for April, May, and June, 2016. Change Orders #4 and #5 were approved during this quarter. Change Order #1 was for services to IID Power in the amount of \$13,879.56 and #5 was for additional work at the 18" diameter sewer line and demolition of a tank at the aeration basin for an additional cost of \$21, 447.81. Both amounts were approved to be paid with contingency funds through NADBank. HDR has further submitted invoices for construction management services during this quarter. HDR coordinated all fund draws from NADBank within approved amounts for funding.

There was an issue, however, with the lapsed contract between the City and HDR that has resulted in approval of payment for services to HDR from NADBank being denied until an amended contract term is reached. As of June 30, 2016 an amended contract had not yet been submitted to NADBank.

NADBank monthly progress reports were submitted for June, July and August 2016. Change Orders #6, #7, #8 were approved during this quarter. Change Order #6 was for duct bank work, extra light pole at septage station, extra IID 12 feet wide access gate, in the amount of \$43, 095.21. Change order #7 was for POU water system to OPS building and an added 14 inch BFV at southeast line in the amount of \$100,965.92. Change order #8 was for a 10 inch RAS added cleanout and revisions and a City requested cleanout at NPW in the amount of \$10,633.50. All change order amounts were approved to be paid with contingency funds through NADBank.

HDR has further amended their contract term and successfully invoiced during this quarter. The construction contract with Pacific Hydrotech expires in October and will also need modification. The project however, is delayed . . . the contract term is 93% lapsed and the construction is only 72% complete as of the end of September. This could result in serious issues for Board Order Compliance and meetings will be held to discuss the matter.

- 3. Wastewater Treatment Plant CWSRF Financial Assistance Application to the State Water Resources Control Board (\$6,000,000.00 however as of December 31, 2013 costs were \$11,885,956)** – On December 13, 2010, City Council approved resolution 10-53, allowing THG and City Staff to prepare an Application for the WWTP Project. The

project's scope of work included vital rehabilitation work that addressed the City's NPDES Permit. On January 10, 2011, a reimbursement resolution was also taken to the Holtville City Council for their consideration. Although the City was not on the State Priority List, the State encouraged the City to submit an application. Per Ms. Chase, if the City completed the application prior to the opening of the project priority list, SWRCB would possibly consider an amendment to include the City's project.

THG worked with the Finance Manager to obtain pending financial documents and City audits. Additional items that would be needed included the Rate Study by Raftelis and the Preliminary Engineering Report by Lee & Ro and were still pending as of July 2011. On December 8, 2011, an application packet was finalized and sent to the State for funding consideration. THG also requested a Bond Counsel Legal Opinion letter from RW&G on December 21st regarding the City's ability to incur additional debt.

A staff report dated March 22, 2012 was presented to Council on preliminary underwriting for the application. The City submitted all required information to the State with the exception of the bond counsel letter, and 10/11 Fiscal Year Audit, Sewer Cash Reserves and Uses and Operation Budget and Cash Flow Projections which were pending by the Finance Manager. Preliminary findings by the State indicated that the City was eligible for Principle Forgiveness, but limited based on their economic data and MHI. In March, the State communicated that there were still funds in Category 1, for severely disadvantaged communities and that the City qualify if it raised rates by at least \$1.77 per month. Directive had been provided by Council to move forward with a minimum \$1.77 rate increase.

The City's financial budget was not available until June 1, 2012, which was not early enough for the State to complete its underwriting within their 11/12 fiscal year, and as such the Small Communities Capitalization Grant (SCCG) funds available to CWSRF were exhausted. It was communicated on June 6th by the underwriter that the availability of principal forgiveness for the 12/13 fiscal year under the SCCG would be determined after State 12/13 budget adoption. On July 5, 2012 the City submitted all financial documents pending from the City audit and final budget to CWSRF. Additionally, the USDA Loan Commitments were also forwarded to CWSRF on September 25th after the City Council took action to accept the USDA/BECC/BEIF financing packet for the Outfall Packet, thus relieving the sewer fund of some existing debt. CWSRF requested that the City provide the rate increase amounts needed to cover the City's debt (USDA and proposed CWSRF) equal to 1.20 times the total annual debt service and operation and maintenance costs, after considering any required reserves. The City Finance Manager was tasked with completing this information so it could be presented to City Council and provided to CWSRF.

The City Manager completed the Sewer Rate financial review in December and the Proposition 218 Sewer Rate Notice was posted and issued to all property owners and service users. A copy of the notice and proposed rates were submitted to CWSRF on December 31, 2012 and published in the Holtville Tribune on January 4th.

On February 11, 2013, City Council reviewed a revised EOOPC prepared by Lee & Ro that incorporated changes to scope of work due to BECC's laboratory building recommendations, Imperial County's CUP recommendations, and omissions from original PER that resulted in a project cost increase. THG informed SRF about the revised scope and EOOPC for a total project cost of \$8,222,546. It was communicated by Ms. Chase that assistance could be provided through SRF for the additional costs and on February 25th Council approved an updated Dedicated Sources Resolution and subsequently, a final Facility Plan Approval that incorporated all costs, schedule, and terms issued by CWSRF was also approved on March 18th. Please note however, that SRF required conditions to be met by June 2013 and due to the delay in the audited

financials, it was no longer feasible for the City to meet all these conditions within that deadline.

The audited Financial Statements for FY 11/12 were submitted to NADBank by the City on April 25, 2013 and NADBank was able to meet their May 9th Board Certification meeting. An extension was requested from SRF on April 24th as it was evident that the June deadline would not be met. SRF approved the extension in May, granting the City 120 days to execute the SRF agreement and meet the conditions which included USDA paying off the 2003 and 2011 outstanding bonds (by October 28, 2013) before the SRF Loan could board. A First Supplemental Trust Agreement for the 2003 Bonds and First Amendment to Installment Sale Agreement for the 2011 Bonds resolutions were passed by Council on August 26, 2013. The Resolutions enabled the SRF loans to board prior to the USDA Loans and while the 2003 and 2011 Bonds remain on the books.

An amended Facility Plan Approval (FPA) was approved by City Council on October 28th and the executed document was submitted to the State on October 31st. A formal agreement was still pending to be issued by the State due to the agreement being reviewed by the State's legal department and an extension to April 29, 2014 had been granted by the State for the execution of the agreement. The agreement was executed by the City and submitted to the State on February 5, 2014. The First Disbursement Request was also submitted to the State on April 3rd for reimbursement of 50% of design costs in the amount of \$340,786. Please refer to the BECC Wastewater Treatment Plant Project section above for construction management and construction status.

The First Disbursement Request was reimbursed on April 30, 2014 for 50% of design costs. The First Quarterly Progress Report was submitted to the State on May 2nd. Please refer to the BECC Wastewater Treatment Plant Project section above for construction management and construction status.

As noted in prior section 4 of this staff report, the Construction Manager, HDR, was selected during the July to September report period and the contract for services was executed on July 30, 2014. HDR had to be allowed time to review the construction bid documents, and comments were received from HDR on September 30, 2014. It is anticipated that the advertisement for bid for construction services will be published in October for potential recommendation to City Council in November 2014 or early December. Reimbursement #2 for final design costs and bidding services will be processed once the construction bids come in and a final cost determines whether any contract modifications with SRF would be necessary. The quarterly progress report was submitted to Ms. Bridget Chase on November 3, 2014. If and when changes to the satisfaction of NADBank are prepared, the final edits will need to be forwarded to the CWSRF.

Quarterly Progress report #4 was submitted to Ms. Bridget Chase on January 22, 2015. As previously noted, NADBank approved of the bid documents submitted by HDR, in February and on February 9, 2015, the City Council authorized a Construction bid advertisement with a bid opening scheduled for April 14, 2015.

Quarterly Progress Report #5 was submitted to Ms. Bridge Chase on May 11, 2015. Addendum's 3, 4, 5, pushed the bid opening date to April 21, 2015. On April 21, at 2:00 P.M., the bid opened and four (4) bids were submitted: RSH Construction (\$11,271,809), Pacific Hydrotech Corporation (\$11,733,600), Steve P. Rados, Inc. (\$14,625,000), and Stanek Constructors, Inc. (\$14,713,000). NADBank completed their bid evaluation review on June 16, 2015 and the Sub-Grant Agreement was received on June 22, 2015 to cover the financing Gap. Planning Staff prepared a Final Budget Approval and Approval of Award request and submitted the packet to the CWSRF on June 25, 2015.

The City awarded the Construction contract to Pacific Hydrotech for Construction Services at the July 13, 2015 City Council meeting. A Notice to Proceed was issued on

July 29, 2015. Quarterly Progress Report #6 was submitted to Ms. Bridge Chase in August 2015. Change Order #1 and #2 were in progress as noted under Item #4. The Amendment #1 was received by the State on September 11. On September 16, 2015, the City Manager approved Amendment No. 1 to the Finance Agreement and e-mailed and mailed the State Water Resources Control Board. The amendment shifted funds to soft costs from Construction. City Staff was preparing to submit Reimbursement #2 in October.

On October 26, 2015, Reimbursement #2 in the amount of \$464,437.82 was submitted electronically and via mail to CWSRF. Reimbursement #2 included Construction Invoices #1 and #2 in the reimbursable amount of \$368,073.89, The Holt Group Administration and Richards, Watson, and Gershon invoices in the amount of \$11,821.93, Lee & Ro Design Invoice for \$7,842, and The Holt Group bidding invoices in the amount of \$88,700.

Quarterly Progress Report No. 7 was submitted to Bridget Chase on November 10, 2015. On November 10, 2015, Reimbursement #3 in the amount of \$257,587 was submitted electronically and via mail to CWSRF. Reimbursement #3 included Construction Invoice #3 in the reimbursable amount of \$191,204, The Holt Group Procurement invoices in the amount of \$55,900, and Administration invoices in the amount of \$10,483. Reimbursement #4 in the amount of \$367,787 was submitted electronically and via mail to CWSRF on December 16, 2015. Reimbursement #4 included Pacific Hydrotech Construction Invoice #4 in the reimbursable amount of \$258,479 and Lee & Ro Engineering Construction support invoices #1-4 in the amount of \$109,308.

The quarterly construction progress report was submitted to the State on November 11, 2015. The City received Reimbursement #2 from the State in the amount of \$464,437 on November 25, 2015, and Reimbursement #3 from the State in the amount of \$257,587 on December 18, 2015.

Reimbursement Request #5 in the amount of \$209,457 was submitted electronically and via mail to CWSRF on January 19, 2016. Reimbursement Request #5 included Pacific Hydrotech Invoice #5 in the reimbursable amount of \$209,457. The City received Reimbursement #4 from the State in the amount of \$367,787 on January 20, 2016.

Quarterly Progress Report No. 8 was submitted on February 2, 2016, and covered the periods of 11/1/2015 through 12/31/2015. The report was prepared in advance to cover for Calendar Year reporting beginning in 2016. The next report would be completed in early April and cover January – March 2016. Additionally reimbursement #6 in the amount of \$224,605 was submitted on February 17, 2016. Reimbursement #6 included Pacific Hydrotech Invoice #6 and one (1) Lee and Ro invoice and reimbursement was received on March 14th.

The City received Reimbursement #6 from the State in the amount of \$224,605 on March 2, 2016. Reimbursement Request #7 in the amount of \$294,324 was submitted on March 16, 2016. The request included a Pacific Hydrotech Construction invoice in the amount of \$270,237 and a Lee & Ro Construction Management invoice in the amount of \$24,087. The state approved this request on March 21, 2016.

On April 11, 2016, request for Reimbursement #8 was submitted in the amount of \$557,307 which included a Pacific Hydrotech Construction invoice of \$538,127.42 and a total of \$19,180 in invoices from The Holt Group for Construction Assistance Services. On May 02, 2016 the City received Reimbursement #8 in the amount of \$557,307. Reimbursement #9 for construction Services from Pacific Hydrotech in the amount of \$242,904 was submitted on May 12, 2016 and received on June 12th.

Reimbursement Request #10 in the amount of \$229,838 was submitted to SRF on June 13, 2016. The reimbursements included only construction costs due to Pacific Hydrotech.

Additionally, during this quarter the State representatives performed a site visit on June 15, 2016 at the WWTP and no issues were raised.

The State quarterly report was submitted on 07/07/16. Reimbursement requests #11, #12, and #13 were also submitted during this third quarter for the following purposes and in the following amounts: Reimbursement request #11 was for \$461, 423, Reimbursement #12 was for \$331, 979 and Reimbursement #13 was for \$275, 807.

4. **Alamo River Habitat Conservation Project - Department of Parks and Recreation Habitat Conservation Fund Program Grant Application (\$193,700.00)-**

On September 26, 2011, City Council approved resolution 11-32, allowing City Staff to prepare an Application for the Department of Parks and Recreation Habitat Conservation Fund Program for improvements to the Alamo River area surrounding the SR 115 overpass. The State had a call for projects under the Habitat Conservation Fund Program for Trails with a statewide budget of \$2,000,000 per year and would award grants on a competitive basis for projects that protected, restored, enhanced wildlife habitat, and acquired or developed trails which would bring urban residents into Park and/or wildlife areas. The proposed project would incorporate landscaping and buffers to protect wildlife from human intrusion, and to protect trail users.

THG Staff prepared the application and all required attachments in coordination with City Staff. The application was submitted to the State on September 29, 2011. A letter dated October 14, 2011 was received by the City acknowledging that the State had received an application from the City and that no further action was needed at that time. A letter dated February 1, 2012 was received from the State indicating that there were three items needing clarification: 1) The non-construction (or pre-construction) costs in the Cost Estimate/Grant Scope Form exceed 25% of the grant and match amounts, 2) The CEQA Certification Form required the Authorized Representative's signature, and 3) the Topographic Map appeared to be complete except that the project elements as described in the grant scope should also be included. On February 15, 2012, a response with information requested on all three items was submitted to the State and cleared.

A site visit was held between the City Planner, a project engineer, and the Department of Parks and Recreation Staff on May 18, 2012 to view the project site. Habitat vegetation data and concepts on proposed links to Class I Bike Lane and Alamo River Recreational Trail were presented at the visit. A coyote was viewed at the trail and Mr. Pete Millinger happened to be on the site that day feeding raccoons. Overall, the visit went well and it was communicated by the State representative that a determination on funding would be anticipated July 2012. The City received a grant award notice dated September 18, 2012 indicating that the City was awarded \$193,700 in grant funds for the project.

Project design commenced in October 2012 and plans were 95% complete. The City received a letter dated November 6, 2012 that included the fully executed Grant Contract and also requested that a deed restriction be recorded on the title to the subject property. Project Design was 100% complete. On March 6, 2013, City Council was presented with options to meet the State's requirements on land control. One option was for the property to be transferred from the Successor Agency to the Holtville Redevelopment Agency to the City of Holtville and the second option was for a Land Tenure Agreement to be put in place between the Successor Agency and the City of Holtville. City Council provided directive to the legal department to move forward with the transfer of the property. A reimbursement would not be submitted until land tenure issues were addressed.

The project was advertised for bid in April 17th & April 24th and bids opened on May 21st. The bids came in too high with the lowest bidder coming in at \$239,977. A letter was issued to bidders rejecting the bids received and the project scope was modified to reduce some of the areas that exceeded budget. It was communicated by the City Attorney that he was working with the City Finance Manager on completing a report to the Department

of Finance for approval of the transfer of the subject property from the Successor Agency to the City of Holtville.

Follow up was made with the City Attorney in September on the status of the transfer of the property and it was communicated that he was in the process of working with the City Manager on a list of properties to be transferred from the Redevelopment Successor Agency to the City of Holtville for submittal to the Finance Board. The project was re-advertised for bid and a total of two bids were received from Hazard Construction (\$149,607) and Pyramid Construction (\$133,944). The City awarded the construction contract at the October 14th City Council meeting to Pyramid Construction.

Follow up was made with the City Attorney during the fourth quarter and it was communicated that the transfer of the property to the City of Holtville was still in process. City Management communicated that on November 22nd the City submitted a Property Management Plan to the Department of Finance communicating the disposition of the properties currently owned by RDA and how those properties would be handled by the City, including the Alamo River property.

A Notice of Completion was filed on December 19, 2013. THG worked on the close-out documents and reimbursement request, however, the reimbursement request was unable to be processed by the State until the transfer of the property to the City of Holtville was complete and a deed restriction is recorded.

After tallying all project invoices incurred to date, it was determined that there was a small amount of grant funds still available. A concrete drinking fountain and three trash receptacles were purchased by the City. THG submitted the First Reimbursement request on March 10th. It was communicated by the State that reimbursement requests could not be processed until the transfer of the property to the City of Holtville was complete and a deed restriction was recorded. City Management continued to handle this with assistance from the City Attorney.

The final invoice and close-out packet was submitted to the State in July. Please note that the final invoice was not be reimbursed until the transfer of the property to the City of Holtville was complete and a deed restriction was recorded. The transfer was still pending as of June 30th. City Management continues to handle this with assistance from the City Attorney. The City paid the final July invoice in September, thus allowing submission for final reimbursement to the State along with the Close-Out Packet. A Close-Out packet was officially submitted to the State on September 30, 2014.

A total of \$193,000 was pending reimbursement from the State as of December 30th. The City cannot be reimbursed until the transfer of the property from RDA to the City of Holtville is complete and a deed restriction is recorded. The transfer was still pending as of September 30th. City Management will continue to handle this with assistance from the City Attorney. A reminder email was sent to City Management/City Attorney on December 22nd, 2014 and staff forwarded a status update to the State in early January.

On February 25, 2015, a HCF Status Report was submitted to the Office of Grants and Local Services reporting that 100% of the project was completed as of September 2014, with total grant funds in the amount of \$193,700.00, and that the project was within budget and scope. The deed transfer was still pending. City Manager Wells indicated in January that the Department of Finance was reviewing the City submittals. As of June 30, 2015, there were no updates to be made.

As of September 30, 2015, there were no updates on grant progress, however, at the request of the City Manager, The Holt Group prepared Redevelopment Agency Land Profiles for submission to the Department of Finance in support of the land transfer.

City Manager Nick Wells continued to work on Supplemental information for all the properties during the month of December with a successful outcome for the Habitat Conservation Fund project area. Subsequently, the City Planner forwarded restrictive

language to be used for the Grant Deeds in compliance with the State requirements. As soon as the Deeds are filed by the City Attorney, a copy would be sent to the State and the funds may be drawn.

The City Planner followed up with Steve Walker on January to provide Deed restriction language and again in February to check on status. As of March 31, 2016 the transfer and Deed Restriction were still pending. The final draw, therefore, has not been able to be initiated.

The last follow up with City Management and Legal Counsel regarding status of land transfer was made on May 30, 2016, at which time the transfer and Deed Restriction was still pending. On June, 3, 2016, at the request of Mr. Steve Walker, a legal description and plat map that had been prepared back in 2013 by The Holt Group, were forwarded to his attention for the purpose of completing this task.

The recorded deed was received from the City Attorney on July 7, 2016 and forwarded to the State. The State has reviewed the close-out packet and found all the information in order. It is expected that the final reimbursement in the amount of \$193,700 will be issued to the City no later than November 2016.

5. **Walnut Avenue South Improvements – RSTP Grant (591,000.00)** – As of January 3, 2012 this project was a fully designed project under ARRA II that remained unfunded. Funding was available under RSTP for fiscal year 2012-2013. The required application had to be submitted no later than February 24, 2012. This roadway section consisted of a 3 foot wide A.C. pavement section. The length of this street section was 2,750 feet: from Fourth Street to First Street. The street segment was in poor condition and exhibited areas of street failure due to the heavy truck traffic. Proposed improvements from Fourth to First Street line consisted of cold planing (grinding) the existing A.C. pavement 2 inches in depth with the existing cracks to be crack sealed. A stress absorbing membrane interlayer (SAMI) would be placed over the existing A.C. pavement after cold planing and crack sealing were completed to impede reflective cracking through the new A.C. pavement overlay. After SAMI is placed, a new 4 inch A.C. pavement overlay would be installed along the length of Walnut Avenue. It was also proposed to widen Walnut Avenue from the current 35 feet width to 50 feet in width, its designed capacity, to align with the newly improved Walnut Avenue Street section which was located north of Fourth Street. Curb, Gutter and Sidewalk along the Westside would also be needed but not currently into the design and may be an additional \$5,000 to design to grade. Also, a new 2-inch by 6-inch treated board was installed along the pavement edge of all other areas for support. Total project costs was estimated to be \$591,000.00 and an additional \$10,000 - \$15,000 for the additional sidewalk if preferred.

An RSTP application was submitted on February 24, 2012 requesting \$591,000.00 in funding identifying the Walnut Avenue Project as second priority. ICTC announced that projects would be selected for funding by a scoring process. Each agency that had applications submitted had a representative to form part of the quorum that would be scoring the project applications. Holtville's City Manager attended the scoring process on April 12, 2012. The Walnut Avenue South Improvements project scored high enough and was awarded 82% of the funds requested in the total amount of \$498,000 to be programmed in the 15-16 fiscal year. It was requested by City Management to decrease the scope of work for the Walnut Avenue Improvements project to be within budget of the amount.

Environmental documents and a Federal ID Packet were prepared and submitted to Caltrans on April 10, 2015 with a finance number assigned on April 23, 2015. Administration staff was in the process of clearing right-of-way issues and has contacted all utility agencies. It is anticipated that a Caltrans ROW Certification would be obtained no later than August 2015. A ROW Certification packet was completed and submitted

to Caltrans on July 30, 2015. The packet included documentation on all utilities in the project area from the City of Holtville, AT&T, Time Warner Cable, SoCal Gas, IID Power, and IID Water. The packet included information on utilities that would be relocated, including: 11 power poles by IID Power (at no cost to the City), and a City owned water valve which would be included as a construction bid item. IID Water initially claimed that the project would require an IID Water encroachment permit due to the project encroaching on the Pear City Ditch Canal. However, after more detailed research into the matter, it was determined the project would not encroach on IID Water facilities. Once this was cleared and a new utility claim letter was submitted by IID Water, a Right of Way certification was issued by Caltrans on September 17, 2015. An approval to advertise was planned to be presented to City Council in late October or early November, but delayed. The City Manager would need to also concurrently procure construction engineering services during the same timeframe following E-76 approval.

On November 18, 2015, the Request for Authorization to Proceed with Construction packet was submitted electronically and via mail to Caltrans. The E-76 Authorizing the City to Proceed had not been received from Caltrans as of December 2015. Caltrans had not initiated a review of the packet due to backlog.

Caltrans reviewed the packet in January and on January 27, 2016, the E-76 Authorizing the City to Proceed with Construction was issued by District 11. The E-76 authorized a total project cost of \$562,295, with \$497,799 of federal funds. At a City Council meeting on February 8, 2016, the City Engineer was authorized to advertise for Construction services. The advertisement was published on Friday February 12th and 19th with the bid opening on March 22, 2016. A pre-bid conference was held on February 26, 2016 at Holtville City Hall. Three (3) construction bids were received from Granite Construction, Hazard Construction, and Hal Hays Construction. The lowest construction bid was received from Hal Hays Construction for \$486,684. The City Manager also procured services for construction management. Award of contracts will be considered by City Council at the April 11th meeting.

On April 11, 2016 Construction Contract was awarded via Resolution 16-13 to Hal Hayes Construction at \$486,684 and to Athalye Consulting Engineering via Resolution 16-12 for construction management services at \$65,904. Although Athalye was not the lowest bid received, it was determined by the panelists to be the most professional and responsive bid. The pre-construction conference was held on May 26th with Fumi Galvan of The Holt Group, Inc. providing technical assistance. In the interim, The Holt Group planning staff has prepared the Award Packet documentation to Caltrans in order to facilitate future fund draws and reimbursements. The complete packet was received by Caltrans on May 30, 2016.

Although the packet was received by Caltrans, it was unable to be processed because according to their records, the City had not executed the Supplemental Agreement that had been forwarded to management in March 2016. The Holt Group requested that an additional copy be sent and be properly addressed to Mr. Nick Wells.

Construction did initiate in June. The City Engineer had to call a meeting with the Athalye Construction Management team given that there was reported absence of their presence at the project site, thus daily reporting was not taking place as required under the contract terms. The issue appears to be resolved. The City Manager was also informed that Athalye had been bought out by another company. The City attorney is reviewing the request for new contract issuance. Once that determination is made, the necessary paperwork to be coordinated with Caltrans will need to be determined.

The project construction was reported as complete on August 22, 2106. As of September 30, 2016 a recorded Notice of Completion was still pending to be received as well as the final invoice from Hal Hays Construction. Additionally, there were numerous Caltrans report documents requested from Athalye that are still pending to

be submitted for preparation of close-out packet. Final reimbursement to the City of Holtville from Caltrans is contingent upon the submittal of these documents and we anticipate a full close-out packet will be ready by the end of October 2016.

The City of Holtville was also notified that the Federal Highway Administration, Washington DC Office, will be auditing this project. Athalye Engineering has been made aware and been provided again with the list of documentation and organizational request from the regulating agencies including Labor Compliance Reports.

6. SR 115/5th Street STIP Program Phase II Project - North side (~~\$157,320~~ \$314,626)-

It was communicated in February by ICTC and Caltrans that new STIP funds had become available that could be used to complete the north side of the SR 115/5th Street project. Directive was provided by City management to pursue these STIP funds for a phase II project. ICTC provided directive for the submittal of Project Programming Request and an Allocation Request packet through Caltrans. The Allocation Request packet was submitted to Caltrans on March 24th.

Subsequent to the Allocation Request, City staff updated and satisfied the standard certification packets as follows: 1) Preliminary Environmental Study for Environmental Clearance and Categorical Exclusion determination; 2) a Right-of-way certification packet; and 3) an Authorization for Construction packet. A Preliminary Environmental Study (PES) was updated and re-submitted to Caltrans on March 27th. On March 28th, THG submitted Exhibit 13-A Short Form ROW Certification to Caltrans with required utility exhibits. THG was also in the process of completing the Request for Authorization for Construction packet. Environmental clearance and ROW certification were pending as of March 31st. The City received Environmental clearance on April 16th and ROW certification on April 17th. Environmental documents were also submitted directly to CTC on May 27th per Caltrans directive.

It was communicated in June by ICTC that STIP funds would not be available for the project at a local level and the project did not make it to the CTC agenda. Subsequently, ICTC communicated that there were unused CMAQ funds that would be allocated to the project for the 13/14 FY. ICTC issued a concurrence letter to Caltrans in July communicating allocation of project funds. An updated RFA for Construction packet was submitted in July reflecting new funding source. Per ICTC, the allocation by CTC was scheduled to occur in July under an administrative modification.

The City was approached by Mr. Luis Medina of Caltrans to request twice the funding based on the amount of funds that had been returned to the region from other projects that had lost their obligations. The Holt Group Submitted a revised allocation packet on July 18, 2014 with the intent of adding scope modifications at a later date, including the installation of the bus shelter as planned and designed by the City. The funds were successfully allocated and a total of \$314,625 in grant funding was issued to the City per the E-76 which authorized the City to proceed with construction. Staff's intentions are to modify the project scope to include the bus shelter with the additional funds allocated. This will entail a revalidation of the environmental documents and a recertification of the right-of-way documents. The Holt Group has already initiated these actions and clearance is anticipated by the end of October so that the bids can include the added scope of work. We anticipate bringing this project back to City Council for action no later than November.

Environmental clearance and re-validation was still pending as of the end of December. The existing location of an AT&T utility pole caused additional review by Caltrans Environmental. On December 4, 2014, Sandi Marks of AT&T submitted a Claim Form which claimed that two AT&T cable poles in the project scope required relocation with 100% of the costs charged to the City. However, it was communicated to AT&T in an e-mail on December 18, 2014 that the City has senior rights over the street and that utility

relocation should be an AT&T responsibility. This required a resubmittal of the AT&T Claim Form which was approved on January 6th. These changes should enable staff to obtain ROW clearance in January.

On February 5, 2015, Chris Cortez of Time Warner Cable submitted a Claim Form which claimed that Overhead lines in the project scope required relocation, with Time Warner Cable covering 100% of the relocation costs. On February 12, 2015, Joel Perez of the Imperial Irrigation District submitted a Claim Form which claimed that IID had Overhead Power lines in the project scope which would not require relocation. With all necessary claim forms submitted, The Holt Group completed the Right-of-Way Re-Certification packet and submitted to Caltrans on February 10th, 2015. On February 17th, 2015, Bruce Berlau, the Local Program Coordinator from Caltrans approved the right of way certification.

The project was advertised for construction services on February 25, 2015, with a bid opening of March 31st, 2015. The bid results were Pyramid Construction submitting a bid of \$228,733.25 and Granite Construction submitting a bid of \$329,309.00. Consequently, City Management issued an RFP for construction management services on March 18, 2015 and proposals are anticipated in April.

Due to unforeseen delays, the lapse of time between E-76 issuance and an initial reimbursement draw was over a six month period and placed the project at risk of de-obligation. Strategically it was determined to submit a reimbursement for the bid advertisement which is unusually and typically not authorized due to size of reimbursement, however a special concession was made by Caltrans. On March 16, 2015, Reimbursement Request #1 was submitted to Caltrans in the amount of \$1,863.68. Reimbursement Request #1 included a February 24, 2015 IV Press Advertising Invoice for construction services. Reimbursement #1, in the amount of \$1,863.68, was received by the City on April 16, 2015.

The City issued a Request for Proposal for Construction Management services on April 17, 2015 with proposals due on May 18, 2015. Two bids for Construction Management services were received on May 18, by Dynamic Consulting Engineering (\$57,165) and Development Design and Engineering (\$41,890). Due to only two (2) bids being received, which falls short of the required three (3), and the lack of adequate publication (web-site or newspaper), it was determined that the process did not meet the minimum requirements established by Caltrans and the City Manager has gone out to bid again.

Proposals for Construction Management services were re-submitted to the City on June 15, 2015. Four (4) firms submitted a proposal: Development Design & Engineering (\$47,335), Athalye Consulting Engineering (\$50,819.84), Dynamic Consulting Engineers (\$55,770), and Hill International (\$73,867.50), with Development Design & Engineering being the low bidder. On July 27, 2015, the City awarded the Construction contract to Pyramid Construction for Construction services in the amount of \$228,733.25 and the Construction Management contract to Development Design & Engineering for Construction Management services in the amount for \$47,335. The Pyramid Construction contract included QAP services to be performed by Kleinfelder and the Development Design & Engineering contract included QAP services to be performed by Sierra Materials Testing and Inspection. CM services exceed allowable percentage by 5.69%, and thus a special exemption was required.

An Award Packet was submitted to Caltrans on October 1st, 2015. Reimbursement Request #2, for construction management in the amount of \$3,050.00, was submitted on October 1st, 2015, as well, since the project was at risk of de-obligation due to lapse of time between reimbursement requests.

On October 22, 2015, Anh-Vu of Caltrans communicated to City Staff that Caltrans had questions regarding increase in scope for Award Packet. Justina Arce responded via e-

mail that the increase in scope was due to the addition of a bus shelter, which was previously approved by Caltrans thus clearing changes in cost.

DD&E had some difficulty obtaining a double rider permit from Caltrans and construction didn't initiate as of the end of December 2015. Pyramid Construction was still working on material submittals and construction was expected to initiate on February 1, 2016. Construction did not initiate in during the first quarter as previously expected. A meeting was scheduled with Caltrans on March 30, 2016 to try to resolve the ongoing issues.

On April 22, 2016, Reimbursement Request #3 was submitted in the amount of \$2,151.27 for construction management services in order to prevent de-obligation since the project had not seen any construction progress. DD&E had originally suspended a performance clause in August of 2015 which was revoked in April 27, 2017 with directive to Pyramid Construction to resume activities no later than June 6, 2016.

The City Engineer was asked to coordinate a special meeting with Caltrans in June to resolve the delays. A meeting was held with Shawn Rizzutto of Caltrans on June 13, 2016. Mr. Rizzutto made some recommendations regarding the last pending submittal issue (according to the Contractor and the DDE resident engineer at the meeting). At the meeting Shawn reminded the project team that previously submitted submittals need to be rechecked to make sure they are still valid (as it's been a year since we started the process).

As of June 29, 2016 there were still submittal issues (some of the submittals approved last year had expired). Pyramid Construction is still subject to the re-start date of June 6, 2016. The agreed construction ending date is August 4, 2016 and if they are not done by then, they are subject to Liquidated Damages. On June 29, 2016 the third invoice from DD&E was received for construction management services in the amount of \$4,450.00. As of the end of June, construction had not yet been initiated.

All Caltrans submittals were finally cleared and construction resumed August 17, 2016. The pre-construction conference was held and it was noted that the labor compliance officer was not present and that updates to previously issued prevailing wage determinations had not been provided. The fourth invoice from DD&E in the amount of \$2,650 was submitted. It is anticipated that a funds draw to Caltrans will be submitted in early October.

7. **RSTP 6th Street Call for Projects 2015 (\$584,000)** — The Regional Surface Transportation Program (RSTP) 2015 Call for Projects was opened on August 1st, 2015. After a review of which streets in Holtville were in need of improvements and would have a strong score in the application, it was determined by City Council, at the September 14, 2015 City Council meeting, to submit two applications for the RSTP program. The RSTP Project Application with priority #2 was for 6th Street Pavement Improvements between Holt and Melon Avenue in the grant amount of \$584,000. The applications were to be scored in October.

On October 28, 2015, a meeting was held at ICTC offices to review RSTP by all agencies and allocate funds to the projects. The City of Holtville's RSTP Project received a high score and was chosen to receive funding in Fiscal Year 16/17 strictly based on scoring. Virginia Mendoza of ICTC shared the project scores for all RSTP projects. The City of Holtville received the 3rd highest scores for the 6th Street project, out of 16 RSTP applications. Virginia Mendoza of ICTC reported that the projects would be submitted for approval by ICTC in the April 26, 2016 formal amendment. Planning Staff will initiate environmental and right-of-way documentation during the second quarter of 2016.

It was documented at the May 26, 2016 ICTC TAC meeting that 6th Street had been programmed correctly for the 16/17 Fiscal year. Planning Staff has initiated development

of the Preliminary Environmental Study to submit to Caltrans as soon as the FHWA approval comes through. The design is not funded with Federal monies, but rather LTA. The City Manager will need to procure preparation of the plan sheets and specification to ensure design is completed before the end of calendar year 2016. It is anticipated the procurement will be solicited in July.

The Federal Aide Assignment Packet was submitted to Caltrans on July 19, 2016. The City Manager was under procurement process on August 19, 2016 and action was taken to Council on September 12, 2016 Dynamic Engineer was awarded the design contract. In the interim, environmental documentation was completed by The Holt Group in July and submitted on the 18th. Caltrans certified the Categorical Exemption on August 12, 2016. The Holt Group subsequently moved forward in securing documents for right-of-way clearance. It is anticipated that a ROW Certification Packet will be submitted to Caltrans in October 2016.

8. **9th Street Phase III RSTP/CMAQ Call for Projects 2015 (\$559,000)** — The Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality Improvement Program 2015 Call for Projects was opened on August 1st, 2015. After a review of which streets in Holtville were in need of improvements and would have a strong score in the application, it was determined by City Council, at the September 14, 2015 City Council meeting, to submit two applications for 9th Street, one under the RSTP program and one for CMAQ along with a corresponding match commitment. The RSTP Project Application with priority #1 was for 9th Street Phase III Pavement Improvements and Utility Underground from Palm to Olive Avenue in the grant amount of \$432,000. The CMAQ Application submitted for 9th Street was complimentary for Sidewalk Installation from Palm to Olive Avenues in the amount of \$127,000. Both applications were submitted on September 23, 2015. The applications were to be scored in October.

On October 22, 2015, a meeting was held at ICTC offices to review 19 CMAQ applications submitted by all agencies and allocate funds to the projects. The City of Holtville's CMAQ Sidewalk Project received a very high score and was chosen to receive funding in Fiscal Year 16/17, in the full amount requested for CMAQ funding (\$127,000). The October 22 meeting only covered CMAQ projects, and it was determined that a meeting on November 19, 2015 would allocate funds for RSTP projects as well as formally accept allocated projects.

On October 28, 2015, Virginia Mendoza of ICTC shared the project scores for all RSTP projects. The City of Holtville received the 2nd highest scores for the 9th Street project, out of 16 applications. On November 19, 2015, a meeting was held at ICTC offices to allocate funding for RSTP projects. Both of the City's applications were successful in receiving funding.

On January 26, 2016, programming sheets were submitted to ICTC to request the combination of the RSTP and CMAQ project into one federal aid project, instead of two separate projects. Virginia Mendoza of ICTC reported that the projects would be submitted for approval by ICTC in the April 26, 2016 formal amendment. Planning Staff will initiate environmental documentation during the second quarter of 2016.

Since the programmed funds are for right-of-way and construction, it is essential that the City have the project designed by September 2016 in order to meet the upcoming Caltrans deadlines. It was documented at the May 26, 2016 ICTC TAC meeting that 9th Street had been programmed correctly for the 16/17 Fiscal year. Environmental and ROW Clearance will be initiated during the 3rd quarter, however, ROW Certification is unable to be obtained absent design plans. The City Engineer assisted in drafting of the scope of work and it is anticipated the procurement will be solicited in early July.

The Federal Aide Assignment Packet was submitted to Caltrans on July 26, 2016. The City Manager completed the procurement process in July 15, 2016 and action was

taken to Council on August 8, 2016 and awarded to DD&E. In the interim, environmental documentation was completed by The Holt Group in July and submitted on the 26th. Copies of some of the existing environmental studies were requested and submitted on August 3, 2016. Caltrans certified the Categorical Exemption on September 12, 2016.

The Holt Group subsequently moved forward in securing documents for the Request for Authorization to Proceed with the ROW Phase given that this project was allocated ROW Funds for the undergrounding of the lateral and relocation of utility water and sewer pipelines. That packet was submitted to Caltrans on September 29, 2016.

9. State Water Board DWSRF Application for Water Tank & System Improvements- The City of Holtville has been experiencing Trihalomethane (TTHM) violations in the Water Treatment Plant since the second quarter of 2013. The existing 2.4 MG Water Storage Tank located on 4th Street was installed in 2010 and has been experiencing some corrosion caused by a high chlorine concentration. The Holtville Water Treatment plant is unable to comply with California Division of Drinking Water (DDW) requirements without an addition to the water treatment processes. Additionally, the electrical panel requires some modifications/improvements. Funding sources to clean the tank, install a Trihalomethane Removal System (TRS), and modify/improve the electrical panel were examined and the Drinking Water State Revolving Fund was a viable option for the City.

At a City Council meeting on February 22, 2016, City Council adopted Resolution 16-04 and Resolution 16-06 authorizing Submission of a Financial Assistance Application and approving a Reimbursement Agreement to the State Water Resources Control Board for the Water Tank & System Improvement Project for costs incurred. The application consists of four independent packages as noted below along with their progress:

- **General Application Packet-** The General Application Packet consisted of project summaries, general budget and schedules along with managerial information and site control data. The General Packet was submitted to the State on February 23, 2016.
- **Environmental Packet-** The Environmental Packet consisted of CEQA documents, and evaluations for Federal Environmental Coordination including but not limited to Clean Air Act, Endangered Species, Environmental Justice, Flood Plain Management, National Historic Preservation Act, Migratory Bird Treaty Act, Protected Wetlands, and Clean Water Act, along with their respective back-up and/or calculations. A Sacred Lands Request was submitted to the Native American Heritage Commission on January 26, 2016, and a response of no sacred lands was received on January 29, 2016, along with a list of Tribal Representatives to be contacted about the project. An Initial Tribal Consultation was delivered to these Tribal Representatives on February 1, 2016, with information on the project and an invitation to comment on behalf of their respective tribe. The Environmental Packet was submitted to the State on March 7, 2016.
- **Technical Packet-** The Technical Packet consists of several technical forms, water conservation documentation and water management procedures. Also required was the preparation of a Preliminary Engineering Report (including Maps of existing and proposed improvements, detailed estimates, detailed project schedule and compliance information). Under the Technical & Managerial Form the following back-up was required: Water System & Service Area Map, Operator Certifications, Water Conservation Efforts, Water Supply commitments, Identification of Potential Contaminants, Water Plans, Operations Plan, Training Plan, Emergency Response Plan and Management Policies, including a Financial Policy. Due to the absence of a Financial Policy a sample

was drafted for management review. Additionally, City Management had to develop a 5 year CIP Program to be used for Projections and include a discussion on proposed Rate Increase (dependent on rate study) and Prop 218 compliance procedures. This packet was 90% complete as of March 31, 2016. As of March 31, 2016 the 5 Year CIP and Financial Policy are pending review and approval by the City Manager and the Bid Packet is pending completion by the City Engineer. Approval of CIP and corresponding five year projects were still pending review and approval by City Management as of June 30, 2016. The Bid Packet was also pending completion. *This packet was 95% as September 30, 2016.*

- **Financial Packet**-The Financial Packet consists of information associated with the water rates and revenue and expenditure projections including existing debt and reserves. This packet will be contingent upon a rate study. Once the study is initiated by the City Manager and adopted by City Council, it may be necessary for City Council to pledge revenues to any potential new debt not covered by the DWSRF grant. It is anticipated that this packet will not be completed until May 2016. As of June 30, 2016, the CIP, Corresponding 5 Year Projections, and Rate Study were still pending review and approval by the City Manager. *As of the end of September, a determination on the rate study had not been reached and thus the pending financial documents are unable to be completed.*
- **Technical Assistance Request**-The Holt Group Inc submitted a Technical Assistance request to the DWSRF Program on May 26th for a Rate Study through DWSRF resources. The request was processed and contact was initiated by Georgette Lynch of the California Rural Water Association. The CRWA Team requested a number of reports and data of the City's water system which was coordinated by The Holt Group, Inc. The draft results were forwarded to the City Manager on June 22, 2016 for his review and comment.

10. United States Bureau of Reclamation Holtville Wetlands Grant (\$3,000,000)- The Holtville-Alamo River Wetlands Project (Project) has been a long-time collaboration among the City of Holtville, the Imperial Irrigation District (IID), the County of Imperial, the Salton Sea Authority (SSA), the local wildlife conservation group Desert Wildlife Unlimited (501.3c), and Reclamation. In the early 2000's, Reclamation deeded 15 acres to the City of Holtville, IID deeded 16 acres, and the City of Holtville added the remaining acres for the 57.71 acre Project site. All engineering, environmental analysis, permitting, and other work was completed by 2006 in anticipation of construction funding, which did not come to fruition with the nation's economic downturn.

In February 2016, the City of Holtville was apprised of a potential funding opportunity and on March 2nd a Stakeholder meeting was held at Holtville City Hall with IID, Wildlife Unlimited, Ms. Valerie Simon, BOR Staff/Salton Sea Manager. Subsequently the team worked together to put in a proposal for full allocation of the grant funds. On March 23rd, Ms. Simon informed the project team that the project met the criteria as a non-competitive grant and a fully executed contract is anticipated by June of 2016.

During the month of March and April, The Holt Group, Inc was contact for coordination of the following: 1) Capacity of City for Grant Management, 2)Refinement of scope of work and stakeholders, 3) status of 401 Certification, 404 Permits, Streambed Alteration Agreement with DF&W, 3) Project Milestones and Construction Schedule, 4) Status and Mitigation for Cultural and Environmental Impacts, 5) Refinement of Budget and Final Cost Estimates. On May 26, 2016, it was determined by BOR staff that the State would need to work directly with City Manager Nick Wells for remaining documentation.

During the month of July and August, The Holt Group, Inc was contacted for coordination of the following: Wetlands Construction Cost Comparison Estimates, Roadway Improvement Cost comparisons, Authorization Staff Report & Authorization Resolution and a Procurement Policy and Business Plan was requested of City Management. All final documentation was submitted by the Holt Group (absent the policy) and a grant agreement was issued on September 8, 2016. The Procurement Policy remained as a condition of approval which was subsequently adopted by the City Council on September 26, 2016 by Hector Orozco.

11. Community Benefit Program-Wetlands Look-Out Project Application-On April 08, 2016 The Application window for the Community Benefit Program opened. On April 22, the City Manager requested that The Holt Group submit an application to fund for a Look-Out area at the Alamo River Wetlands in order to be able to use the BOR grant as a match. The completed application was forwarded to Nick Wells on April 28, 2016 for review and execution. The final packet was submitted to the County on May 2, 2016. The Public Benefit Program Review Committee presented a recommendation for funding to the County Board of Supervisor under which it was recommended that the City of Holtville be awarded \$20,000. The City will need to determine whether to make use of the funds since the estimated cost of the look-out is \$84,000. Imperial County will be asking the City to enter into an agreement, thus direction should be provided to management as to whether the City should commit the remaining costs (estimated at \$64,000) from General Fund/Park Funds.

The City of Holtville received an approval notification of \$20,000 on September 15, 2016. Since the funds are a fraction of what is needed, it is uncertain as to how much of the scope of work can be accomplished. City Management will be considering options. No additional work from The Holt Group is anticipated at this time, and this item will be removed from further reporting.

12. Sustainable Communities Planning Grant-The Sustainable Communities Planning Grant is funded by Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. The purpose of the grant is to assist the City in meeting the challenges of adopting land use plans and integrating strategies to transform communities and create long term prosperity. The City was awarded \$248,836 (after minor State adjustment) for the General Plan and Service Area Plan Update and related services.

Procurement for professional services was authorized by City Council on February 9, 2015 and RFP's were issued on March 20, 2015. Grant Administration Services were awarded to California Consultants. Two bids were received on June 25, 2015 from Michael Baker International and from Ricki Engineering Company for development of the General Plan and Service Area Plan. Contract for professional services was awarded to Michael Baker International. via Resolution 15-22 on August 24, 2015.

As of the end of April, there had been no State Reporting completed, nor had any invoices been prepared and or process. The Holt Group, Inc. has been asked by City Management to assist with some of the administration tasks. Subsequently, The Holt Group, Inc followed up with Baker International regarding invoicing status and coordinated invoices consistent with the awarded contract for services. On May 9, 2016 Michael Baker International submitted the first set of invoices and Reimbursement Request Number 1 was forwarded to the State on June 9th. Howard Blackson is attempting to coordinate the next public workshop with the City Manager for the month of July.

The public presentation and Workshop was held before the City Council on September 9, 2016. One of the Michael Baker International staff members had gone out on maternity leave and it appears the Housing Element was never sent to HCD nor were the final zoning amendments forwarded to the City as originally projected. During the month of September, additional follow-up questions were made and the final zoning amendments were issued to the City for processing and adoption. The final Housing Element had not been completed as of September 30, 2016 but was pending only minor edits. It is anticipated that the Housing Element will circulate in early October and that the proposed amendments will be considered by the Planning Commission and City Council during October as well.

As a related item, the City will need to make several textual amendments and adoption of a density bonus ordinance in order to be in compliance with State Law and in consistency with the adopted Housing Element policies. A public hearing has been scheduled before the Planning Commission for October action.

Please note that the aforementioned grants entail grant reporting and grant administration of which The Holt Group has been delegated at some level. This is not to say that The Holt Group is the Project Manager for all of the aforementioned grant funded projects. The construction management firm and/or resident engineer for each respective construction project is in essence the Project Manager and reports directly to the City Manager.