CITY COUNCIL
MEETING AGENDA

CITY OF MONTEBELLO CITY COUNCIL/SUCCESSOR AGENCY
CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA[1 1[2]]
WEDNESDAY, MAY 13, 2020

5:30 P.M.

MONTEBELLO CITY COUNCIL

SALVADOR MELENDEZ
MAYOR

KIMBERLY A. COBOS-CAWTHORNE **MAYOR PRO TEM**	**ANGIE M. JIMENEZ** **COUNCILMEMBER**
DAVID N. TORRES **COUNCILMEMBER**	**JACK HADJINIAN** **COUNCILMEMBER**
CITY CLERK **IRMA BARAJAS**	**CITY TREASURER** **RAFAEL GUTIERREZ**

CITY STAFF

CITY MANAGER **René Bobadilla**	**CITY ATTORNEY** **Arnold M. Alvarez-Glasman**

DEPARTMENT HEADS

Assistant City Manager	**Arlene Salazar**
Fire Chief	**Fernando Pelaez**
Police Chief	**Brad Keller**
Director of Finance	**Michael Solorza**
Director of Human Resources	**Nicholas Razo**
Director of Planning/Community Development	**Joseph Palombi**
Director of Public Works	**James Enriquez**
Director of Recreation and Community Services	**David Sosnowski**
Director of Transportation	**Young-Gi Kim Harabedian**

OPENING CEREMONIES

1. **CALL MEETING TO ORDER:** **Mayor Melendez**
2. **ROLL CALL:** **City Clerk I. Barajas**

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[1] *In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Building Official at 323/887-1497. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II1203). If you require translation services, please contact the City Clerk's Office 24 hours before this meeting. Si necesita servicios de traducción, comuníquese con la Oficina del Secretario Municipal 24 horas antes de esta reunión.*

3. **STATEMENT OF PUBLIC ORAL COMMUNICATIONS FOR CLOSED SESSION ITEMS:**

Members of the public interested in addressing the City Council on Closed Session items must fill out a form provided at the door, and turn it in to the City Clerk prior to the announcement of Closed Session items.

Please be aware that the maximum time allotted for individuals to speak shall not exceed three (3) minutes per speaker. Please be aware that in accordance with State Law, the City Council may not take action or entertain extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

IN CONSIDERATION OF OTHERS, PLEASE TURN OFF, OR MUTE, ALL CELL PHONES AND PAGERS. THANK YOU FOR YOUR COOPERATION.

ORAL COMMUNICATIONS ON CLOSED SESSION ITEMS

CLOSED SESSION – 5:30 P.M.

The City Attorney shall provide a briefing on the item listed for Closed Session as follows:

4. **THREAT TO PUBLIC SERVICES OR FACILITIES**
Government Code Section 54957
Consultation with City Manager, Police Chief, City Attorney and other related City officials.

5. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Government Code Section 54956.8

Property:	1318 West Colegrove
Agency:	Rene Bobadilla
Negotiating Parties:	Property Owner
Under negotiation:	Terms of payment or price

REGULAR SESSION - 6:30 P.M.

6. **INVOCATION**

PLEDGE OF ALLEGIANCE

7. **PRESENTATION**

CALIFORNIA DAY OF THE TEACHER

8. **STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST**

9. **CORRECTIONS TO THE AGENDA – CITY MANAGER**

10. **STATEMENT OF PUBLIC ORAL COMMUNICATIONS:** Members of the public interested in addressing the City Council on any agenda item or topic must fill out a form provided at the door, and turn it in to the City Clerk prior to the beginning Oral communications. A form does not need to be submitted for public hearing items.

Speakers wishing to address the City Council on an item that is not on the agenda will be called upon in the order that their speaker card was received. Those persons not accommodated during this thirty (30) minute period will have an opportunity to speak under "Oral Communications – Continued" after all scheduled matters have been considered.

Please be aware that the maximum time allotted for individuals to speak shall not exceed three (3) minutes per speaker. Please be aware that in accordance with State Law, the City Council may not take action or entertain extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

At this City Council meeting and consistent with the Governor's Executive Order No. N-29-20, the City Council meeting will continue to be live streamed for the public's convenience and can be watched at www.cityofmontebello.com and click on Live Stream. For those interested in making public comments, you may call on Wednesday May 13, 2020 between 9:00 a.m. – 3:00 p.m. at (323) 887-1437. Staff will complete public comment cards in the order received. The public will be called during the City Council meeting that begins at 6:30 p.m. the exact call back time is not predictable due to the nature of the City Council agenda. As a result, you must be available until the end of the meeting to receive a live call from staff during the meeting. The City has created an email address ccpubliccomment@cityofmontebello.com where the public can submit public comments from 4:30 p.m. – 5:30 p.m. on Wednesday, May 13, 2020. These questions will be read out loud and submitted for the record. The email address for City Council meetings can be located on the City's webpage under the City Clerk tab,
https://www.cityofmontebello.com/department/administration/city-clerk-s-office.html.

11. PUBLIC ORAL COMMUNICATIONS ON OPEN SESSION ITEMS (30 MINUTES)

12. APPROVAL OF AGENDA: Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion with the exception of Item Nos. 13, 14 and any item upon which a member of the public or City Council has requested to speak upon. Such approval will also waive the reading of any ordinance.

SCHEDULED MATTERS

13. PUBLIC HEARING: CONSIDERATION AND APPROVAL OF AN URGENCY ORDINANCE AND ORDINANCE ADOPTING BY REFERENCE THE 2019 CALIFORNIA BUILDING CODES TO THE MONTEBELLO MUNICIPAL CODE

RECOMMENDATION: It is recommended that the City Council:

1) Waive further reading and adopt the Urgency Ordinance adopting by reference and amending the 2019 California Building Standards Code and certain specified appendices thereof including the: 2019 California Building Standards

2) Administrative Code, 2019 California Residential Code, 2019 California Electrical Code, 2019 Mechanical Code, 2019 Plumbing Code, 2019 California Energy Code, 2019 California Historical Building Code, 2019 California Fire Code, 2019 California Existing Building Code, 2019 California Green Building Standards Code, and California 2019 Referenced Standards Code; and

3) Waive first reading and introduce the Ordinance, adopting by reference the 2019 California Building Standards Code and certain specified appendices thereof including the: 2019 California Building Standards Administrative Code, 2019 California Residential Code, 2019 California Electrical Code, 2019 Mechanical Code, 2019 Plumbing Code, 2019 California Energy Code, 2019 California Historical Building Code, 2019 California Fire Code, 2019 California Existing Building Code, 2019 California Green Building Standards Code, and California 2019 Referenced Standards Code; and

4) Concurrently make certain findings in support of specific additions, deletions and/or amendments to the proposed urgency ordinance and ordinance.

14. PUBLIC HEARING: APPROVE THE HOUSING ELEMENT UPDATE (DATED APRIL 8, 2020) FOR THE 2016-2021 PLANNING PERIOD AND ADOPT ZONE CODE AMENDMENT NO. 01-20 FOR THE RELATED HOUSING OPPORTUNITY OVERLAY ZONE

RECOMMENDATION: It is recommended that the City Council:

1) Adopt Resolution adopting the Addendum to the adopted Negative Declaration prepared in connection with the Housing Element Update (2016-2021);

2) Adopt Resolution approving the Housing Element Update (dated April 8, 2020) for the 2016-2021 planning period; and

3) Introduce and waive first reading of the Ordinance to establish the Housing Opportunity Overlay Zone (Zone Code Amendment No. 01-20).

CONSENT MATTERS

15. APPROVAL OF PRELIMINARY OFFICIAL STATEMENT, BOND PURCHASE AGREEMENT AND CONTINUING DISCLOSURE AGREEMENT IN CONNECTION WITH THE SALE OF PENSION OBLIGATION BONDS AND FORM OF PENSION FUNDING POLICY

RECOMMENDATION: It is recommended that the City Council:

It is recommended that the City Council Adopt a Resolution approving a Preliminary Official Statement, a Continuing Disclosure Agreement, a Bond Purchase Agreement, a Pension Funding Police and authorize the taking of certain other actions in connection therewith.

16. REQUEST FOR PROPOSALS (RFP) FOR CLASSIFICATION AND TOTAL COMPENSATION STUDY

RECOMMENDATION: It is recommended that the City Council:

1) Authorize City Staff to issue a Request for Proposals (RFP) for a Classification and Total Compensation Study (RFP 20-12).

2) Take such additional, related action that may be desirable.

17. AWARD A PURCHASE ORDER CONTRACT FOR JANITORIAL SUPPLIES

RECOMMENDATION: It is recommended that the City Council:

1) Approve the purchase of cleaning and janitorial supplies in an amount not to exceed $80,000 with Clean Sweep Supply Company for the current Fiscal Year (FY 2019-20); and

2) Authorize the City Manager to approve the purchase order.

18. ACCEPTANCE OF WORK AND FILING OF NOTICE OF COMPLETION FOR THE CITYWIDE BUS STOP IMPROVEMENT DESIGN AND INSTALLATION PROJECT

RECOMMENDATION: It is recommended that the City Council:

It is recommended that the City Council accept the Citywide Bus Stop Improvement Design and Installation Project as complete, authorize the City Engineer to prepare a Notice of Completion and the City Clerk to file the Notice of Completion with the Los Angeles County Recorder and Direct the Finance Director to release retained funds.

19. ADOPTION OF ORDINANCE APPROVING CHANGES TO MONTEBELLO MUNICIPAL CODE CHAPTER 2.04 RELATING TO POWERS, DUTIES AND RESPONSIBILITY OF THE CITY MANAGER

RECOMMENDATION: It is recommended that the City Council:

1) Review the attached Ordinance relating to the position of City Manager and approve the clarifications of the Montebello Municipal Code (MMC); and

2) Adopt the Ordinance at Second Reading.

20. AUTHORIZATION TO ENTER INTO A SITE ACCESS AGREEMENT WITH LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM (LA-RICS) FOR INSTALLATION OF A WIRELESS COMMUNICATION FACILITY LOCATION

1) Authorize the City Manager to enter into a Land Lease Agreement with LA-RICS for the installation of a wireless communication facility; and

2) Authorize the City Manager to negotiate terms and enter into a License Agreement with AT&T FirstNet for the operation and maintenance of a wireless communication facility; and

3) Approve the Land Lease Agreement between the City and LA-RICS for a certain designated space on the City's facility located at 1600 W. Beverly Blvd.

21. PAYMENT OF BILLS: RESOLUTION APPROVING THE CITY/SUCCESSOR AGENCY WARRANT REGISTER OF DEMANDS DATED MAY 13, 2020

RECOMMENDED ACTION: It is recommended that the City Council:

Adopt the proposed resolution approving the Warrant Register dated May 13, 2020.

22. APPROVAL OF MINUTES: FEBRUARY 12, FEBRUARY 26, MARCH 11, MARCH 12 AND MARCH 16, 2020

RECOMMENDATION: It is recommended that the City Council:

Approve minutes as written.

22A. ADOPTION OF A RESOLUTION AUTHORIZING THE FILING OF APPLICATIONS WITH SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT FOR THE VOLKSWAGEN MITIGATION TRUST FUNDS

RECOMMENDATION: It is recommended that the City Council:

(1) Adopt a Resolution authorizing the filing of applications with the San Joaquin Valley Air Pollution Control District (SJVAPCD) for the City of Montebello, through Montebello Bus Lines (MBL), to receive Volkswagen Mitigation Trust Funds to purchase zero emission buses.

(2) Take such additional, related, action that may be desirable

23. ORAL COMMUNICATIONS - CONTINUED

24. INTERGOVERNMENTAL AGENCY MEETINGS UPDATE

COUNCIL ORALS

None.

ADJOURNMENT

NOTES

ITEM #13

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: René Bobadilla, City Manager

BY: Joseph Palombi, Director of Planning and Community Development

SUBJECT: **Consideration and Approval of an Urgency Ordinance and Ordinance Adopting by Reference the 2019 California Building Codes to the Montebello Municipal Code**

DATE: May 13, 2020

RECOMMENDATION

It is recommended that the City Council:

1. Waive further reading and adopt the Urgency Ordinance adopting by reference and amending the 2019 California Building Standards Code and certain specified appendices thereof including the: 2019 California Building Standards Administrative Code, 2019 California Residential Code, 2019 California Electrical Code, 2019 Mechanical Code, 2019 Plumbing Code, 2019 California Energy Code, 2019 California Historical Building Code, 2019 California Fire Code, 2019 California Existing Building Code, 2019 California Green Building Standards Code, and California 2019 Referenced Standards Code; and

2. Waive first reading and introduce the Ordinance, adopting by reference the 2019 California Building Standards Code and certain specified appendices thereof including the: 2019 California Building Standards Administrative Code, 2019 California Residential Code, 2019 California Electrical Code, 2019 Mechanical Code, 2019 Plumbing Code, 2019 California Energy Code, 2019 California Historical Building Code, 2019 California Fire Code, 2019 California Existing Building Code, 2019 California Green Building Standards Code, and California 2019 Referenced Standards Code; and

3. Concurrently make certain findings in support of specific additions, deletions and/or amendments to the proposed urgency ordinance and ordinance.

BACKGROUND

The California Building Standards Code (Cal. Code Regs., Title 24) is comprised of various construction codes which are amended on a three-year cycle. The California Building Standards Commission amended the California Building Standards Code in 2019 and became effective on January 1, 2020. Previous versions of the California Building Standards Code were based on various model codes and adopted by ordinance into the Montebello Municipal Code with local amendments for administrative enforcement and more stringent requirements.

An urgency ordinance is necessary to allow the City (upon adoption) to ***immediately*** enforce specific codes throughout the City which would not otherwise be permitted under the standard 2019 building codes. The 2019 updates to the standard building code apply to Montebello by default without taking into consideration Montebello's unique topography, geography and climate. The longer the city waits to adopt these amendments, the more challenging it will be to maintain cohesive enforcement of codes citywide. Given the effective date of the 2019 California Building Standards Code, an urgency ordinance is needed to make effective immediately the proposed ordinance and preserve the public peace, health, safety and welfare of the City until a permanent ordinance is adopted. Concurrently, staff is recommending City Council waive and introduce for first reading an ordinance to supersede the proposed urgency ordinance.

ANALYSIS

Title 24 of the California Code of Regulations, known as the California Building Standards Code ("Title 24" or "CBSC"), contains the regulations that govern the construction of buildings in California. The 2019 CBSC was published on July 1, 2019, and became effective on January 1, 2020. The 2019 CBSC consists of the following appendices ("Parts"):

- Part 1 – California Administrative Code
- Part 2 – California Building Code
- Part 2.5 – California Residential Code
- Part 3 – California Electrical Code
- Part 4 – California Mechanical Code
- Part 5 – California Plumbing Code
- Part 6 – California Energy Code
- Part 7 – Vacant – formerly California Elevator Safety Construction Code
- Part 8 – California Historical Building Code
- Part 9 – California Fire Code
- Part 10 – California Existing Building Code
- Part 11 – California Green Building Standards Code ("CAL Green")
- Part 12 – Referenced Standards Code

The CBSC is amended on a three-year (3-year) cycle. On January 25, 2017, the City adopted Ordinance 2392 in order to comply with the State's 2016 updates. The purpose of the attached proposed ordinance is three-fold: (1) to adopt by reference the new 2019 CBSC updates; (2) concurrently adopt certain findings in support of making specific additions, deletions and/or amendments to the 2019 CBSC; and (3) incorporate such updates into the MMC.

The Planning & Community Development Department and the Fire Department have reviewed the 2019 updates (in coordination with the City Attorney's Office), and have incorporated the applicable local amendments into the attached proposed ordinance. During review of the MMC to incorporate the 2019 updates, staff noted that in order to streamline future adoptions of the CBSC, reference to specific CBSC editions be deleted from the MMC. As such, amendments to specific sections adopting specific editions of the CBSC are also being recommended.

State law allows local jurisdictions to amend the CBSC to include more restrictive requirements where deemed necessary in order to address adverse local conditions related to climate, geology and/or topography. Health and Safety Code ("H&S Code") Section 18941.5(b). When a city, county, or city and county enacts such stricter local amendments, a copy of the amendments along with express findings that such amendments are reasonably necessary, must be filed with the California Building Standards Commission ("Commission"). H&S Code § 17958.7. No local amendment is enforceable unless filed with the Commission.

Based on the City's unique local conditions related to climate, geology and topography, staff is recommending amendments to the CBSC at outlined in the attached proposed urgency ordinance and ordinance. The proposed ordinance is set to supersede the urgency ordinance.

ENVIRONMENTAL REVIEW

These ordinances are not subject to the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, Section 15061(b)(3), because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed ordinances maintain the status quo and prevent changes in the environment pending the completion of the contemplated municipal code review. Because there is no possibility that the ordinances may have a significant adverse effect on the environment, the adoption of the ordinances is exempt from CEQA.

FISCAL IMPACT

Adoption and proposed urgency ordinance and ordinance amending the MMC results in no direct fiscal impact to the City.

SUMMARY

Staff recommends City Council waive further reading and adopt an urgency ordinance adopting by reference and concurrently amending the 2019 CBSC into the MMC. Staff also recommends City Council waive first reading and adopt an ordinance adopting by reference and concurrently amending the 2019 CBSC into the MMC to supersede the urgency ordinance contemplated herein.

ATTACHMENTS: A. Urgency Ordinance
B. Notice of Public Hearing

ORDINANCE NO. ________

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA ADOPTING BY REFERENCE THE 2019 CALIFORNIA BUILDING STANDARDS CODE AND CERTAIN SPECIFIED APPENDICES THEREOF INCLUDING, THE 2019 CALIFORNIA BUILDING STANDARDS ADMINISTRATIVE CODE, 2019 CALIFORNIA BUILDING CODE, 2019 CALIFORNIA RESIDENTIAL CODE, 2019 CALIFORNIA ELECTRICAL CODE, 2019 CALIFORNIA MECHANICAL CODE, 2019 PLUMBING CODE, 2019 CALIFORNIA ENERGY CODE, 2019 CALIFORNIA HISTORICAL BUILDING CODE, 2019 CALIFORNIA FIRE CODE, 2019 CALIFORNIA EXISTING BUILDING CODE, 2019 CALIFORNIA GREEN BUILDING STANDARDS CODE, 2019 CALIFORNIA REFERECED STANDARDS CODE; AND MAKING CERTAIN FINDINGS IN SUPPORT OF SPECIFIC ADDITIONS, DELETIONS AND/OR AMENDMENTS THERETO

WHEREAS, the City Council of the City of Montebello ("City") finds that there is a need to enforce the most current editions of the California Building Standards Code ("CBSC") as set forth by the California Building Standards Commission ("Commission"); and

WHEREAS, State law requires updating the CBSC every three (3) years, the Commission reviews proposed standards and amendments to the CBSC and adopts new editions and supplements every three (3) years; and

WHEREAS, the Commission adopted the approved 2019 CBSC which establish construction standards to protect the public welfare and provide uniformity in building laws; based on the latest national and international model building codes; and

WHEREAS, the 2019 CBSC became effective and applicable to any building or structure for which application for a building permit is made on or after January 1, 2020; and

WHEREAS, the City hereby desires to incorporate the 2019 CBSC into the Montebello Municipal Code ("MMC") by formally adopting by reference, the published 2019 CBSC; and

WHEREAS, the State of California allows local jurisdictions to adopt the provisions of the CBSC with stricter requirements known as "local amendments" in accordance with Health and Safety Code ("H&C") Sections 17922, 17958, 17958.5, 17958.7, and 18941.5(b), where necessary to reasonably address adverse local conditions and protect the health, safety and welfare of citizens of the City because of local climate, geology and/or topography; and

WHEREAS, incorporating the 2019 CBSC with specific amendments will keep the City in compliance with State law; and

WHEREAS, Government Code Sections 36934 and 36937 expressly authorize the City Council to adopt an urgency ordinance for the immediate preservation of the public peace, health or safety with four-fifths vote of the City Council; and

WHEREAS, the City Council hereby waives full reading hearing of this Urgency Ordinance adopting by reference specific appendices of the 2019 California Building Code and amendments to the Montebello Municipal Code in support of specific additions and or deletions thereof; and

WHEREAS, the City Council of the City finds and declares that the adoption of this ordinance is necessary to protect the general health, safety and welfare of the community.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES ORDAIN AS FOLLOWS:

SECTION 1. RECITALS. The above recitals are true and correct and made a part of this Ordinance.

SECTION 2. PURPOSE. The purpose of this Ordinance is three-fold: (1) adopt by reference the new 2019 CBSC updates; (2) concurrently adopt certain findings in support of making specific additions, deletions and/or amendments to the 2019 CBSC; and (3) incorporate such updates into the MMC.

SECTION 3. FINDINGS URGENCY ORDINANCE.

A. The City Council finds that adoption of an urgency ordinance here is necessary and reasonable for the preservation of the public peace, health or safety of residents living within the City.

B. The 2019 CBSC requirements went into effect January 1, 2020, and require that each local government publish such standards to provide adequate notice before they are implemented. To effectively regulate and enforce building and construction in the City, certain local amendments and modifications must be made to the 2019 CBSC.

C. Without the adoption of an urgency ordinance the general provisions of the 2019 CBSC apply, which do not take into account the City's unique geological, climatic, or topographical conditions.

D. Only by adopting an ordinance amending the general provisions of the 2019 CBSC requirements will the City's unique geological, climatic or topographical conditions be taken into consideration to effectively regulate and enforce local building and construction projects.

E. This urgency ordinance is consistent with the City's General Plan, Municipal Code, and applicable federal and state law.

F. Based on the foregoing, there is a current and immediate threat to the public health, safety, and welfare, an emergency ordinance is warranted and necessary to protect such interests.

SECTION 4. FINDINGS – AMENDMENTS. The City Council finds that there is a need to keep the existing local amendments and modify or add certain administrative provisions to its Title 15, Buildings and Construction, in order to effectively regulate and enforce building and construction as provided in the 2019 California Building Standards Codes. In order to adopt proposed amendments to the California Building Standards, Code, the City Council must make findings that the proposed amendments are necessary due to local geological, climatic, or topographical conditions. The Council therefore makes the following findings in support of specific additions, deletions, and/or amendments to the California Building Standards Code:

A. Geological - That the Southern California Region, which includes the City, is within a very active seismic areas where the local geology is located near active earthquake faults and subject to liquefaction presenting a significant earthquake risk. The aforementioned conditions within the City create hazardous conditions for which departure from the California Building Standards Code is required.

B. Climatic - That the local climate consists of hot and dry conditions during the summer months creating severe fire hazard areas. The hot, dry weather in combination with Santa Ana winds frequently results in fires. The aforementioned conditions within the City create hazardous conditions for which departure from the California Building Standards Code is required.

C. Topographical - That the local topography consists of natural hillsides, basins and rugged terrain that can contribute to accelerated spread of wildfires, flooding, damage, and erosion. The aforementioned conditions within the City create hazardous conditions for which departure from the California Building Standards Code is required.

The above findings (“A,” “B” or “C”) apply to the following code addendums or amendments as specified in the “Justification” column:

MMC Section	Section Title	Addendum	Amendment	Justification
15.04.036	CBC Section 1510.1, amended		X	A
15.04.040	CBC Section 903.2, amended		X	A
15.04.100	Hillside areas – Building regulations.		X	C
15.04.120	CBC Section R105.5, amended - Permit Expiration		X	A
15.04.130	Cannabis Facilities, added – Building Occupancy		X	A
15.32.190	Automatic Fire Extinguishing System, amended, Fire regulations		X	A
15.32.720	Fire protection requirements at cannabis facilities, added		X	A
15.36.040	CBC Section 1613.2, amended – Definitions		X	A
15.36.050	CBC Section 1613.7 amended – Risk Category classifications		X	A
15.36.060	CBC Section 1613.2.1 added – General requirements		X	A
15.36.070	CBC Section 1613.2.2 amended – Administration		X	A
15.36.080	CBC Section 1613.8 added – Historical buildings		X	A
15.36.90	CBC Section 1613.9 added – Analysis and design		X	A
15.36.100	CBC Section 1613.10 added – Materials of construction		X	A
15.36.110	CBC Section 1613.11 added – Information required on plans		X	A
15.36.120	Table 23-M added to CBC Chapter 16 – Risk Category Occupancy		X	A
15.36.130	Table 23-N added to CBC Chapter 16 – Time limits for compliance		X	A
15.36.140	Table 23-O added to CBC		X	A

	Chapter 16 – Horizontal force factors based on rating classification			
15.36.150	Table 23-P added to CBC Chapter 16 – Horizontal seismic force important factors “Ie” for parts or portions of structures		X	A
15.36.160	Horizontal force factor “Cp” for parts or portions of buildings or other structures added to CBC Chapter 16		X	A
15.36.170	Table 23-R added to CBC Chapter 16 – Allowable value of height – thickness ration of unreinforced masonry walls with minimum quality mortar.		X	A
15.36.180	Table 23-S added to CBC Chapter 16 – Value for existing materials		X	A
15.36.190	Table 23-T added to CBC Chapter 16 – Allowable values of new materials used in conjunction with existing construction		X	A
15.36.200	Table 23-U added to CBC Chapter 16 – Allowable shear stress for tested unreinforced masonry walls		X	A

SECTION 5. ADDITIONS, DELETIONS AND AMENDMENTS. **Title 15**, **Buildings and Construction** of the MMC is amended. (Deletions in ~~strikethrough~~ and additions in underline)

SECTION 6. Section 15.04.036 of Chapter 15.04 of the MMC is hereby amended to read as follows:

15.04.036 – ~~CBC Section 1510.01, amended~~ *Rooftop Structures*

~~Section 1510.1 of the California Building Code is amended to read as follows: Section 1510.1. General.~~

All re-roofing shall conform to the applicable provisions of the California Building Code. Roofing materials and methods of application shall comply with the CBC Standards or shall follow manufacturer's installation requirements when approved by the Building Official. Unless otherwise approved by the Building Official, all existing wood shake or wood shingle roofing material shall be removed completely. Additionally, where applicable, a minimum of one-half inch thick plywood sheathing shall be installed in accordance with the requirements of the 2019 California Building Code ~~Chapter 23 of this Code~~ prior to the installation of new roofing.

(a) Roof Covering. All re-roofing shall be fire retardant with a minimum class C classification unless otherwise approved by the Building Official.

(b) Repairs. Not more than twenty-five percent of the roof covering of any building or structure shall be replaced in any twelve-month period unless the new roof covering is made to conform to the requirements of this code for new construction.

(c) Materials and methods of application. Roofing materials and methods of application shall comply with applicable California Building Code Standards or shall follow the Manufacturer's installation requirements when approved by the Building Official.

SECTION 7. Section 15.04.040 of Chapter 15.04 of the MMC is hereby amended to read as follows:

15.04.040 – ~~CBC Section 903.2, amended~~ *Automatic Fire Sprinkler System - Where Required*

~~Subsection 903.2 is amended by adding thereto the following paragraph:~~

Every new building of any type of construction or occupancy over three (3) stories in height.

SECTION 8. Section 15.04.100 of the MMC is hereby amended to read as follows:

15.04.100 – Hillside areas – Building regulations

The provisions of this section shall apply to all work, for which a building permit is required, on property within any hillside areas, as defined in Section 15.48.050, in addition to the regulations as set forth in this chapter and Chapter 15.48 of this code. In all such cases, the building inspector shall not give final approval to any such work until he finds that each of the following regulations have been complied with:

A. Compliance with Grading Regulations:

1. Filing of a grading certificate from the civil engineer of record; or
2. Compliance with each of the following regulations in all cases where a grading permit is not required:
   a. Section 15.48.260, grading in relation to property lines,
   b. Section 15.48.270, Consent of adjacent property owner,
   c. Section 15.48.280, Time of work,
   d. Section 15.48.290, Building pad development,
   e. Section 15.48.310 through 15.48.340, excavating,
   f. Section 15.48.350 through 15.48.450, fills,
   g. Section 15.48.480, Slope planting and irrigation,
   h. Section 15.48.500, drainage (general),
   i. Section 15.48.550, maintenance of grading and protective devices.

B. Gutters. Eave and/or ground gutters shall be provided to receive all roof water and deliver it through a nonerosive device to a street or watercourse.

C. Maintenance of Drainage. Drainage in conformance with the provisions of this code shall be maintained during and subsequent to construction.

D. Driveway Design. Driveways shall be designed to comply with all zoning regulations; provided, that the maximum gradient thereof shall not exceed twenty percent.

E. Building Construction. No building shall be constructed upon two-horizontal-to-one-vertical slope or steeper, except that the building ~~inspector~~ official may permit construction upon slopes steeper than 2:1; provided, that a geotechnical report from a geotechnical engineer and a geologic report from an engineering geologist are filed indicating that the existing soil and geologic conditions will permit such construction. Where allowed, adequate provision shall be made to prevent downhill creep of the footings.

1. Clearance

a. No building or structure shall be located closer to the toe of any two-to-one or steeper, cut or fill slope than the following:
   i. A minimum of three feet provided the slope does not exceed six feet in vertical height;
   ii. One-half the vertical height with a maximum of fifteen feet where the slope exceeds six feet in height.
b. Notwithstanding the foregoing, attached or detached open carports or detached garages may be constructed a minimum of three feet clear of the toe of conforming cut or fill slopes.

2. Building Construction on Compacted Filled Ground. (General). No building shall be located within a horizontal distance of forty feet from the top of an inclined fill slope which exceeds one hundred feet in vertical height measured from the toe to the top of the fill unless the building is designed to withstand the resulting total and differential settlements. The soils engineer shall submit evidence of the anticipated settlement behavior. (See Exhibit 15.04.100 (J) for further setback specifications.)

3. Footing Elevations.
   a. On graded hillside sites the top of footing stem or finish floor, if a concrete slab, shall extend above the elevation of the low point of the street curb a minimum of six inches, plus two percent of the distance from the footing to the curb.
   b. Where the site drains to an approved drainage device, the footings shall extend above the elevation of the low point of the device a minimum of six inches, plus two percent of the distance from the footing to the device. In no event shall the top of the footing or finished floor elevation be less than six inches above the finished building pad elevation.

4. Slough Wall. If potential sloughing hazards affecting buildings or structures are present on cut or fill slopes in excess of twenty feet in vertical height, where such slopes parallel the buildings or structures, slough protection devices may be required by the department.

F. Building Construction Upon Excavations or Fills or in Areas Subject to Drainage or Slide Hazards. When buildings are to be constructed on sites which result from grading performed pursuant to Chapter 15.48 of this code or in areas where hazardous soil conditions exist, then in additional to all other applicable provisions of this code, the following requirements shall be complied with:

1. No building inspections shall be made for approvals given thereto until the city engineer has certified compliance with the rough grading as detailed on the grading plan and has received the soils and geological reports.

2. No final building inspections shall be made or approvals given thereto until the city engineer has certified compliance with Chapter 15.48 of this code.

3. No building shall be constructed in a natural watercourse or an area subject to inundation unless provisions have been made, to the satisfaction of the city engineer, to protect he building and adjacent properties from damage or inundation.

4. No building shall be constructed where the proposed building site is in an area subject to slides or unstable soil unless provision has been made, to the satisfaction of the city engineer, to protect the building and adjacent properties from damage.

G. Old Fills.

1. All manmade fills which were not constructed under a valid grading permit issued by the city shall be tested for relative compaction by an approved soil testing agency before any building permit is issued for a building structure proposed to be located thereon. No building permit shall be issued if the site conditions, as reported upon by the soil testing agency, do not conform with the requirements of this code.

2. Buildings designed specifically for soil conditions applicable to the site may be approved by the ~~superintendent of building inspection~~ building official and/or his/her designee if sufficient evidence is submitted to the ~~superintendent~~ building official accommodating the soil condition by reason of the resultant building design.

H. Measurement of Settlement. The ~~superintendent of building inspection~~ building official may require the determination of a soils engineer regarding settlement characteristics of such fills to establish that movements have substantially ceased. In such cases, a system of benchmarks shall be installed at critical points on the fill and accurate measurements of both horizontal and vertical movements shall be taken for a period of time sufficient to define settlement behavior.

I. Landscaping Required. In addition to the required landscaping of slopes, all building pads shall be landscaped or surfaced to prevent dust, mud, erosion or unsanitary conditions.

J. Appendix A. Attached hereto, and incorporated herein by this reference is that certain document entitled "Exhibit 15.04.100(J)—Montebello Municipal Code—Building Regulations," dated April 24, 1967, which contains certain charts, diagrams and standards relating to building construction in hillside areas. All property in any hillside area shall be improved and maintained in conformity with the charts, diagrams and standards as set forth in Exhibit 15.04.100(J).

SECTION 9. Section 15.04.120 is hereby added to Chapter 15.04 of the MMC to read as follows:

15.04.120 Permit Expiration. CBC Section 105.5 Expiration, added to read as follows:

Pursuant to Assembly Bill No. 2913, a permit would remain valid for purposes of the California Building Standards Law if the work on the site authorized by that permit is commenced within 12 months after issuance, unless the permittee had abandoned the work authorized by the permit or the work is suspended by the building official. The permittee shall request an extension in writing and demonstrate justifiable causes for the extension prior to the permit expiration. The building official may grant in writing, one or more extensions of time for periods of not more than 180 days per extension to a maximum of 3 years from the issuance date of the permit. An extension fee shall be paid pursuant to the fee schedule.

Once the work has started and the first required inspection has been passed, the permittee must show that the work is progressing by passing a valid inspection at least every 180 days. If these progress requirements are not met, the permit will expire. This would apply regardless of when the first inspection took place within the first year of the life of the permit.

Work can recommence on an expired permit, a new permit will be required and a new fee equal to 50% of the original permit fee shall be payable provided the suspension or abandonment has not exceeded 3 years from the issuance date of the original permit.

Double permit fee shall be paid for work done without a permit.

SECTION 10. Section 15.04.130 is hereby added to Chapter 15.04 of the MMC to read as follows:

15.4.120 Cannabis Facilities – Building Occupancy

All cannabis facilities either new construction or through remodeling tenant improvements are deemed "H" occupancies.

SECTION 11. Section 15.32.190 of Chapter 15.32 of the Montebello Municipal Code is hereby amended to read as follows:

15.32.190 - Automatic fire extinguishing system.

~~Any new building constructed for any occupancy use and not otherwise required to be protected by this code, shall be protected by an approved automatic fire extinguishing system when the total floor area of such building exceeds four thousand square feet. This provision shall apply to any existing building, which after completion of any addition, will exceed four thousand square feet of floor area.~~ Any new building constructed for any occupancy use and not otherwise required to be protected by this code; or occupancy over three (3) stories in height shall be protected by an approved automatic fire extinguishing system. This provision shall apply to any existing building, which after completion of any addition, will exceed three (3) stories in height or exceeding total (new and existing) four thousand square feet of floor area.

SECTION 12. Section 15.32.720 is hereby added to Chapter 15.32 of the MMC to read as follows:

15.32.720 - Fire protection requirements in cannabis facilities.

Any type of cannabis business operations, including dispensing, cultivation, growing, manufacturing, distribution, storage, and extraction; a fire sprinkler system and fire alarm system are required in the facility regardless of the floor area square footage or type of construction.

SECTION 13. Section 15.36.040 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.040 – ~~CBC Section 1613.2 amended –~~ Definitions~~.~~ – *Earthquake Loads*

~~The following definitions are hereby added to Section 1613.2 of the California Building Code to read as follows:~~

ESSENTIAL BUILDING is any building housing a hospital or other medical facility having surgery or emergency treatment areas, fire or police stations, municipal government disaster operation and communications centers.

Essential Building is also outlined as Risk Category IV Occupancy of 2019 California Building Code.

HIGH-RISK BUILDING is any building not classified an essential building having an occupant load of one hundred (100) occupants or more or representing a substantial hazard to human life in the event of failure including but not limited to Risk Category III Occupancy of 2019 California Building Code.

EXCEPTION: A high-risk building shall not include the following:

(a) Any building having exterior walls braced with masonry cross walls or wood-frame cross walls spaced less than forty (40) feet apart in each story. Cross walls shall be full story height with a minimum length of one and one-half (1½) times the story height.

(b) Any building used for its intended purpose, as determined by the Building Official for less than twenty (20) hours per week.

HISTORICAL BUILDING is any building designated as a historical building by an appropriate federal, state or city jurisdiction

LOW-RISK BUILDING is any building not classified as an essential building having an occupant load of less than twenty (20) occupants. It is defined as Risk Category I Occupancy in the 2019 California Building Code.

MEDIUM-RISK BUILDING is any building not classified as a high-risk building or an essential building having an occupant load of twenty (20) occupants or more. It is also defined as the Risk Category II Occupancy in the 2019 California Building Code.

UNREINFORCED MASONRY BEARING WALL is masonry wall having all of the following characteristics:

(1) Provides the vertical support for a floor or roof.
(2) The total superimposed load is over one hundred (100) pounds per linear foot.
(3) The area of reinforcing steel is less than fifty (50) percent of that required.

SECTION 14. Section 15.36.050 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.050 – ~~CBC Section 1613.7 amended –~~ ~~Rating~~ Risk Category classifications~~.~~ – Earthquake Loads

~~Section 1613.7 is added to the California Building Code to read:~~
~~1613.7~~ Rating Classifications.

~~The rating classifications as exhibited in Table 23-M are hereby established and each building within the scope of this Chapter shall be placed in one such rating classification by the Building Official~~. Each building within the scope of this Chapter shall be placed in one of the Risk Category Occupancy established in Table 23-M and/or 2019 CBC Table 1604.5 by the Building Official. The most current CBC Earthquake Load shall be applied based on the risk category classification per the ~~The~~ total occupant load of the entire building. ~~as determined by Table 1604.5 shall be used to determine the rating classification.~~

EXCEPTION: For the purpose of this Chapter, portions of buildings constructed to act independently when resisting seismic forces may be placed in separate rating classifications.

SECTION 15. Section 15.36.060 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.60 – ~~CBC Section 1613.2.1 added –~~ General requirements - Earthquake Loads

~~Section 1613.2.1 is added to the California Building Code to read:~~
~~1613.2.1. General Requirements.~~

The owner of each building within the scope of this section shall cause a structural analysis to be made of the building by a civil or structural engineer or architect licensed by the State of California, and if the building does not meet the minimum earthquake standards specified in this section, the owner shall cause it to be structurally altered to conform to such standards or cause the building to be demolished.

The owner of a building within the scope of this section shall comply with the requirements set forth above by submitting one of the following to the Building Official for review within the stated time limits:

(a) A structural analysis within ninety (90) days after the service of the order. Such analysis, which is subject to approval by the Building

Official, shall demonstrate that the building meets the minimum requirements of this section.

(b) A structural analysis and plans for the proposed structural alterations of the building necessary to comply to the minimum alterations of this section within ninety (90) days after the service of order.

(c) Plans for the demolition or repair of the building within ninety (90) days after the service of the order. After plans are submitted and approved by the Building Official, the owner shall obtain a building permit, commence and complete the required construction or demolition within the time limits set forth in Table No. 23-N. These time limits shall begin to run from the date the order is served in accordance with ~~Section 1613.2.2~~ the 2019 CBC requirements.

SECTION 16. Section 15.36.070 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.070 – ~~CBC Section 1613.2.2 added –~~ Administration – Earthquake Loads

~~Section 1613.2.2 is added to the California Building Code to read:~~

~~1613.2.2. Administration.~~

(a) COMMENCEMENT OF PROCEEDINGS. Whenever the Building Official has inspected or caused to be inspected any building and has found and determined that such building is within the scope of this Chapter, the Building Official shall commence proceedings to cause such building to be repaired and rehabilitated, or demolished, in compliance with the provisions of this Chapter.

(b) CONTENTS OF NOTICE AND ORDER. The Building Official shall issue a notice and order directed to the record owner of the building and the person, if any, occupying or otherwise in real or apparent charge and control of the building. The notice and order shall contain:

(1) The street address and a legal description sufficient for identification of the premises on which the building is located.

(2) A statement that the Building Official has found the building to be within the scope of this Chapter.

(3) An order to prepare and submit to the Building Official a structural analysis as required pursuant to ~~Section 1613.2.1~~ the CBC Earthquake Loads requirements.

(4) The ~~rating~~ Risk Category Occupancy classification of the building.

(5) An order to secure permits, physically commence, and to complete all work necessary to meet the minimum seismic standards of this Chapter within the time limits set forth in Table No. 23-N.

(6) A statement specifying the appeal rights of the owner as contained in subsection (d) of this section.

(c) SERVICE AND RECORDATION OF NOTICE AND ORDER. The notice and order shall be served and recorded.

(d) APPEAL FROM NOTICE AND ORDER. Any person entitled to service pursuant to this section may appeal the Building Official's initial determination that the building is within the scope of this Chapter to the City Council. Such appeal shall be filed with the City Council within sixty (60) days from the service date of the order and shall be limited solely to the issue of whether the designated building is within the scope of this Chapter. Such appeal shall be made in writing upon appropriate forms provided therefor by the Building Official, and the grounds thereof shall be stated clearly and concisely.

(e) ENFORCEMENT. If the owner or other person in charge or control of the subject building fails to comply with any order issued by the Building Official pursuant to this Chapter within any of the time limits set forth in ~~Section 1613.2.1~~ <u>the 2019 CBC</u>, the Building Official shall order that the entire building be vacated and that the building remain vacated until such order has been complied with. If compliance with such order has not been accomplished within ninety (90) days after the date the building has been ordered vacated or such additional time as may have been granted by the City Council, the Building Official may order the demolition of the building in accordance with the provisions of the California Building Code.

<u>SECTION 17</u>. Section 15.36.080 of Chapter 15.36 of the MMC is hereby amended to read as follows:

16.36.080 – ~~CBC Section 1613.8 added –~~ Historical Buildings

~~Section 1613.8 is added to the California Building Code to read:~~
~~1613.8. Historical Buildings.~~

(a) GENERAL. The standards and procedures established by this section shall apply in all aspects to a historical building except that as a means to preserve original architectural elements and facilities restoration, a historical building may, in addition, comply with the special provisions set forth in this section.

(b) UNBURNED CLAY MASONRY OR ADOBE. Existing or re-erected walls of adobe construction shall conform to the following:

(1) Unreinforced adobe masonry walls shall not exceed a height or height-to-thickness ration of five (5) for exterior bearing walls and must be provided with a reinforced bond beam at the top, interconnecting all walls. Minimum beam depth shall be six (6) inches and a minimum width of eight (8) inches less than the wall width. Minimum wall thickness shall be eighteen (18) inches for exterior bearing walls and ten (10) inches for adobe partitions. No adobe structure shall exceed one (1) story in height unless the historic evidence indicates a two (2) story height. In such cases, the height-to-thickness ration shall be the same as above for the first floor based on the total two (2) story height, and the second floor wall thickness shall not exceed the ratio five (5) by more than twenty (20) percent. Bond beams shall be provided at the roof and second-floor levels.

(2) Foundation footings shall be reinforced concrete under newly reconstructed walls and shall be fifty (50) percent wider than the wall above, soil conditions permitting, except that the foundation wall may be four (4) inches less in width than the wall above if a rock, burned brick, or stabilized adobe facing is necessary to provide authenticity.

(3) New or existing unstabilized brick and adobe brick masonry shall have an average compressive strength of two hundred twenty-five (225) pounds per square inch when tested in accordance with ASTM designation C 67. One (1) sample out of five (5) may have a compressive strength of not less than one hundred eighty-eight (188) pounds per square inch. Unstabilized brick may be used where existing bricks are unstabilized and where the building is not susceptible to flooding conditions or direct exposure. Adobe may be allowed a maximum value of three (3) pounds per square inch for shear with no increase for lateral forces.

(4) Mortar may he of the same soil composition and stabilization as the brick in lieu of cement mortar.

(5) Nominal tension stresses due to seismic forces normal to the wall may be neglected if the wall meets thickness requirements and shear values allowed by this subsection.

(c) ARCHAIC MATERIALS. Allowable stresses for archaic materials not specified in this code shall be based on substantiating research data or engineering judgment, subject to the Building Official's satisfaction.

(d) ALTERNATIVE MATERIALS AND SHBC ADVISORY REVIEW. Alternative materials, design or methods of construction will be considered as set forth in ~~Section 1613.9~~ in the 2019 CBC and California Historical Building Code. In addition, when a request for an alternative proposed design, material or method of construction is being considered, the Building Official may file written request for opinion to the State Historical Building Code Advisory Board for its consideration, advice or findings in accordance with the State Historical Building Code.

SECTION 18. Section 15.36.090 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.90 – ~~CBC Section 1613.8 added –~~ Analysis and design.

~~Section 1613.9 is added to the California Building Code to read:~~
~~1613.9. Analysis and Design.~~

(a) GENERAL. Every structure within the scope of this section shall be analyzed and constructed to ~~resist minimum total lateral seismic forces assumed to act nonconcurrently in the direction of each of the main axes of the structure in accordance with the following equation:~~

~~V = IKCSW ..... (12-1)~~

~~The value of IKCS need not exceed the values set forth in Table No. 23-O based on the applicable rating classification of the building.~~ comply with the regulations and requirements in the 2019 CBC.

(b) LATERAL FORCES ON ELEMENTS OF STRUCTURES. Parts or portions of structures shall be analyzed and designed for lateral loads in accordance with ~~Sections 1613.9(a) of this code~~ requirements set forth in the 2019 CBC including ASCE 7-10 Chapters 13 through Chapter 15. ~~but not less than the value from the following equation:~~

~~Fp = ICpSWp ..... (12-8)~~

~~For the provisions of this subsection, the product of IS need not exceed the values as set forth in Table No. 23-P.~~

~~EXCEPTION: Unreinforced masonry walls in buildings and having a Rating Classification of I may be analyzed in accordance with Section 1613.10~~.

ATTACHMENT A

ORDINANCE NO. ________

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA ADOPTING BY REFERENCE THE 2019 CALIFORNIA BUILDING STANDARDS CODE AND CERTAIN SPECIFIED APPENDICES THEREOF INCLUDING, THE 2019 CALIFORNIA BUILDING STANDARDS ADMINISTRATIVE CODE, 2019 CALIFORNIA BUILDING CODE, 2019 CALIFORNIA RESIDENTIAL CODE, 2019 CALIFORNIA ELECTRICAL CODE, 2019 CALIFORNIA MECHANICAL CODE, 2019 PLUMBING CODE, 2019 CALIFORNIA ENERGY CODE, 2019 CALIFORNIA HISTORICAL BUILDING CODE, 2019 CALIFORNIA FIRE CODE, 2019 CALIFORNIA EXISTING BUILDING CODE, 2019 CALIFORNIA GREEN BUILDING STANDARDS CODE, 2019 CALIFORNIA REFERECED STANDARDS CODE; AND MAKING CERTAIN FINDINGS IN SUPPORT OF SPECIFIC ADDITIONS, DELETIONS AND/OR AMENDMENTS THERETO

WHEREAS, the City Council of the City of Montebello ("City") finds that there is a need to enforce the most current editions of the California Building Standards Code ("CBSC") as set forth by the California Building Standards Commission ("Commission"); and

WHEREAS, State law requires updating the CBSC every three (3) years, the Commission reviews proposed standards and amendments to the CBSC and adopts new editions and supplements every three (3) years; and

WHEREAS, the Commission adopted the approved 2019 CBSC which establish construction standards to protect the public welfare and provide uniformity in building laws; based on the latest national and international model building codes; and

WHEREAS, the 2019 CBSC became effective and applicable to any building or structure for which application for a building permit is made on or after January 1, 2020; and

WHEREAS, the City hereby desires to incorporate the 2019 CBSC into the Montebello Municipal Code ("MMC") by formally adopting by reference, the published 2019 CBSC; and

WHEREAS, the State of California allows local jurisdictions to adopt the provisions of the CBSC with stricter requirements known as "local amendments" in accordance with Health and Safety Code ("H&C") Sections 17922, 17958, 17958.5, 17958.7, and 18941.5(b), where necessary to reasonably address adverse local conditions and protect the health, safety and welfare of citizens of the City because of local climate, geology and/or topography; and

WHEREAS, incorporating the 2019 CBSC with specific amendments will keep the City in compliance with State law; and

WHEREAS, Government Code Sections 36934 and 36937 expressly authorize the City Council to adopt an urgency ordinance for the immediate preservation of the public peace, health or safety with four-fifths vote of the City Council; and

WHEREAS, the City Council hereby waives full reading hearing of this Urgency Ordinance adopting by reference specific appendices of the 2019 California Building Code and amendments to the Montebello Municipal Code in support of specific additions and or deletions thereof; and

WHEREAS, the City Council of the City finds and declares that the adoption of this ordinance is necessary to protect the general health, safety and welfare of the community.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES ORDAIN AS FOLLOWS:

SECTION 1. RECITALS. The above recitals are true and correct and made a part of this Ordinance.

SECTION 2. PURPOSE. The purpose of this Ordinance is three-fold: (1) adopt by reference the new 2019 CBSC updates; (2) concurrently adopt certain findings in support of making specific additions, deletions and/or amendments to the 2019 CBSC; and (3) incorporate such updates into the MMC.

SECTION 3. FINDINGS URGENCY ORDINANCE.

A. The City Council finds that adoption of an urgency ordinance here is necessary and reasonable for the preservation of the public peace, health or safety of residents living within the City.

B. The 2019 CBSC requirements went into effect January 1, 2020, and require that each local government publish such standards to provide adequate notice before they are implemented. To effectively regulate and enforce building and construction in the City, certain local amendments and modifications must be made to the 2019 CBSC.

C. Without the adoption of an urgency ordinance the general provisions of the 2019 CBSC apply, which do not take into account the City's unique geological, climatic, or topographical conditions.

D. Only by adopting an ordinance amending the general provisions of the 2019 CBSC requirements will the City's unique geological, climatic or topographical conditions be taken into consideration to effectively regulate and enforce local building and construction projects.

E. This urgency ordinance is consistent with the City's General Plan, Municipal Code, and applicable federal and state law.

F. Based on the foregoing, there is a current and immediate threat to the public health, safety, and welfare, an emergency ordinance is warranted and necessary to protect such interests.

SECTION 4. FINDINGS – AMENDMENTS. The City Council finds that there is a need to keep the existing local amendments and modify or add certain administrative provisions to its Title 15, Buildings and Construction, in order to effectively regulate and enforce building and construction as provided in the 2019 California Building Standards Codes. In order to adopt proposed amendments to the California Building Standards, Code, the City Council must make findings that the proposed amendments are necessary due to local geological, climatic, or topographical conditions. The Council therefore makes the following findings in support of specific additions, deletions, and/or amendments to the California Building Standards Code:

A. Geological - That the Southern California Region, which includes the City, is within a very active seismic areas where the local geology is located near active earthquake faults and subject to liquefaction presenting a significant earthquake risk. The aforementioned conditions within the City create hazardous conditions for which departure from the California Building Standards Code is required.

B. Climatic - That the local climate consists of hot and dry conditions during the summer months creating severe fire hazard areas. The hot, dry weather in combination with Santa Ana winds frequently results in fires. The aforementioned conditions within the City create hazardous conditions for which departure from the California Building Standards Code is required.

C. Topographical - That the local topography consists of natural hillsides, basins and rugged terrain that can contribute to accelerated spread of wildfires, flooding, damage, and erosion. The aforementioned conditions within the City create hazardous conditions for which departure from the California Building Standards Code is required.

The above findings ("A," "B" or "C") apply to the following code addendums or amendments as specified in the "Justification" column:

MMC Section	Section Title	Addendum	Amendment	Justification
15.04.036	CBC Section 1510.1, amended		X	A
15.04.040	CBC Section 903.2, amended		X	A
15.04.100	Hillside areas – Building regulations.		X	C
15.04.120	CBC Section R105.5, amended - Permit Expiration		X	A
15.04.130	Cannabis Facilities, added – Building Occupancy		X	A
15.32.190	Automatic Fire Extinguishing System, amended, Fire regulations		X	A
15.32.720	Fire protection requirements at cannabis facilities, added		X	A
15.36.040	CBC Section 1613.2, amended – Definitions		X	A
15.36.050	CBC Section 1613.7 amended – Risk Category classifications		X	A
15.36.060	CBC Section 1613.2.1 added – General requirements		X	A
15.36.070	CBC Section 1613.2.2 amended – Administration		X	A
15.36.080	CBC Section 1613.8 added – Historical buildings		X	A
15.36.90	CBC Section 1613.9 added – Analysis and design		X	A
15.36.100	CBC Section 1613.10 added – Materials of construction		X	A
15.36.110	CBC Section 1613.11 added – Information required on plans		X	A
15.36.120	Table 23-M added to CBC Chapter 16 – Risk Category Occupancy		X	A
15.36.130	Table 23-N added to CBC Chapter 16 – Time limits for compliance		X	A
15.36.140	Table 23-O added to CBC		X	A

	Chapter 16 – Horizontal force factors based on rating classification			
15.36.150	Table 23-P added to CBC Chapter 16 – Horizontal seismic force important factors “Ie” for parts or portions of structures		X	A
15.36.160	Horizontal force factor “Cp” for parts or portions of buildings or other structures added to CBC Chapter 16		X	A
15.36.170	Table 23-R added to CBC Chapter 16 – Allowable value of height – thickness ration of unreinforced masonry walls with minimum quality mortar.		X	A
15.36.180	Table 23-S added to CBC Chapter 16 – Value for existing materials		X	A
15.36.190	Table 23-T added to CBC Chapter 16 – Allowable values of new materials used in conjunction with existing construction		X	A
15.36.200	Table 23-U added to CBC Chapter 16 – Allowable shear stress for tested unreinforced masonry walls		X	A

SECTION 5. ADDITIONS, DELETIONS AND AMENDMENTS. **Title 15, Buildings and Construction** of the MMC is amended. (Deletions in ~~strikethrough~~ and additions in underline)

SECTION 6. Section 15.04.036 of Chapter 15.04 of the MMC is hereby amended to read as follows:

15.04.036 – ~~CBC Section 1510.01, amended~~ *Rooftop Structures*

~~Section 1510.1 of the California Building Code is amended to read as follows:~~
~~Section 1510.1. General.~~

All re-roofing shall conform to the applicable provisions of the California Building Code. Roofing materials and methods of application shall comply with the CBC Standards or shall follow manufacturer's installation requirements when approved by the Building Official. Unless otherwise approved by the Building Official, all existing wood shake or wood shingle roofing material shall be removed completely. Additionally, where applicable, a minimum of one-half inch thick plywood sheathing shall be installed in accordance with the requirements of the 2019 California Building Code ~~Chapter 23 of this Code~~ prior to the installation of new roofing.

(a) Roof Covering. All re-roofing shall be fire retardant with a minimum class C classification unless otherwise approved by the Building Official.

(b) Repairs. Not more than twenty-five percent of the roof covering of any building or structure shall be replaced in any twelve-month period unless the new roof covering is made to conform to the requirements of this code for new construction.

(c) Materials and methods of application. Roofing materials and methods of application shall comply with applicable California Building Code Standards or shall follow the Manufacturer's installation requirements when approved by the Building Official.

SECTION 7. Section 15.04.040 of Chapter 15.04 of the MMC is hereby amended to read as follows:

15.04.040 – ~~CBC Section 903.2, amended~~ *Automatic Fire Sprinkler System - Where Required*

~~Subsection 903.2 is amended by adding thereto the following paragraph:~~

Every new building of any type of construction or occupancy over three (3) stories in height.

SECTION 8. Section 15.04.100 of the MMC is hereby amended to read as follows:

15.04.100 – Hillside areas – Building regulations

The provisions of this section shall apply to all work, for which a building permit is required, on property within any hillside areas, as defined in Section 15.48.050, in addition to the regulations as set forth in this chapter and Chapter 15.48 of this code. In all such cases, the building inspector shall not give final approval to any such work until he finds that each of the following regulations have been complied with:

A. Compliance with Grading Regulations:

1. Filing of a grading certificate from the civil engineer of record; or
2. Compliance with each of the following regulations in all cases where a grading permit is not required:
   a. Section 15.48.260, grading in relation to property lines,
   b. Section 15.48.270, Consent of adjacent property owner,
   c. Section 15.48.280, Time of work,
   d. Section 15.48.290, Building pad development,
   e. Section 15.48.310 through 15.48.340, excavating,
   f. Section 15.48.350 through 15.48.450, fills,
   g. Section 15.48.480, Slope planting and irrigation,
   h. Section 15.48.500, drainage (general),
   i. Section 15.48.550, maintenance of grading and protective devices.

B. Gutters. Eave and/or ground gutters shall be provided to receive all roof water and deliver it through a nonerosive device to a street or watercourse.

C. Maintenance of Drainage. Drainage in conformance with the provisions of this code shall be maintained during and subsequent to construction.

D. Driveway Design. Driveways shall be designed to comply with all zoning regulations; provided, that the maximum gradient thereof shall not exceed twenty percent.

E. Building Construction. No building shall be constructed upon two-horizontal-to-one-vertical slope or steeper, except that the building ~~inspector~~ official may permit construction upon slopes steeper than 2:1; provided, that a geotechnical report from a geotechnical engineer and a geologic report from an engineering geologist are filed indicating that the existing soil and geologic conditions will permit such construction. Where allowed, adequate provision shall be made to prevent downhill creep of the footings.

1. Clearance

a. No building or structure shall be located closer to the toe of any two-to-one or steeper, cut or fill slope than the following:
   i. A minimum of three feet provided the slope does not exceed six feet in vertical height;
   ii. One-half the vertical height with a maximum of fifteen feet where the slope exceeds six feet in height.

b. Notwithstanding the foregoing, attached or detached open carports or detached garages may be constructed a minimum of three feet clear of the toe of conforming cut or fill slopes.

2. Building Construction on Compacted Filled Ground. (General). No building shall be located within a horizontal distance of forty feet from the top of an inclined fill slope which exceeds one hundred feet in vertical height measured from the toe to the top of the fill unless the building is designed to withstand the resulting total and differential settlements. The soils engineer shall submit evidence of the anticipated settlement behavior. (See Exhibit 15.04.100 (J) for further setback specifications.)

3. Footing Elevations.
   a. On graded hillside sites the top of footing stem or finish floor, if a concrete slab, shall extend above the elevation of the low point of the street curb a minimum of six inches, plus two percent of the distance from the footing to the curb.
   b. Where the site drains to an approved drainage device, the footings shall extend above the elevation of the low point of the device a minimum of six inches, plus two percent of the distance from the footing to the device. In no event shall the top of the footing or finished floor elevation be less than six inches above the finished building pad elevation.

4. Slough Wall. If potential sloughing hazards affecting buildings or structures are present on cut or fill slopes in excess of twenty feet in vertical height, where such slopes parallel the buildings or structures, slough protection devices may be required by the department.

F. Building Construction Upon Excavations or Fills or in Areas Subject to Drainage or Slide Hazards. When buildings are to be constructed on sites which result from grading performed pursuant to Chapter 15.48 of this code or in areas where hazardous soil conditions exist, then in additional to all other applicable provisions of this code, the following requirements shall be complied with:

1. No building inspections shall be made for approvals given thereto until the city engineer has certified compliance with the rough grading as detailed on the grading plan and has received the soils and geological reports.

2. No final building inspections shall be made or approvals given thereto until the city engineer has certified compliance with Chapter 15.48 of this code.

3. No building shall be constructed in a natural watercourse or an area subject to inundation unless provisions have been made, to the satisfaction of the city engineer, to protect he building and adjacent properties from damage or inundation.

4. No building shall be constructed where the proposed building site is in an area subject to slides or unstable soil unless provision has been made, to the satisfaction of the city engineer, to protect the building and adjacent properties from damage.

G. Old Fills.

1. All manmade fills which were not constructed under a valid grading permit issued by the city shall be tested for relative compaction by an approved soil testing agency before any building permit is issued for a building structure proposed to be located thereon. No building permit shall be issued if the site conditions, as reported upon by the soil testing agency, do not conform with the requirements of this code.

2. Buildings designed specifically for soil conditions applicable to the site may be approved by the ~~superintendent of building inspection~~ building official and/or his/her designee if sufficient evidence is submitted to the ~~superintendent~~ building official accommodating the soil condition by reason of the resultant building design.

H. Measurement of Settlement. The ~~superintendent of building inspection~~ building official may require the determination of a soils engineer regarding settlement characteristics of such fills to establish that movements have substantially ceased. In such cases, a system of benchmarks shall be installed at critical points on the fill and accurate measurements of both horizontal and vertical movements shall be taken for a period of time sufficient to define settlement behavior.

I. Landscaping Required. In addition to the required landscaping of slopes, all building pads shall be landscaped or surfaced to prevent dust, mud, erosion or unsanitary conditions.

J. Appendix A. Attached hereto, and incorporated herein by this reference is that certain document entitled "Exhibit 15.04.100(J)—Montebello Municipal Code—Building Regulations," dated April 24, 1967, which contains certain charts, diagrams and standards relating to building construction in hillside areas. All property in any hillside area shall be improved and maintained in conformity with the charts, diagrams and standards as set forth in Exhibit 15.04.100(J).

SECTION 9. Section 15.04.120 is hereby added to Chapter 15.04 of the MMC to read as follows:

15.04.120 Permit Expiration. CBC Section 105.5 Expiration, added to read as follows:

Pursuant to Assembly Bill No. 2913, a permit would remain valid for purposes of the California Building Standards Law if the work on the site authorized by that permit is commenced within 12 months after issuance, unless the permittee had abandoned the work authorized by the permit or the work is suspended by the building official. The permittee shall request an extension in writing and demonstrate justifiable causes for the extension prior to the permit expiration. The building official may grant in writing, one or more extensions of time for periods of not more than 180 days per extension to a maximum of 3 years from the issuance date of the permit. An extension fee shall be paid pursuant to the fee schedule.

Once the work has started and the first required inspection has been passed, the permittee must show that the work is progressing by passing a valid inspection at least every 180 days. If these progress requirements are not met, the permit will expire. This would apply regardless of when the first inspection took place within the first year of the life of the permit.

Work can recommence on an expired permit, a new permit will be required and a new fee equal to 50% of the original permit fee shall be payable provided the suspension or abandonment has not exceeded 3 years from the issuance date of the original permit.

Double permit fee shall be paid for work done without a permit.

SECTION 10. Section 15.04.130 is hereby added to Chapter 15.04 of the MMC to read as follows:

15.4.120 Cannabis Facilities – Building Occupancy

All cannabis facilities either new construction or through remodeling tenant improvements are deemed "H" occupancies.

SECTION 11. Section 15.32.190 of Chapter 15.32 of the Montebello Municipal Code is hereby amended to read as follows:

15.32.190 - Automatic fire extinguishing system.

~~Any new building constructed for any occupancy use and not otherwise required to be protected by this code, shall be protected by an approved automatic fire extinguishing system when the total floor area of such building exceeds four thousand square feet. This provision shall apply to any existing building, which after completion of any addition, will exceed four thousand square feet of floor area.~~ Any new building constructed for any occupancy use and not otherwise required to be protected by this code; or occupancy over three (3) stories in height shall be protected by an approved automatic fire extinguishing system. This provision shall apply to any existing building, which after completion of any addition, will exceed three (3) stories in height or exceeding total (new and existing) four thousand square feet of floor area.

SECTION 12. Section 15.32.720 is hereby added to Chapter 15.32 of the MMC to read as follows:

15.32.720 - Fire protection requirements in cannabis facilities.

Any type of cannabis business operations, including dispensing, cultivation, growing, manufacturing, distribution, storage, and extraction; a fire sprinkler system and fire alarm system are required in the facility regardless of the floor area square footage or type of construction.

SECTION 13. Section 15.36.040 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.040 – ~~CBC Section 1613.2 amended –~~ Definitions~~.~~ – *Earthquake Loads*

~~The following definitions are hereby added to Section 1613.2 of the California Building Code to read as follows:~~

ESSENTIAL BUILDING is any building housing a hospital or other medical facility having surgery or emergency treatment areas, fire or police stations, municipal government disaster operation and communications centers.

Essential Building is also outlined as Risk Category IV Occupancy of 2019 California Building Code.

HIGH-RISK BUILDING is any building not classified an essential building having an occupant load of one hundred (100) occupants or more or representing a substantial hazard to human life in the event of failure including but not limited to Risk Category III Occupancy of 2019 California Building Code.

EXCEPTION: A high-risk building shall not include the following:

(a) Any building having exterior walls braced with masonry cross walls or wood-frame cross walls spaced less than forty (40) feet apart in each story. Cross walls shall be full story height with a minimum length of one and one-half (1½) times the story height.

(b) Any building used for its intended purpose, as determined by the Building Official for less than twenty (20) hours per week.

HISTORICAL BUILDING is any building designated as a historical building by an appropriate federal, state or city jurisdiction

LOW-RISK BUILDING is any building not classified as an essential building having an occupant load of less than twenty (20) occupants. It is defined as Risk Category I Occupancy in the 2019 California Building Code.

MEDIUM-RISK BUILDING is any building not classified as a high-risk building or an essential building having an occupant load of twenty (20) occupants or more. It is also defined as the Risk Category II Occupancy in the 2019 California Building Code.

UNREINFORCED MASONRY BEARING WALL is masonry wall having all of the following characteristics:

(1) Provides the vertical support for a floor or roof.
(2) The total superimposed load is over one hundred (100) pounds per linear foot.
(3) The area of reinforcing steel is less than fifty (50) percent of that required.

SECTION 14. Section 15.36.050 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.050 – ~~CBC Section 1613.7 amended –~~ ~~Rating~~ Risk Category classifications~~.~~ – Earthquake Loads

~~Section 1613.7 is added to the California Building Code to read:~~
~~1613.7~~ Rating Classifications.

~~The rating classifications as exhibited in Table 23-M are hereby established and each building within the scope of this Chapter shall be placed in one such rating classification by the Building Official~~. Each building within the scope of this Chapter shall be placed in one of the Risk Category Occupancy established in Table 23-M and/or 2019 CBC Table 1604.5 by the Building Official. The most current CBC Earthquake Load shall be applied based on the risk category classification per the ~~The~~ total occupant load of the entire building. ~~as determined by Table 1604.5 shall be used to determine the rating classification.~~

EXCEPTION: For the purpose of this Chapter, portions of buildings constructed to act independently when resisting seismic forces may be placed in separate rating classifications.

SECTION 15. Section 15.36.060 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.60 – ~~CBC Section 1613.2.1 added –~~ General requirements - Earthquake Loads

~~Section 1613.2.1 is added to the California Building Code to read:~~
~~1613.2.1. General Requirements.~~

The owner of each building within the scope of this section shall cause a structural analysis to be made of the building by a civil or structural engineer or architect licensed by the State of California, and if the building does not meet the minimum earthquake standards specified in this section, the owner shall cause it to be structurally altered to conform to such standards or cause the building to be demolished.

The owner of a building within the scope of this section shall comply with the requirements set forth above by submitting one of the following to the Building Official for review within the stated time limits:

(a) A structural analysis within ninety (90) days after the service of the order. Such analysis, which is subject to approval by the Building

Official, shall demonstrate that the building meets the minimum requirements of this section.

(b) A structural analysis and plans for the proposed structural alterations of the building necessary to comply to the minimum alterations of this section within ninety (90) days after the service of order.

(c) Plans for the demolition or repair of the building within ninety (90) days after the service of the order. After plans are submitted and approved by the Building Official, the owner shall obtain a building permit, commence and complete the required construction or demolition within the time limits set forth in Table No. 23-N. These time limits shall begin to run from the date the order is served in accordance with ~~Section 1613.2.2~~ the 2019 CBC requirements.

SECTION 16. Section 15.36.070 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.070 – ~~CBC Section 1613.2.2 added –~~ Administration – Earthquake Loads

~~Section 1613.2.2 is added to the California Building Code to read:~~

~~1613.2.2. Administration.~~

(a) COMMENCEMENT OF PROCEEDINGS. Whenever the Building Official has inspected or caused to be inspected any building and has found and determined that such building is within the scope of this Chapter, the Building Official shall commence proceedings to cause such building to be repaired and rehabilitated, or demolished, in compliance with the provisions of this Chapter.

(b) CONTENTS OF NOTICE AND ORDER. The Building Official shall issue a notice and order directed to the record owner of the building and the person, if any, occupying or otherwise in real or apparent charge and control of the building. The notice and order shall contain:

(1) The street address and a legal description sufficient for identification of the premises on which the building is located.

(2) A statement that the Building Official has found the building to be within the scope of this Chapter.

(3) An order to prepare and submit to the Building Official a structural analysis as required pursuant to ~~Section 1613.2.1~~ the CBC Earthquake Loads requirements.

(4) The ~~rating~~ Risk Category Occupancy classification of the building.

(5) An order to secure permits, physically commence, and to complete all work necessary to meet the minimum seismic standards of this Chapter within the time limits set forth in Table No. 23-N.

(6) A statement specifying the appeal rights of the owner as contained in subsection (d) of this section.

(c) SERVICE AND RECORDATION OF NOTICE AND ORDER. The notice and order shall be served and recorded.

(d) APPEAL FROM NOTICE AND ORDER. Any person entitled to service pursuant to this section may appeal the Building Official's initial determination that the building is within the scope of this Chapter to the City Council. Such appeal shall be filed with the City Council within sixty (60) days from the service date of the order and shall be limited solely to the issue of whether the designated building is within the scope of this Chapter. Such appeal shall be made in writing upon appropriate forms provided therefor by the Building Official, and the grounds thereof shall be stated clearly and concisely.

(e) ENFORCEMENT. If the owner or other person in charge or control of the subject building fails to comply with any order issued by the Building Official pursuant to this Chapter within any of the time limits set forth in ~~Section 1613.2.1~~ the 2019 CBC, the Building Official shall order that the entire building be vacated and that the building remain vacated until such order has been complied with. If compliance with such order has not been accomplished within ninety (90) days after the date the building has been ordered vacated or such additional time as may have been granted by the City Council, the Building Official may order the demolition of the building in accordance with the provisions of the California Building Code.

SECTION 17. Section 15.36.080 of Chapter 15.36 of the MMC is hereby amended to read as follows:

16.36.080 – ~~CBC Section 1613.8 added –~~ Historical Buildings

~~Section 1613.8 is added to the California Building Code to read:~~
~~1613.8. Historical Buildings.~~

(a) GENERAL. The standards and procedures established by this section shall apply in all aspects to a historical building except that as a means to preserve original architectural elements and facilities restoration, a historical building may, in addition, comply with the special provisions set forth in this section.

(b) UNBURNED CLAY MASONRY OR ADOBE. Existing or re-erected walls of adobe construction shall conform to the following:

(1) Unreinforced adobe masonry walls shall not exceed a height or height-to-thickness ration of five (5) for exterior bearing walls and must be provided with a reinforced bond beam at the top, interconnecting all walls. Minimum beam depth shall be six (6) inches and a minimum width of eight (8) inches less than the wall width. Minimum wall thickness shall be eighteen (18) inches for exterior bearing walls and ten (10) inches for adobe partitions. No adobe structure shall exceed one (1) story in height unless the historic evidence indicates a two (2) story height. In such cases, the height-to-thickness ration shall be the same as above for the first floor based on the total two (2) story height, and the second floor wall thickness shall not exceed the ratio five (5) by more than twenty (20) percent. Bond beams shall be provided at the roof and second-floor levels.

(2) Foundation footings shall be reinforced concrete under newly reconstructed walls and shall be fifty (50) percent wider than the wall above, soil conditions permitting, except that the foundation wall may be four (4) inches less in width than the wall above if a rock, burned brick, or stabilized adobe facing is necessary to provide authenticity.

(3) New or existing unstabilized brick and adobe brick masonry shall have an average compressive strength of two hundred twenty-five (225) pounds per square inch when tested in accordance with ASTM designation C 67. One (1) sample out of five (5) may have a compressive strength of not less than one hundred eighty-eight (188) pounds per square inch. Unstabilized brick may be used where existing bricks are unstabilized and where the building is not susceptible to flooding conditions or direct exposure. Adobe may be allowed a maximum value of three (3) pounds per square inch for shear with no increase for lateral forces.

(4) Mortar may he of the same soil composition and stabilization as the brick in lieu of cement mortar.
(5) Nominal tension stresses due to seismic forces normal to the wall may be neglected if the wall meets thickness requirements and shear values allowed by this subsection.

(c) ARCHAIC MATERIALS. Allowable stresses for archaic materials not specified in this code shall be based on substantiating research data or engineering judgment, subject to the Building Official's satisfaction.

(d) ALTERNATIVE MATERIALS AND SHBC ADVISORY REVIEW. Alternative materials, design or methods of construction will be considered as set forth in ~~Section 1613.9~~ in the 2019 CBC and California Historical Building Code. In addition, when a request for an alternative proposed design, material or method of construction is being considered, the Building Official may file written request for opinion to the State Historical Building Code Advisory Board for its consideration, advice or findings in accordance with the State Historical Building Code.

SECTION 18. Section 15.36.090 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.90 – ~~CBC Section 1613.8 added –~~ Analysis and design.

~~Section 1613.9 is added to the California Building Code to read:~~
~~1613.9. Analysis and Design.~~

(a) GENERAL. Every structure within the scope of this section shall be analyzed and constructed to ~~resist minimum total lateral seismic forces assumed to act nonconcurrently in the direction of each of the main axes of the structure in accordance with the following equation:~~

~~V = IKCSW ..... (12-1)~~

~~The value of IKCS need not exceed the values set forth in Table No. 23-O based on the applicable rating classification of the building.~~ comply with the regulations and requirements in the 2019 CBC.

(b) LATERAL FORCES ON ELEMENTS OF STRUCTURES. Parts or portions of structures shall be analyzed and designed for lateral loads in accordance with ~~Sections 1613.9(a) of this code~~ requirements set forth in the 2019 CBC including ASCE 7-10 Chapters 13 through Chapter 15. ~~but not less than the value from the following equation:~~

~~Fp = ICpSWp ..... (12-8)~~

~~For the provisions of this subsection, the product of IS need not exceed the values as set forth in Table No. 23-P.~~

~~EXCEPTION: Unreinforced masonry walls in buildings and having a Rating Classification of I may be analyzed in accordance with Section 1613.10.~~

~~The value of Cp need not exceed the values set forth in Table No. 23-Q.~~

(c) ANCHORAGE ~~AND INTERCONNECTION~~. Anchorage ~~and interconnection of~~ all parts, portions and elements of the building or structure shall be analyzed, designed and provided ~~for lateral forces~~ in accordance with Section 1604.8, Chapter 16 of 2019 CBC. ~~Table No. 23-O of this Code and the equation Fp = ICpSWp as modified by Table No. 23-P. Minimum anchorage of masonry walls to each floor or roof shall resist a minimum force of two hundred (200) pounds per linear foot acting normal to the wall at the level of the floor or roof~~.

~~(d) LEVEL OF REQUIRED REPAIR. Alterations and repairs required to meet the provisions of this Chapter shall comply with all other applicable requirements of this Code unless specifically provided for in this Chapter.~~
~~(e) REQUIRED ANALYSIS.~~

~~(1) General. Except as modified herein, the analysis and design relating to the structural alteration of existing structures within the scope of this Chapter shall be in accordance with the analysis specified in the California Building Code.~~

~~(2) Continuous Stress Path. A complete, continuous stress path from every part or portion of the structure to the ground shall be provided for the required horizontal forces.~~

~~(3) Positive Connections. All parts, portions or elements of the structure shall be interconnected by positive means.~~

~~(f) ANALYSIS PROCEDURE.~~

~~(1) General. Stresses in materials and existing construction utilized to transfer seismic forces from the ground to parts or portions of the structure shall conform to those permitted by the code and those materials and types of construction specified in Section 1613.10.~~

~~(2) Connections. Materials and connectors used for interconnection of parts and portions of the structure shall conform to the code. Nails may be used as part of an approved connector~~.

~~(3)~~ (d) Unreinforced Masonry Walls. Except as modified herein, unreinforced masonry walls shall be analyzed to withstand all vertical loads ~~as specified in Chapter 21 of the California Building Code~~ in addition to the lateral seismic forces required ~~by this division.~~ in the 2019 CBC. ~~The fifty (50) percent increase in the seismic force factor for shear walls as specified in Table No. 24-H of this Code may be omitted in the computation of seismic loads to existing shear walls.~~ No allowable tension stress will be permitted in unreinforced masonry walls. Walls not capable of resisting the required design forces specified in this section shall be strengthened or shall be removed and replaced.

EXCEPTIONS:

(1) Unreinforced masonry walls in buildings not classified as a ~~Rating~~ Risk Category Classification I Occupancy ~~pursuant to Table No. 23-M may~~ shall be analyzed in accordance with ~~Section 1613.10~~ the 2019 CBC requirements.

(2) Unreinforced masonry walls which carry no design loads other than their own weight may be considered as veneer if they are adequately anchored to new supporting elements.

~~(g)~~ (d) COMBINATION OF VERTICAL AND SEISMIC FORCES.

(1) New Materials. All new materials introduced into the structure to meet the requirements of this section which are subjected to combined vertical and horizontal forces shall comply with building requirements of the 2019 California Building Code.

(2) Existing Materials. When stresses in existing lateral force-resisting elements are due to a combination of dead loads plus seismic loads, the allowable working stress specified in the code may be increased thirty-three (33) ~~one hundred (100)~~ percent. ~~However, no increase will be permitted in the stresses allowed in Section 1613.10, and the stresses in members due only to seismic and dead loads shall not exceed the values permitted by the California Building Code.~~

~~(3) Allowable Reduction of Bending Stress by Vertical Load. In calculating tensile fiber stress due to seismic force, required by this Chapter, the maximum tensile fiber stress may be reduced by the full direct stress due to vertical dead loads.~~

SECTION 19. Section 15.36.100 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.100 – ~~CBC Section 1613.10 added –~~ Materials of construction.

~~Section 1613.10 is added to the California Building Code to read:~~

~~1613.10 Materials of Construction.~~

(a) GENERAL. All material permitted by this code, including their appropriate allowable stresses and those existing configurations of materials specified herein, may be utilized to meet the requirements of this division.

(b) EXISTING MATERIALS.

(1) Unreinforced Masonry Walls. Unreinforced masonry walls analyzed in accordance with this section may provide vertical support for roof and floor construction and resistance to lateral loads.

Tension stresses due to seismic forces normal to the wall may be neglected if the wall does not exceed the height-or length-to-thickness ratio and the in-plane shear stresses due to seismic loads as set forth in Table No. 23-R.

If the wall height-thickness ratio exceeds the specified limits, the wall may be supported by vertical bracing members designed in accordance with this Chapter. The deflection of such bracing member at design loads shall not exceed one tenth (1/10th) of the wall thickness.

All vertical bracing members shall he attached to floor and roof construction for their design loads independently of required wall anchors. Horizontal spacing of vertical bracing members shall not exceed one-half (½) the unsupported height of the wall nor ten (10) feet.

The wall height may be measured to bracing elements other than a floor or roof. Spacing of the bracing elements and wall anchors shall not exceed six (6) feet. Bracing elements shall be detailed to minimize the horizontal displacement of the wall by components of vertical displacements of the floor or roof.

(2) Existing Roof, Floor, Walls, Footings and Wood Framing, Existing materials, including wood shear walls utilized in the described configuration, may be used as part of the lateral load resisting system: provided, that the stresses in these materials do not exceed the value shown in Table No. 23-S.

(c) STRENGTHENING OF EXISTING MATERIALS. New materials, including wood shear walls, may be utilized to strengthen portions of the existing seismic resisting system in the described configurations; provided, that the stresses do not exceed the values shown in Table No. 23-S.

(d) ALTERNATE MATERIALS. Alternate materials, designs, and methods of construction may be approved by the Building Official in accordance with the provisions of the California Building Code.

(e) MINIMUM ACCEPTABLE QUALITY OF EXISTING UNREINFORCED MASONRY WALLS.

(1) General Provisions. All unreinforced masonry walls utilized to carry vertical loads and seismic forces parallel and perpendicular to the wall plane shall be tested as specified in this subsection. All masonry quality shall equal or exceed the minimum standards established herein or shall be removed and replaced by new materials. Alternate methods of testing may be approved by the Building Official. The quality of mortar in all masonry walls shall be determined by performing in-place shear tests or by testing eight (8) inch diameter cores. Alternative methods of testing may be approved by the Building Official. Nothing shall prevent pointing with mortar of all the masonry wall joints before the tests are first made. Prior to any pointing, the mortar joints must be raked and cleaned to remove loose and deteriorated mortar. Mortar for pointing shall be Type S or N except masonry cements shall not be used. All preparation and mortar pointing shall be done under continuous inspection of a registered deputy building inspector. At the conclusion of the inspection, the inspector shall submit a written report to the licensed engineer or architect responsible for the seismic analysis of the building setting forth the result of the work inspected. Such report shall be submitted to the Building Official for approval as part of the structural analysis. All testing shall be performed in accordance with the requirements specified in this subsection by a testing agency approved by the Building Official. An accurate record of all such tests and their location in the building shall be recorded and these results shall be submitted to the Building Official for approval as part of the structural analysis.

(2) Number and Location of Tests. The minimum number of tests shall be two (2) per wall or line of wall elements resisting a common force, or one (1) per fifteen hundred (1,500) square feet of wall surface, with a minimum of eight (8) tests in any case. The exact test or core location shall be determined at the building site by the licensed engineer or architect responsible for the seismic analysis of the subject building.

(3) In-Place Shear Tests. The bed joints of the outer width of the masonry shall be tested in shear by laterally displacing a single brick relative to the adjacent bricks in the width. The opposite head joint of the brick to be tested shall be removed and cleaned prior to testing. The minimum quality mortar in eighty (80) percent of the shear tests shall not be less than the total of thirty (30) psi plus the axial stress in the wall at the point of the test. The shear stress shall be based on the gross area of both bed joints and shall be that at which movement of the brick is first observed.

(4) Core Tests. A minimum number of mortar test specimens equal to the number of required cores shall be prepared from the cores and tested as specified herein. The mortar joint of the outer with of the masonry core shall be tested in shear by placing the circular core section in a compression testing machine with the mortar bed joint rotated fifteen (15) degrees from the axis of the applied load. The mortar joint tested in shear shall have an average ultimate stress of twenty (20) psi based on the gross area. The average shall be obtained from the total number of cores made. The average shall be obtained from the total number of cores made. If test specimens cannot be made from cores taken then shear value shall be reported as zero.

(f) TESTING OF SHEAR BOLTS. One-fourth (¼) of all new shear bolts and dowels embedded in unreinforced masonry walls shall be tested by a registered deputy building inspector using a torque calibrated wrench to the following minimum torques:

One-half (½) inch diameter bolts or dowels—forty (40) foot-lbs.
Five-eighths (⅝) inch diameter bolts or dowels—fifty (50) foot-lbs.
Three-fourths (¾) inch diameter bolts or dowels—sixty (60) foot-lbs.

No bolts exceeding one-fourth (¼) inch shall be used. All nuts shall be installed over malleable iron or plate washers when bearing on wood, and heavy cut washers when hearing on steel.

(g) DETERMINATION OF ALLOWABLE STRESSES FOR DESIGN METHODS BASED ON TEST RESULTS.

(1) Design Shear Values. Design seismic in-place shear stresses shall be substantiated by tests performed as specified in ~~Section 1613.10(e)(3) and (4)~~ the 2019 CBC. Design stresses shall be related to test results obtained in accordance with Table No. 23-U. Intermediate values between three (3) and ten (10) psi may be interpolated.

(2) Design Compression and Tension Values. Compression stresses for unreinforced masonry having a minimum design shear value of three (3) psi shall not exceed one hundred (100) psi. Design tension values for unreinforced masonry shall not be permitted.

(h) Five (5) percent of the existing rod anchors utilized as all or part of the required wall anchors shall be tested in pullout by an approved testing laboratory. The minimum number tested shall be four (4) per floor, with two (2) tests at walls with joist framing into the wall and two (2) tests at walls with joist parallel to the wall. The test apparatus shall be supported on the masonry wall of a minimum distance of the wall thickness from the anchor tested. The rod anchor shall be given a preload of three hundred (300) pounds prior to establishing a datum for recording elongation. The tension test load report shall be recorded at one-eighth (⅛) inch relative movement of the anchor and the adjacent masonry surface. Results of all tests shall be reported. The report shall include the test results as related to the wall thickness and joint orientation. The allowable resistance value of the existing anchors shall be forty (40) percent of the average of those tested anchors having the same wall thickness and joint orientation.

(i) Qualification tests for devices used for wall anchorage shall be tested with the entire tension load carried on the enlarged head at the exterior face of the wall. Bond on the part of the device between the enlarged head and the interior wall face shall be eliminated for the qualification tests. The resistance value assigned the device shall be twenty (20) percent of the average of the ultimate loads.

SECTION 20. Section 15.36.110 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.110 – ~~CBC Section 1613.11 added –~~ Information required on plans.

~~Section 1613.11 is added to the California Building Code to read:~~

~~1613.11 Information required on plans.~~

(a) GENERAL. In addition to the seismic analysis required pursuant to this Chapter, the licensed engineer or architect responsible for the seismic analysis of the building shall determine and record the information required by this section on the approved plans.

(b) CONSTRUCTION DETAILS. The following requirements with appropriate construction details shall be made part of the approved plans:

(1) All unreinforced masonry walls shall be anchored at the roof level by tension bolts through the wall as specified in Table No. 23-T, or by approved equivalent at a maximum anchor spacing of six (6) feet.

All unreinforced masonry walls shall be anchored at all floors with tension bolts through the wall or by existing rod anchors at a maximum anchor spacing of six (6) feet. All existing rod anchors shall be secured to the joists to develop the required forces. The Building Official may require testing to verify the adequacy of the embedded ends of existing rod anchors. Tests when required shall conform to ~~Section 1613.10(h)~~ the 2019 CBC requirements.

When access to the exterior face of the masonry wall is prevented by proximity of an existing building, wall anchors conforming to Item 5 and 6 in Table 23-T may be used.

Alternative devices to be used in lieu of tension bolts for masonry wall anchorage shall be tested as specified in ~~Section 1613.10(i)~~ the 2019 CBC requirements.

(2) Diaphragm chord stresses of horizontal diaphragm shall be developed in existing materials or by addition of new materials.

(3) Where trusses and beams other than rafters or joists are supported on masonry, ledges or columns shall be installed to support vertical loads of the roof or floor members.

(4) Parapets and exterior wall appendages not capable of resisting the forces specified in this section shall be removed, stabilized or braced to ensure that the parapets and appendages remain in their original position.

(5) All deteriorated mortar joints in unreinforced masonry walls shall be pointed with Type S or N mortar. Prior to any pointing, the wall surface must be raked and cleaned to remove loose and deteriorated mortar. All preparation and pointing shall he done under continuous inspection of a registered deputy building inspector certified to inspect masonry or concrete. At the conclusion of the project, the inspector shall submit a written report to the Building Official setting forth the portion of work inspected.

(6) Repair details of any cracked or damaged unreinforced masonry wall required to resist forces specified in this division.

(c) EXISTING CONSTRUCTION. The following existing construction information shall be made part of the approved plans:

(1) The type and dimensions of existing walls and the size and spacing of floor and roof members.

(2) The extent and type of existing wall anchorage to floors and roof.

(3) The extent and type of parapet corrections which had been performed on the building subsequent to initial construction.

(4) Accurately dimensioned floor plans and masonry wall elevations showing dimensioned openings, piers, wall thickness and heights.

(5) The location of cracks and damaged portions of unreinforced masonry walls requiring repairs.

(6) The type of interior wall surfaces and if reinstalling or anchoring of ceiling plaster is necessary.

(7) The general condition of the mortar joints and if joints need pointing.

SECTION 21. Section 15.36.120 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.120 – Table 23-M ~~added to CBC Chapter 16~~ – ~~Rating classifications~~. Risk Category Occupancy

~~Table 23-M is added to Chapter 16 of the California Building Code to read:~~

TABLE NO. 23-M
~~RATING CLASSIFICATIONS~~ RISK CATEGORY OCCUPANCY

TYPE OF BUILDING	**RISK CATEGORY OCCUPANCY**
Essential building	~~I~~ IV
High-risk building	~~II~~ III
Medium-risk building	~~III~~ II
Low-risk building	~~IV~~ I

SECTION 22. Section 15.36.130 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.130 – Table 23-N ~~added to CBC Chapter 16~~ – Time limits for compliance.

~~Table 23-N is added to Chapter 16 of the California Building Code to read:~~

TABLE NO. 23-N
TIME LIMITS FOR COMPLIANCE

~~RATING CLASSIFICATION~~ RISK CATEGORY OCCUPANCY	COMPLETION OF ANALYSIS WITHIN	OBTAIN BUILDING PERMIT WITHIN	COMMENCE CONSTRUCTION WITHIN	COMPLETE CONSTRUCTION WITHIN
~~I~~ **III & IV**	90 days	90 days*	180 days**	2 years**
II	90 days	90 days*	180 days**	2 years**
~~III & IV~~ I	1 year	90 days*	180 days**	3 years**

* Measured from completion date of structural analysis.

** Measured from the date of building permit issuance.

SECTION 23. Section 15.36.140 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.140 – Table 23-O ~~added to CBC Chapter 16~~ – Horizontal force factors based on ~~rating classification~~. Risk Category Occupancy shall not be less than:

~~Table 23-O is added to Chapter 16 of the California Building Code to read:~~

TABLE NO. 23-O
HORIZONTAL FORCE FACTORS
BASED ON ~~RATING CLASSIFICATION~~ RISK CATEGORY OCCUPANCY

~~RATING CLASSIFICATION~~ **RISK CATEGORY OCCUPANCY**	
~~I~~ III & IV	0.186
II	0.133
~~III & V~~ I	0.100

SECTION 24. Section 15.36.150 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.150 – Table 23-P ~~added to CBC Chapter 16~~ – Horizontal seismic force important factors "Ie" for parts or portions of structures.

~~Table 23-P is added to Chapter 16 of the California Building Code to read:~~

TABLE NO. 23-P
HORIZONTAL SEISMIC FORCE IMPORTANT FACTORS "Ie"
FOR PARTS OR PORTIONS OF STRUCTURES

~~RATING CLASSIFICATION~~ **RISK CATEGORY OCCUPANCY**	~~IS~~ Ie
~~I~~ IV	1.50
~~II~~ III	~~1.00~~ 1.25
~~III & IV~~ I & II	~~0.75~~ 1.00

SECTION 25. Section 15.36.160 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.160 – ~~Table 23-Q added to CBC Chapter 16~~ – Horizontal force factor ~~"Cp"~~ for parts or portions of buildings or other structures shall be designed and constructed in comply with the requirements and regulations in 2019 CBC including ASCE 7-10 Chapters 13 through 15. ~~However, the horizontal force shall not be less than Table NO. 23-Q~~

~~Table 23-Q is added to Chapter 16 of the California Building Code to read:~~

~~**TABLE NO. 23-Q**~~
~~HORIZONTAL FORCE FACTOR "Cp" FOR PARTS OR PORTIONS~~
~~**OF BUILDINGS OR OTHER STRUCTURES**~~

~~Part or Portion of Buildings~~	~~Direction of Force~~	~~Value of Cp~~
~~Exterior bearing and nonbearing walls; interior bearing walls and partitions; interior nonbearing walls and partitions over ten (10) feet in height; masonry fences over 6 feet in height.~~	~~Normal to flat~~	~~0.20~~
~~Cantilever parapet and other cantilever walls, except retaining walls.~~	~~Normal to flat~~	~~1.00~~
*		

~~*(too large to print; no changes to table content)~~

~~Notes:~~

~~(1) See Section 1613.9(b) for use of Cp.~~

~~(2) When located in the upper portion of any building with a ratio of five (5) to one (1) or greater, the value shall be increased by fifty (50) percent.~~

~~(3) For flexible and flexibly mounted equipment and machinery, the appropriate value for Cp shall be determined with consideration given to both the dynamic properties of the equipment and machinery and to the building or structure in which it is placed.~~

~~(4) The Wp for storage racks shall be the weight of the racks plus contents. The value of Cp for racks over two (2) storage support levels in height shall be zero point sixteen (0.16) for the levels below the top two (2) levels.~~

~~(5) The design of the equipment and machinery and their anchorage is an integral part of the design and specification of such equipment and machinery. The structure to which the equipment or machinery is mounted shall be capable of resisting the anchorage forces~~

~~(6) Floors and roofs acting as diaphragms shall be designed for a minimum force resulting from a Cp of point twelve (.12) applied to the Wp unless a greater force results from the distribution of lateral forces in accordance with Section 1613.10(e).~~

SECTION 26. Section 15.36.170 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.170 – Table 23-R ~~added to CBC Chapter 16~~ – Allowable value of height – thickness ratio of unreinforced masonry (URM) walls with minimum quality mortar.

~~Table 23-R is added to Chapter 16 of the California Building Code to read:~~

TABLE NO. 23-R
ALLOWABLE VALUE OF HEIGHT-THICKNESS RATIO OF
UNREINFORCED MASONRY WALLS WITH MINIMUM QUALITY MORTAR [1,2]

	BUILDINGS WITH CROSSWALLS AS DEFINED BY Los Angeles Municipal Code ("LAMC") SECTION 91.8803 UNREINFORCED MASONRY (URM) RETROFIT	ALL OTHER BUILDINGS
Walls of one-story buildings	16	13
First-story wall of multistory buildings	16	15
Walls in top story of multistory buildings	14	9
All other walls	16	13

[1] ~~Minimum quality mortar shall be determined by Laboratory testing in accordance with Section 1613.10(e).~~

[2]~~-~~Table No. 23-R is not applicable to buildings of Risk Category Occupancies III and IV. ~~Rating Classification I. Walls of buildings within Rating Classification I shall be analyzed in accordance with Section 1613.9(f).~~ Walls of buildings with Risk Category III and IV shall be analyzed and constructed in accordance with 2019 CBC.

SECTION 27. Section 15.36.180 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.180 – Table 23-S ~~added to CBC Chapter 16~~ – Values for existing materials.

~~Table 23-S is added to Chapter 16 of the California Building Code to read:~~

TABLE NO. 23-S
VALUES FOR EXISTING MATERIALS

NEW MATERIALS OR CONFIGURATION OF MATERIALS [1]	ALLOWABLE VALUES
1. **HORIZONTAL DIAPHRAGMS**	
a. Roofs with straight sheathing and roofing applied directly to the sheathing.	100 lbs. per foot for seismic shear.
b. Roofs with diagonal sheathing and roofing applied	400 lbs. per foot for seismic shear.

NEW MATERIALS OR CONFIGURATION OF MATERIALS [1]	ALLOWABLE VALUES
directly to the sheathing.	
c. Floors with straight tongue-and-groove sheathing.	150 lbs. per foot for seismic shear.
d. Floors with straight sheathing and finished wood flooring.	300 lbs. per foot for seismic shear.
e. Floors with diagonal sheathing and finished wood flooring.	450 lbs. per foot for seismic shear.
f. Floors or roofs with straight sheathing and plaster applied to the joist or rafters. [2]	Add 50 lbs. per foot to the allowable values for items 1(a) and 1(c).
2. **SHEAR WALLS**	
Wood stud walls with lath and plaster.	100 lbs. per foot each side for seismic shear.
3. **PLAIN CONCRETE FOOTINGS**	f'c = 1500 psi unless otherwise shown by tests.
4. **DOUGLAS FIR WOOD**	Allowable stress same as No. 1 D.F.L. [2]
5. **REINFORCING STEEL**	fs = 18,000 lbs. per square inch maximum. [2]
6. **STRUCTURAL STEEL**	fs = 20,000 lbs. per square inch maximum. [2]
*	

*(too large to print; no changes to table content)

1 Material must be sound and in good condition.

2 Stresses given may be increased for combinations of loads as specified in ~~Section 2330(g)2.~~ LABC 8808 Document P/BC 2020-053.

SECTION 28. Section 15.36.190 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.190 – Table 23-T ~~added to CBC Chapter 16~~ – Allowable values of new materials used in conjunction with existing construction.

~~Table 23-T is added to 8808Chapter 16 of the California Building Code to read:~~

TABLE NO. 23-T

ALLOWABLE VALUES OF NEW MATERIALS USED IN CONJUNCTION WITH EXISTING CONSTRUCTION

NEW MATERIALS OR CONFIGURATION OF MATERIALS [1]	ALLOWABLE VALUES
1. **HORIZONTAL DIAPHRAGMS**	
Plywood sheathing applied directly over existing straight sheathing with ends of plywood sheets bearing on joists or rafters and edges of plywood located on center of individual sheathing boards.	Same as specified in ~~Table No.25-J of this code~~ Table C of LABC 8808 for blocked diaphragms.
2. **SHEAR WALLS**	
(a) Plywood sheathing applied directly over existing wood studs. No value shall be given to plywood applied over existing plaster or wood sheathing.	Same as values specified in Table ~~No. 25-K~~ Table C of LABC 8808 for shear walls.
(b) Drywall or plaster applied directly over existing wood studs.	75 percent of the values specified in ~~Table~~ Table C of LABC 8808 ~~No. 47-I.~~
(c) Drywall or plaster applied to plywood sheathing over existing wood studs.	33- 1/3 percent of the values specified in Table C of LABC 8808 ~~Table No. 47-I.~~
3. **SHEAR BOLTS**	
Shear bolts and shear dowels embedded a minimum of 8 inches into unreinforced masonry walls. Bolt centered in a 2-½ inch diameter bolt with dry-pack or nonshrink grout around circumference of bolt or dowel. [1, 3]	100 percent of the values for solid masonry specified in Table C of LABC 8808. ~~Table No. 24-G~~. No values larger than those given for ¾ inch bolts shall be used.
4. **TENSION BOLTS**	
Tension bolts and tension dowels extending entirely through unreinforced masonry walls secured with bearing plates on far side of wall with at least 30 square inches of area. [2, 3]	1200 lbs. per bolt or dowel.
5. **WALL ANCHORS**	
(a) Bolts extending to the exterior face of the wall with a 2-½ inch round plate under the head. Install as specified for shear bolts. Spaced not closer than 12 inches on centers. [1, 2, 3]	600 lbs. per bolt.
(b) Bolts or dowels extending to the exterior face of the wall with a 2-½ inch round plate under the head and drill at an angle of 22-½ degrees to the horizontal. Installed as specified for shear bolts. [1, 2, 3]	1200 lbs. per bolt or dowel.
6. **INFILLED WALLS**	
Reinforced masonry infilled openings in existing unreinforced masonry walls with keys or dowels to match reinforcing.	Same as values specified for unreinforced masonry walls.
7. **REINFORCED MASONRY**	
Masonry piers and walls reinforced per ~~Section 2417 and 2418~~ LABC 8808.	Same as values specified in ~~Table No. 24-B~~ Table C of LABC 8808.
8. **REINFORCED CONCRETE**	

NEW MATERIALS OR CONFIGURATION OF MATERIALS [1]	ALLOWABLE VALUES
Concrete footings, walls and piers reinforced as specified in ~~Chapter 26~~ LABC8808 and 2019 CBC and designed for tributary loads.	Same as values specified in ~~Chapter 26 of this code.~~ LABC 8808 (Document No P/BC 2020-053) and 2019CBC
9. **EXISTING FOUNDATION LOADS**	
Foundation loads for structures exhibiting no evidence of settlement.	Calculated existing foundation loads due to maximum dead load plus live load may be increased 25 percent for dead load, and may be increased 50 percent for dead load plus seismic load required by section.
*	

*(too large to print; no changes to table content)

[1] Bolts and dowels to be tested as specified in ~~Section 1613.10.~~ LABC 8808 (Document No P/BC 2020-053).

[2] Bolts and dowels to be ½-inch minimum in diameter.

[3] Drilling for bolts and dowels shall be done with an electric rotary drill. Impact tools shall not be used for drilling holes or tightening anchor and shear bolt nuts.

SECTION 29. Section 15.36.200 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.200 – ~~Table 23-U added to CBC Chapter 16~~ – Allowable shear stress for tested unreinforced masonry walls.

~~Table 23-U is added to Chapter 16 of the California Building Code to read:~~

TABLE NO. 23-U
ALLOWABLE SHEAR STRESS FOR TESTED
UNREINFORCED MASONRY WALLS

30 PERCENT OF TEST RESULTS IN PSI NOT LESS THAN	AVERAGE TEST RESULTS OF CORES IN PSI	SEISMIC IN-PLANE SHEAR BASED ON GROSS AREA
30 plus axial stress	20	3 psi*
40 plus axial stress	27	4 psi*
50 plus axial stress	33	5 psi*
100 plus axial stress	67 or more	10 psi max.*

* Allowable shear stress may be increased by addition of 10 percent of the axial stress due to the weight of the wall directly above.

SECTION 30. ADDITIONAL AMENDMENTS, NO FINDINGS REQUIRED. Certain Sections of Chapter 15.04 are also hereby amended without the need to adopt findings. (Deletions in ~~strikethrough~~ and additions in underline).

SECTION 31. Section 15.04.10 of Chapter 15.04 of the MMC is hereby amended to read as follows:

15.04.010 – Adoption.

Subject to certain changes and amendments as hereinafter set forth in this chapter, the city council does adopt as the building regulations for the city, the California Building Code (Title 24 or "CBC") ~~Code Volumes 1 and 2, 2016 edition with errata (Title 24, part 2, California Code of Regulations),~~ based on the ~~2015~~ International Building Code, and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code"). The code consists of a published compilation of rules, regulations, and standards pertaining to the erection, construction, enlargement, alteration, repair, moving, removal, demolition, conversion, occupancy, equipment, use, height, area and maintenance of all buildings and all structures. The code shall govern, regulate and control all of the activities therein referred to be conducted within the city. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part thereof as though fully set in this chapter.

SECTION 32. Section 15.04.030 of Chapter 15.04 of the MMC is hereby amended to read as follows:

15.04.30 – Building permit fees.

~~Section 109.2 of the California Building Code is amended to read as follows:~~

~~Section 109.2.~~ Building Permit Fees. A fee for each building permit shall be paid to the City in an amount set by City Council resolution.

Plan Checking Fees. When the valuation of the proposed construction exceeds $1,000.00 and a plan is required to be submitted by subsection 107, a plan checking fee, in an amount set by City Council resolution, shall be paid to the City at the time of submitting plans and specifications for checking.

When plans are incomplete, or changed so as to require additional plan checking, an additional plan check fee shall be charged at a rate established by the Building Official.

SECTION 33. Section 15.12.010 of Chapter 15.12 of the MMC is hereby amended to read as follows:

15.12.010 – Adoption.

Subject to certain changes and amendments hereinafter set forth in this chapter, the city council does adopt, as the mechanical regulations for the city, the 2019 California Mechanical Code (CMC), ~~2016 edition with errata~~ (Title 24, ~~Part 4,~~ California Code of Regulations), based on the 2018 ~~2015~~ ~~Uniform~~ International Mechanical Code, and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code") which provides for the protection of the public health and safety by prescribing minimum standards for the use, design and installation of heating and cooking equipment, boilers, and similar equipment, and requires a permit and inspection for the installation, alteration and replacement of such equipment. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part hereof as though fully set forth in this chapter.

SECTION 34. Section 15.12.020 of Chapter 15.12 of the MMC is hereby amended to read as follows:

15.12.20 – CMC Section

~~Section 110.1 of the California Mechanical Code is hereby amended to read as follows:~~

~~Section 107.7.~~ In order to determine the suitability of alternate materials and types of construction, and to provide a reasonable interpretation of the provisions of this Code, the City Council shall act as the Board of Appeals, as referred to in this Code.

SECTION 35. Section 15.12.030 of Chapter 15.12 of the MMC is hereby amended to read as follows:

15.12.030 – ~~CMC Section 104.5 amended –~~ Permit fees.

~~Section 104.5 of the California Mechanical Code is amended to read as follows:~~

~~Section 104.5.~~ Any person desiring a permit required by this Code shall, at the time of filing an application therefore, pay a fee in the amount set by City Council Resolution.

SECTION 36. Section 15.16.010 of Chapter 15.16 of the MMC is hereby amended to read as follows:

15.16.010 – Adoption

Subject to certain changes and amendments hereinafter set forth in this chapter, the city council does adopt, as the housing regulations for the city, the California Building Code ~~Volumes 1 and 2, 2016 edition with errata~~ (Title 24, ~~part 2,~~ California Code of Regulations), based on the ~~2015~~ International Building Code, and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code"), which provides minimum requirements for the protection of life, limb, property, safety and welfare of the general public and the owners and occupants of residential buildings. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part hereof as though fully set forth in this chapter.

SECTION 37. Section 15.20.010 of Chapter 15.20 of the MMC is hereby amended to read as follows:

15.20.010 – Adoption.

Subject to certain changes and amendments hereinafter set forth is this chapter, the city council does adopt as the plumbing regulations for the city, the 2019 California Plumbing Code (CPC) ~~, 2016 edition with errata~~ (Title 24, ~~Part 5,~~ California Code of Regulations), based on the ~~2015~~ 2018 ~~Uniform~~ International Plumbing Code, and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code") which establishes the minimum regulations for the installation, alteration or repair of plumbing, gas and drainage systems and the inspection thereof. One copy of the code is on file in the office of the city clerk for public inspection; and the same is made a part hereof as though fully set forth in this chapter.

SECTION 38. Section 15.20.020 of Chapter 15.20 of the MMC is hereby amended to read as follows:

15.20.020 – ~~CPC Section 104.5 amended.~~ Fee

~~Section 104.5 of the California Plumbing Code is amended to read as follows:~~

Any person desiring a permit required by this code shall, at the time of filing an application, pay a fee to the City in the amount set by City Council Resolution.

SECTION 39. Section 15.24.010 of Chapter 15.24 of the MMC is hereby amended to read as follows:

15.24.010 – Adoption.

Subject to certain changes and amendments hereinafter set forth in this chapter, the city council does adopt as the electrical regulations for the City, the 2019 California Electrical Code~~, 2016 edition with errata~~ (Title 24, ~~Part 3,~~ California Code of Regulations), based on the ~~2011~~ 2014 National Electrical Code, and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code"). The code provides minimum standards to safeguard life or limb, health, property and public welfare by regulating and controlling the design, construction, installation, quality of materials, locations, operations, and maintenance of electrical systems, equipment and appliances. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part hereof as though fully set forth in this chapter.

SECTION 40. Section 15.28.010 of Chapter 15.28 of the MMC is hereby amended to read as follows:

15.28.010 – Adoption.

Subject to certain changes and amendments hereinafter set forth, the city council does adopt, as the sign regulations for the city, the 2019 California Building Code ~~Volumes 1 and 2, 2016 edition with errata~~ (Title 24, ~~part 2,~~ California Code of Regulations) ~~including but not limited to Chapter 3 and Appendix H~~, based on the ~~2015~~ 2018 International Building Code, and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code"), which provides minimum requirements for the protection of life, limbs, property, safety, and welfare of the general public and the owners of signs. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part hereof as though fully set forth in this chapter.

SECTION 41. Section 15.32.010 of Chapter 15.32 of the MMC is hereby amended to read as follows:

15.32.010 – Adoption.

Subject to certain changes and amendments hereinafter set forth in this chapter, the city council does adopt as the fire regulations for the city, the 2019 California Fire Code~~, 2016 edition with errata~~ (Title 24, ~~Part 9,~~ California Code of Regulations), based on the ~~2015~~ 2018 International Fire Code, and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code"). The code provides minimum standards to safeguard life or limb, health, property and public welfare by regulating and controlling the conditions hazardous to life and property from fire or explosion. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part hereof as though fully set forth in this chapter.

SECTION 42. Section 15.36.010 of Chapter 15.36 of the MMC is hereby amended to read as follows:

15.36.010 – Adoption

Subject to certain changes and amendments hereinafter set forth in this chapter, the city council does adopt as the seismic safety regulations for the city, the 2019 California Building Code~~, 2016 edition with errata~~ (Title 24, ~~Part 2,~~ California Code of Regulations), ~~including but not limited to Chapter 16,~~ based on the ~~2015~~ 2018 International Building Code, and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code"). The code provides minimum standards to safeguard life or limb, health, property and public welfare by regulating and controlling the hazardous to life and property from seismic activity is made a part as though fully set forth in this chapter. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part hereof as though fully set forth in this chapter.

SECTION 43. Section 15.60.010 of Chapter 15.60 of the MMC is hereby amended to read as follows:

15.60.010 – Adoption.

Subject to certain changes and amendments hereinafter set forth in this chapter, the city council does adopt as the green building regulations for the city, the 2019 California Green Building Standards Code~~, 2016 edition with errata~~ (Title 24, ~~Part 11,~~ California Code of Regulations), and is also called the CALGreen Code, and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code"). The code provides minimum standards for the purpose of improving public health, safety and general welfare by enhancing the design and construction of buildings through the use of building concepts having a positive environmental impact and encouraging sustainable construction practices in planning and design, energy efficiency, water efficiency and conservation, material conservation and resource efficiency and environmental air quality. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part hereof as though fully set forth in this chapter.

SECTION 44. Section 15.64.010 of Chapter 15.64 of the MMC is hereby amended to read as follows:

15.64.010 – Adoption.

Subject to certain changes and amendments hereinafter set forth in this chapter, the city council does adopt as the building standards administration regulations for the city, the 2019 California Building Standards Administration Code~~, 2016 edition with errata~~ (Title 24, ~~Part 1,~~ California Code of Regulations), and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code"). The code provides minimum standards for the administration of building standards within the city. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part hereof as though fully set forth in this chapter.

SECTION 45. Section 15.68.010 of Chapter 15.68 of the MMC is hereby amended to read as follows:

15.68.010 – Adoption.

Subject to certain changes and amendments hereinafter set forth in this chapter, the city council does adopt as the residential regulations for the city, the 2019 California Residential Code~~, 2016 edition with errata~~ (Title 24, ~~Part 2.5,~~ California Code of Regulations), based on the ~~2015~~ 2018 International Residential Code, and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code"). The code provides minimum standards for dwellings within the city. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part hereof as though fully set forth in this chapter.

SECTION 46. Section 15.70.010 of Chapter 15.70 of the MMC is hereby amended to read as follows:

15.70.010 – Adoption.

Subject to certain changes and amendments hereinafter set forth in this chapter, the city council does adopt as the energy regulations for the city, the California Energy Code~~, 2016 edition with errata~~ (Title 24, ~~Part 6,~~ California Code of Regulations), and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code"). The code provides energy standards within the city. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part hereof as though fully set forth in this chapter.

SECTION 47. Section 15.74.010 of Chapter 15.74 of the MMC is hereby amended to read as follows:

15.74.010 – Adoption.

Subject to certain changes and amendments hereinafter set forth in this chapter, the city council does adopt as the referenced standards regulations for the city, the California Referenced Standards Code~~, 2016 edition with errata~~ (Title 24, ~~Part 12,~~ California Code of Regulations), and as thereafter amended and published from time to time, by the California Building Standards Commission (hereinafter referred to as the "code"). The code provides referenced standards within the city. One copy of the code is on file in the office of the city clerk for public inspection, and the same is made a part hereof as though fully set forth in this chapter.

SECTION 48. EFFECT. All previously adopted local amendments shall remain in full force and effect.

SECTION 49. CONSTRUCTION. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 50. ENFORCEABILITY. Repeal of any provision of the MMC does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 51. CEQA FINDINGS. This Ordinance is not subject to the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, Section 15061(b)(3), because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed Ordinance maintain the status quo and prevents changes in the environment pending the completion of the contemplated municipal code review. Because there is no possibility that the Ordinance may have a significant adverse effect on the environment, the adoption of the Ordinance is exempt from CEQA.

SECTION 52. SEVERABILITY. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 53. EFFECTIVE DATE. The City Clerk shall certify to the passage of this Ordinance and shall cause this ordinance to be published and/or posted as required by law and said Ordinance shall become effective ~~30 days after its passage~~. January 1, 2020 as a matter of law.

SECTION 54. FILING. The City Clerk shall file a certified copy of this Ordinance with the California Building Standards Commission.

PASSED, APPROVED AND ADOPTED this ___ day of ~~February~~ May 2020.

Salvador Melendez, Mayor

APPROVED AS TO FORM

Arnold M. Alvarez-Glasman
City Attorney

ATTEST:

Irma Barajas
City Clerk

ATTACHMENT B

NOTICE OF PUBLIC HEARING
CITY OF MONTEBELLO CITY COUNCIL

NOTICE TO CONSIDER AN URGENCY ORDINANCE AND ORDINANCE ADOPTING THE 2019 CALIFORNIA BUILDING CODES TO THE MONTEBELLO MUNICIPAL CODE

NOTICE IS HEREBY GIVEN that the City of Montebello City Council (the "City Council") will conduct a public hearing to introduce by title only and waive full reading for consideration of an ordinance of the City of Montebello, California, adopting by reference the 2019 California Building Standards Code and certain specified appendices thereof including, the 2019 California Building Standards Administrative Code, 2019 California Electrical Code, 2019 California Mechanical Code, 2019 Plumbing Code, 2019 California Energy Code, 2019 California Historical Building Code, 2019 California Fire Code, 2019 California Existing Building Code, 2019 California Green Building Standards Code, 2019 California Referenced Standards Code; and making certain findings in support of specific additions, deletions amending Chapter 15.04, and Section 15.04.036, 15.04.040, 15.04.100, 15.04.120, 15.04.130, 15.32.190, 15.32.720, 15.36.040, 15.36.050, 15.36.060, 15.36.070, 15.36.080, 15.36.090, 15.36.100, 15.36.110, 15.36.120, 15.36.130, 15.36.140, 15.36.150, 15.36.160, 15.36.170, 15.36.180, 15.36.190, and 15.36.200 to the Montebello Municipal Code.

PUBLIC HEARING INFORMATION:

Date:	Wednesday, May 13, 2020
Time:	6:30 p.m.
Place:	City Hall Council Chambers 1600 W. Beverly Blvd. Montebello, CA 90640

PROJECT DESCRIPTION AND LOCATION: The purpose of each of these codes is to establish local building standards for the City of Montebello in conformance with the state building standards, with such changes and modifications as are necessary to meet the local conditions in the City of Montebello.

APPLICANT: City of Montebello

ENVIRONMENTAL: These ordinances are not subject to the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, Section 15061(b)(3), because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed ordinances maintain the status quo and prevent changes in the environment pending the completion of the contemplated municipal code review.

GENERAL INFORMATION: As authorized by the Governor's Executive Order No. N- 29-20, those interested in making public comments, may call on Wednesday, May 13, 2020 between 9:00 a.m. – 3:00 p.m. at (323) 887-1437. Staff will complete public comment cards in the order received. The public will be called during the City Council meeting. The exact call back time is not predictable due to the nature of the City Council agenda. As a result, you must be available until the end of the meeting to receive a live call from staff during the meeting. In addition, the City has created the following email address where the public can submit public comments from 4:30 p.m. – 5:30 p.m. on Wednesday, May 13, 2020: ccpubliccomment@cityofmontebello.com. These questions will be read out loud and submitted for the record.

Written comments may also be mailed or delivered to the City Clerk's office address identified below. If you challenge the matter in court, you may be limited to raising those issues you or someone else raised at the public hearing, or in written correspondence delivered to the City of Montebello at, or prior to, the public hearing. This notice is provided in accordance with Government Code Sections 65867, 65090 and 65091. Public comments or questions about the subject matter may be submitted to the City Clerk's Office by mail, at 1600 W. Beverly Blvd., City of Montebello, or email at: lguzman@cityofmontebello.com. All communications to the City Clerk or the City Council regarding this matter are public records and will become part of the City's files and records.

Published: April 30, 2020

ITEM #14

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Joseph Palombi, Director of Planning and Community Development

SUBJECT: **Approve the Housing Element Update (dated April 8, 2020) for the 2016-2021 planning period and Adopt Zone Code Amendment No. 01-20 for the related Housing Opportunity Overlay Zone.**

DATE: May 13, 2020

RECOMMENDATION

It is recommended that the City Council:

1) Adopt Resolution adopting the Addendum to the adopted Negative Declaration prepared in connection with the Housing Element Update (2016-2021);

2) Adopt Resolution approving the Housing Element Update (dated April 8, 2020) for the 2016-2021 planning period; and

3) Introduce and waive first reading of the Ordinance to establish the Housing Opportunity Overlay Zone (Zone Code Amendment No. 01-20).

BACKGROUND

California State law requires local jurisdictions to maintain a current Housing Element as part of the General Plan framework. The Housing Element is intended to identify planning strategies focused on conserving, rehabilitating, and providing housing to meet the existing and future needs of the community. The California Department of Housing and Community Development ("HCD") periodically evaluates the status of the housing market within California to establish housing production goals. These allocated housing production goals are referred to as Regional Housing Needs Assessments ("RHNA"). The City of Montebello is under the Southern California Association of Governments ("SCAG") who is responsible for distributing the State's RHNA allocations based on methodologies established by SCAG. State law requires counties and cities to update housing elements every five years to better reflect changes in the market condition.

The previously adopted Housing Element for the City of Montebello addressed housing conditions between January 1, 1989, and December 31, 1997. The RHNA is mandated by State Housing Law as part of the periodic process of updating local housing elements. The RHNA quantifies the need for housing within each jurisdiction during specified planning periods established by the State. These planning periods are referred to as "cycles" and typically cover an eight year period. Because the City of Montebello did not adopt an updated housing element for the previous planning period, this Housing Element also analyzes housing needs for the previous 4th Cycle RHNA allocation planning period (2008-2014) as well as the current 5th Cycle RHNA allocation planning period (2014-2021). This Housing Element differs from the other General Plan Elements in that the Housing Element was reviewed by HCD to ensure it conforms to State requirements.

On March 27, 2020, the City submitted the draft four-year Housing Element Update (Please see Attachment E) to HCD for review. On April 7, 2020, the City received an approval letter (Please see Attachment F) confirming the current draft Housing Element meets the statutory requirements of State Housing Element Law (Article 10.6 of the California Government Code). This finding was based on, among other things, the proposed Housing Opportunity Overlay Zone which establishes a zoning overlay with appropriate densities to accommodate the regional housing needs with affordability components for the 4th Cycle and 5th Cycle planning periods. The City's unmet housing needs under these two cycles are 147 units for the 4th Cycle and 430 units for the 5th Cycle.

The City's RHNA allocation for the 2006–2013 4th Cycle planning period (503 units) is shown in Table 1 below. According to City records, one affordable housing development was constructed during the previous planning period. This affordable housing development consisted of 54 low-income units, and one moderate-income manager's unit. After accounting for moderate-income and above moderate-income residential units permitted or constructed between January 2006 and December 2013, the City has an unmet lower-income RHNA of 123 very low-, and 24 low-income units (147 total RHNA units).

TABLE 1
Regional Housing Needs Assessment for the 4th Cycle (2006 to 2013)

Income Category	Total Units	Percent	Units Constructed	Vacant Land Inventory	Remaining RHNA
Very Low-Income (<50 % MFI)	123	24.5%	0	0	123
Low-Income (51-80 % MFI)	78	15.5%	54	0	24
Moderate-Income (81-120 % MFI)	85	16.9%	1	0	84
Above Moderate-Income (>120 % MFI)	217	43.1%	0	0	217
Total RHNA	503	100.0	55	0	448

SCAG's Regional Housing Needs Assessment (RHNA) estimated the seven-year (2014-2021) RHNA for Montebello at 1,066 units. Of the 1,066 housing units needed to accommodate the 5^{th} Cycle need, 269 units should be allocated to very low-income households, 161 units should be provided for low income households, 175 units should be provided for moderate income households, and 461 units should be provided for households with above moderate incomes. Table 2 shows the distribution of the 5^{th} Cycle RHNA housing needs for the four income categories and units reflecting land available to address the RHNA.

TABLE 2
Regional Housing Needs Assessment for the 5^{th} Cycle (2014-2021)

Income Level	RHNA (# units)	Percent	Units Approved	Land Inventory	Remaining RHNA
Extremely Low-income*	134	13.1%	0	0	134
Very Low-income	135	13.1%	0	0	135
Low-income	161	15.5%	0	0	161
Moderate-income	175	16.5%	244	856	0
Above Moderate-income	461	42.8%	105	376	0
Total	1,066	100.0%	349	1,232	430

In addition to the 430 lower income units required by the 5^{th} Cycle RHNA, the City must also meet the unmet lower-income RHNA of 147 units for the 4^{th} Cycle. This brings the unmet lower income RHNA to 577 units total. In an effort to address the need to provide opportunities for affordable housing to achieve the RHNA allocations referenced above, a density overlay has been proposed, which would allow vacant and underutilized sites to accommodate affordable housing components, as required by the RHNA. The proposed Housing Opportunity Overlay would provide the City with an implementation mechanism to rezone sites appropriate to accommodate affordable housing components as well as veterans housing.

It should be noted that the City is not actually building housing under the proposed Housing Element. Rather, as required by state housing laws, the City's role is to adopt plans and put in place regulatory systems that provide opportunities for (and not unduly constrain) housing development in the City. Moreover, an approved, updated Housing Element makes the City eligible to apply for state funds that may be used for General Plan updates, zoning code updates, and environmental analysis that expedite local planning and permitting. Currently, the City has a pending application to receive SB2 State grant funding up to $350,000 that could be used for planning efforts including the comprehensive General Plan update. An approved Housing Element is needed to meet the requirements to receive this funding. The deadline to secure this funding is June 30, 2020.

PUBLIC PROCESS AND PARTICIPATION

As part of an earlier comprehensive General Plan Update that initially included this Housing Element, the City undertook an extensive public outreach program that consisted of the following activities:

- The outreach program included the establishment of a General Plan Advisory Committee (GPAC). The GPAC conducted eight meetings over a two-year period during which time they formulated policies and recommended land uses changes to achieve City housing, economic, and quality of life goals.

- City Council/Planning Commission Workshops were also conducted to identify planning issues, to confirm key General Plan goals and policies, to identify land use alternatives, and to review the draft General Plan document.

- Community workshops were held to identify key topics and issues to assist in the development of goals and policies and the selection of the preferred land use plan. The workshops helped identify key housing issues such as the need for a smooth transition from high to low-density housing along Beverly Boulevard, incompatible residential and industrial lands uses on Maple Avenue and elsewhere in the southern portion of the City, and a need for mixed-uses and single-family affordable housing.

Following the termination of the larger General Plan Update, the City focused on updating the Housing Element. The City conducted a Housing Element Community Meeting on August 2017 which was well attended with approximately 35 persons in attendance. The following is a summary of the issues raised by those in attendance:

- The high cost for housing in the City. Long-time residents indicated that their grown children were not able to afford housing in the City.

- One comment centered around problems related to the banking crisis beginning in 2008 and the continued number of foreclosures in the community, and the detrimental impacts of these foreclosures on the community.

- Newer residential developments in the have occurred at higher densities and there is a concern that new development and future zone changes could potentially lead to land use conflicts and incompatible uses.

- Public services may not be able to meet the demand resulting from new development.

- New residential development may result in significant impacts on the environment.

The community meetings were followed up by a study session that was held before the Planning Commission. During the Planning Commission meeting, a brief presentation was made by staff which included a question and answer session. On September 5, 2017, the draft Housing Element was originally presented to the Planning Commission. Subsequently, a duly noticed public hearing was held at the Planning Commission on October 3, 2017. City staff has worked closely with HCD to get to this point. On April 7, 2020, the City received confirmation from HCD that the current draft Housing Element (dated April 8, 2020) meets the statutory requirements of State Housing Element Law. The draft Housing Element has been available on the City's website for public review during the course of its preparation.

On April 21, 2020, the Planning Commission conducted a public hearing regarding the Housing Element Update (2016-2021) and related Housing Opportunity Overlay Zone. The City did not receive any comments from the public in connection with this matter. After closing the public hearing, the Planning Commission unanimously voted to recommend approval of the Housing Element Update and related Housing Opportunity Overlay Zone pursuant to Resolution No. 08-20 (please see Attachment D).

ENVIRONMENTAL

On December 10, 2014, the City Council of the City of Montebello adopted a Negative Declaration (State Clearinghouse No. 2014011084) pursuant to the California Environmental Quality Act ("CEQA") (Public Resources Code, § 21000 *et seq*.) and the California Code of Regulations, title 14, Section 15000 *et seq*. ("State CEQA Guidelines") considering the potential environmental impacts associated with the City of Montebello Housing Element Update ("Housing Element Update"). An Addendum to the adopted Negative Declaration has been prepared in connection with the Housing Element Update (2016-2021).

FISCAL IMPACT

None

PUBLIC NOTIFICATION

Pursuant to Montebello Municipal Code Section 17.78.030, notice to the community was provided as follows:

- The Public Hearing Notice was published in the Montebello Wave on April 30, 2020.

ATTACHMENTS:

A) Draft Resolution - Housing Element Update (2016-2021)
B) Draft Ordinance – Housing Opportunity Overlay Zone (Zone Code Amendment No. 01-20)
C) Addendum to adopted Negative Declaration (SCH No. 2014011084)
D) Planning Commission Resolution No. 08-20 (Approved April 21, 2020)
E. Housing Element Update (2016-2021)
F. Letter from the Department of Housing and Community Development (dated April 7, 2020)
G. Public Hearing Notice

ATTACHMENT A

RESOLUTION NO. _______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO ADOPTING THE 2016-2021 HOUSING ELEMENT UPDATE AND ADOPTING ADDENDUM NO. 1 TO THE NEGATIVE DECLARATION FOR UPDATE TO THE CITY'S HOUSING ELEMENT

WHEREAS, Government Code Sections 65580 through 65589.11 require that all local governments prepare and maintain Housing Elements to identify planning strategies to conserve, rehabilitate, and provide housing to meet the existing and future needs of the community; and

WHEREAS, pursuant to Government Code Section 65588, California municipalities are required to review and revise their Housing Elements as frequently as appropriate; and

WHEREAS, pursuant to Government Section 65585, all Housing Element Updates must be submitted to and reviewed by the California Housing and Community Development Department ("HCD"); and

WHEREAS, in March of 2020, staff submitted the draft Housing Element Update for the 2016-2021 cycle to the HCD ("2016-2021 Housing Element Update") and on [DATE] HCD submitted a letter informing the City that the 2016-2021Housing Element Update meets the requirements of state law; and

WHEREAS, on December 10, 2014, the City Council of the City of Montebello adopted a Negative Declaration ("ND") pursuant to the California Environmental Quality Act ("CEQA") (Public Resources Code, § 21000 *et seq.*) and the California Code of Regulations, title 14, section 15000 *et seq.* ("State CEQA Guidelines") considering the potential environmental impacts associated with the City of Montebello Housing Element Update ("Housing Element Update"); and

WHEREAS, subsequent to the adoption of the ND and the approval of the Housing Element Update, the California Legislature enacted new housing laws requiring additional incremental progress in producing housing within cities and counties state-wide through the enactment of legislation, including but not limited to, SB 2, SB 35, and AB 879 ("State Housing Laws"); and

WHEREAS, those modifications were not addressed in the ND, and consist of minor changes to comply with the State Housing Laws relating to by-right housing projects, permitted densities; and removal other barriers to affordable housing; and

WHEREAS, the City of Montebello, as lead agency, has prepared an Addendum ("Addendum") to the ND for the 2020 Housing Element Update to evaluate the potential environmental impacts that could result from modifying the Housing Element Update; the Addendum is attached hereto as Exhibit A; and

WHEREAS, the Addendum to the ND was prepared pursuant to the requirements of State CEQA Guidelines Section 15164; and

WHEREAS, the City Council of the City of Montebello has carefully reviewed the Addendum and the information contained in the record for the 2020 Housing Element Update, and all other legal prerequisites to the adoption of this Resolution have occurred; and

WHEREAS, Section 15164 of the State CEQA Guidelines requires the City Council of the City of Montebello to make one or more of the following findings prior to approval and adoption of the Addendum:

Finding 1. Minor technical changes or additions to the original project are necessary;

Finding 2. None of the following conditions described in Section 15162 of the. State CEQA Guidelines calling for preparation of a subsequent negative declaration have occurred; and

WHEREAS, on August 21, 2017, and August 28, 2017, the City held a publicly noticed advertised community meeting to receive information about and provide input on updating the Housing Element for the 2016-2021 planning period; and

WHEREAS, on April 21, 2020, the Planning Commission held a duly noticed and advertised public hearing and considered any testimony received during the public hearing and recommended to the City Council of the City of Montebello approval of the 2016-2021 Housing Element Update; and

WHEREAS, on May 13, 2020, the City Council held a duly noticed and advertised public hearing to consider the adoption of the 2016-2021 Housing Element Update.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Montebello as follows:

SECTION 1. The Recitals set forth above are incorporated herein and incorporated as part of the findings contained in this Resolution.

SECTION 2. Based on the staff report, public comments, the above recitals, and all other evidence in the record, the City Council of the City of Montebello has reviewed and considered the information contained in the staff report, public testimony, the

Addendum and related administrative record and finds that the City Council of the City of Montebello hereby finds as follows:

A. The Addendum contains a complete and accurate reporting of the environmental impacts associated with the proposed 2020 Housing Element Update. The City Council further finds that the Addendum has been completed in compliance with CEQA and the State CEQA Guidelines.

B. The City Council further finds that only minor technical changes or additions to the Project are necessary to make the 2016-2021 Housing Element Update consistent with State Housing Laws and that none of the conditions set forth in State CEQA Guidelines Section 15162 requiring a subsequent negative declaration have occurred.

C. The Addendum prepared for the Project reflects the independent judgment and analysis of the City Council of the City of Montebello.

D. On the basis of the whole record before it, the City Council finds that all environmental impacts of the 2016-2020 Housing Element Update are found to be below a level of significance and there is no substantial evidence in the record as a whole supporting a fair argument that it will have a potentially significant effect on the environment.

SECTION 3. The City Council hereby approves and adopts the Addendum to the ND prepared for the 2020 Housing Element Update. A copy of the Addendum, ND, and the Initial Study and all other materials constituting the record of proceedings are located in the Community Development Department in City Hall located at 1600 W. Beverly Boulevard, Montebello, CA 90640.

SECTION 4. Based on the staff report, public comments, the above recitals, and all other evidence in the record, the City Council further finds:

A. The 2016-2021 Housing Element Update is prepared in the interest of existing and future residents in order to ensure that housing opportunities exist for all income categories and the Housing Element Update adequately establishes the City's goals, policies, programs and quantified objectives that further the development, improvement, and preservation of housing within the City.

B. The Housing Element Update provides policies which aim to provide quality housing opportunities for all income levels and age groups based upon the fair share of the regional housing need as determined by the Southern California Association of Governments (SCAG).

C. The 2016-2021 Housing Element Update is consistent with policies and changes required to meet State housing mandates and incorporates changes enacted by the State Legislature to meet the State's housing goals.

D. The Housing Element Update is consistent with the City's General Plan by advancing the goals and policies of the City's Population Growth Element and Land Use Element.

E. The Housing Element will not be detrimental to the health, safety and welfare of the residents of the City of Montebello.

SECTION 5. Based on the above findings, the City Council of the City of Montebello adopts the 2016-2021 Housing Element Update in substantially the same form as attached to the staff report accompanying this Resolution and authorizes the City Manager or designee to transmit the 2016-2021 Housing Element Update to the HCD and such other public agencies as required by law.

SECTION 6. The City Clerk shall certify to the passage and adoption of this Resolution and the same shall thereupon take effect and be in force immediately upon its adoption.

[Signatures on the following page]

PASSED, APPROVED, AND ADOPTED this _____ day of May 2020.

Salvador Melendez, Mayor

APPROVED AS TO FORM

Arnold M. Alvarez-Glasman
City Attorney

ATTEST:

Irma Barajas
City Clerk

ATTACHMENT B

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MONTEBELLO, CALIFORNIA AMENDING TITLE 17 (ZONING CODE) OF THE MONTEBELLO MUNICIPAL CODE ADDING CHAPTER 17.47 ENTITLED HOUSING OPPORTUNITY OVERLAY ZONE AND SECTION 17.34.030 RELATING TO EMERGENCY SHELTERS

WHEREAS, the State Legislature has declared that the lack of housing, including providing for a variety of housing types of all income levels and special need groups, is a critical problem that threatens the economic, environmental, and social quality of life in California; and

WHEREAS, Government Code Sections 65580 through 65589.8 require that all local governments prepare and maintain housing elements to identify planning strategies to conserve, rehabilitate, and provide housing to meet the existing and future needs of the community; and

WHEREAS, the last update to the City's Housing Element was approved and adopted by City Council on December 10, 2014; and

WHEREAS, the California Housing and Community Development Department (HCD) is in charge of establishing the total number of housing units that each city and community must plan for within an eight-year (8-year) planning period known as the Regional Housing Needs Allocation (RHNA); and

WHEREAS, after review of the current City's Housing Element, it was determined that an amendment to the City's Zoning Code establishing a housing overlay zone would encourage the development of housing in the City and meet the City's State-mandated RHNA numbers to accommodate the shortfall carryover of adequately zoned sites from the 4th Cycle planning period (2006-2013) and a shortfall of adequately zoned sites for the 5th Cycle planning period (2014-2021); and

WHEREAS, to further that effort, the City of Montebello ("City") hereby creates a Housing Opportunity Overlay Zone in order to accommodate the City's RHNA 4th cycle and 5th cycle General Plan Housing Element planning periods as required by state law; and

WHEREAS, the Housing Opportunity Overlay Zone will be established to facilitate the development of housing "by-right" on underutilized sites and applied to properties that are currently zoned high density residential, commercial, and/or manufacturing uses to recycle to residential development;

WHEREAS, the Housing Opportunity Overlay Zone is further intended to serve as an implementation tool for the City's Housing Element of the General Plan by facilitating residential development on identified "housing opportunity sites;"

WHEREAS, the City further desires to amend the City's Emergency Shelters regulations to be in compliance with the State Housing Laws.

NOW, THEREFORE, the City Council of the City of Montebello does ordain as follows:

SECTION 1. RECITALS. The above recitals are true and correct and made a part of this Ordinance.

SECTION 2. FINDINGS. As a matter of state law (California Government Code Section 65300 *et seq.*), the proposed amendment to the Montebello Municipal Code ("Code") is consistent with City's general plan in that: (i) it will not create conditions materially detrimental to the public health, safety, and general welfare; (ii) it is internally consistent with those goals, objectives, and policies of the general plan which include, but is not limited to, the City's Housing Element by establishing conditions and development standards that promote and furthers the City's goals of providing an array of residential housing to meet the needs and demands of the City and State as well as providing opportunities to encourage housing development; (iii) new designation is compatible with the designations on nearby properties; and; (iv) the new designation is suitable for the location, access, visual character and topography of the subject property. Further, it is declared that the proposed amendment is authorized, appropriate, and required as a matter of public interest, convenience and necessity per Montebello Municipal Code, Title 17 - Zoning, Chapter 17.76, Zone Changes and Amendments.

SECTION 3. A new Chapter 17.47 entitled "Housing Opportunity Overlay Zone" is hereby added to the Montebello Municipal Code, to read in its entirety as follows:

17.47.010 – Purpose.

A. The Housing Opportunity Overlay ("HOO") zone is established to facilitate the development of housing "by-right" on underutilized sites. The HOO zone is intended to be applied to properties that are currently zoned high density residential, commercial, and/or manufacturing uses to recycle to residential development. The HOO is further intended to serve as an implementation tool of the city's housing elements of the general plan by facilitation residential development on identified "housing opportunity sites."

B. The HOO has the following major objectives:
   1. Create "by-right" opportunities for residential development on underutilized high density residential, commercial and/or manufacturing sites.
   2. Implement state laws that require cities to demonstrate available land capacity and zoning tools to accommodate the city's projected need for housing.
   3. Provide a mix of housing types.
   4. Facilitate well-designed new mixed-use development projects that combine residential and non-residential uses (i.e., office, retail, business services, personal services, public spaces and uses, other community amenities, etc.) to promote a better balance of jobs and housing.
   5. Stimulate economic development and reinvestment through regulations based upon recognized urban design principles that allow property owners to respond with flexibility to market forces.
   6. Provide additional property rights while preserving existing property rights. This intent is achieved by providing additional development rights in compliance with this chapter, which property owners may exercise under certain conditions, while retaining all development rights conferred by the underlying zone to property owners in the HOO zone. Incentives and advantages may include, but is not limited to, allowing a greater range and mix of uses and specifying more permissive dimensional specifications (i.e., greater floor area ratio, lot coverage ratio, height, reduced setbacks, etc.).

17.47.020 – Applicability

A. Application to Area. The HOO zone is an overlay zone to be used in conjunction with the underlying zones. The HOO zone shall apply to the specific, designated parcels identified in table below.

ADDRESS	PARCEL NO.	ZONING	TOTAL LOT AREA
101 E. Whittier Blvd.	6348-001-014	C2	16,716 sf (0.38 Acres)
111 E. Whittier Blvd.	6348-001-015	C2	12,192 sf (0.28 Acres)
140 E Whittier Blvd.	6347-012-009	R3	102,823 sf (2.36 Acres)
501 S. Montebello Blvd.	6350-022-020	R3/M-1	92,227 sf (2.12 Acres)

ADDRESS	PARCEL NO.	ZONING	TOTAL LOT AREA
244 George Hensel Dr.	6350-011-901	R3	160,546 sf (3.69 Acres)
236 George Hensel Dr.	6350-011-900	R3	33,039 sf (0.76 Acres)
1100 W. Olympic Blvd.	6350-011-021	C2	9,339 sf (0.21 Acres)
1112 W. Olympic Blvd.	6350-011-023	R3	44,503 sf (1.02 Acres)
113 N. Garfield	6343-014-031	C2	30,224 sf (0.69 Acres)

B. Relationship Between Base Zone Standards and Overlay Zone Standards. For properties within the HOO zone, the regulations in this chapter allow residential and mixed-use development as an alternative to the stand-alone high density residential, commercial and/or manufacturing base zones underlying the HOO.

C. Base Zone Standards.

1. The provisions in this chapter shall apply to specific, designated parcels (the HOO zone), but the provisions do not supersede the underlying base zone provisions until a property is developed in compliance with the provisions of this chapter. New projects may be developed in compliance with the existing underlying base zone, provided that all standards and requirements of the underlying base zone are met.

2. Regulations, development standards, and requirements in the underlying base zone shall continue to apply to those projects that are currently developed according to the existing standards.

3. For legal nonconforming uses (*i.e.*, uses that do not comply with the provisions of the base zone), the provisions in Chapter 17.54.040, "Nonconforming buildings and structures") of this code shall apply.

D. Options to Apply HOO Zone Standards. The owner or developer of any property within the HOO zone may choose to develop in compliance with the standards and procedures in this chapter or the standards and procedures applicable to the underlying zone.

E. Conversion of existing nonresidential structures into a residential use may be permitted subject to a conditional use permit pursuant to Chapter 17.70, "Conditional Use Permits" of this code.

F. After Completion of Development. Once a property is developed in compliance with the provisions of this chapter, the provisions of this chapter completely supersede the provisions of the underlying base zone. Whenever the requirements of the HOO zone imposes a more or less restrictive standard than the provisions of the underlying base zone, the requirements of the HOO zone shall govern.

17.47.030 – Affordable Housing Requirement.

At least twenty percent (20%) of the total number of residential units within the HOO zone, exclusive of units added by a density bonus awarded pursuant to state law, shall be provided at prices affordable to low-income or below households as defined in state law for a minimum of fifty-five (55) years.

17.47.040 – Use regulations.

A. The following uses are allowed in the HOO Zone:

   1. All uses in the applicable underlying zone are allowed.

   2. Multiple-family dwellings as defined under section 17.08.245 of this code.

B. For uses and activities not specifically identified in subsection (A) above, the Planning and Community Development Director shall have the authority to interpret chapter and permit uses that are similar to a permitted use. The decision of the Planning and Community Development Director may be appealed to the Planning Commission pursuant to Chapter 17.78, "Public Hearings, Notices and Appeals" of this code.

C. Any use or activity not identified in subsection (A) above, or any use or activity not interpreted by the Planning and Community Development Director, shall be prohibited.

17.47.050 – Density.

Properties within the HOO zone shall provide for a minimum density of twenty (20) residential units per acre and a maximum density of eighty (80) residential units per acre as designated in the zoning map. However, the minimum number of residential units per site shall be sixteen (16). Whenever any property on the zoning map which is zoned high density, residential, commercial and/or manufacturing has in addition to its zone designation the symbol "DD" (representing "designated density") followed by a numerical figure, the provisions hereof shall apply regarding the total number of residential units permitted on the property. The numerical figure following the letters "DD" indicates the maximum number of residential units permitted per acre. For example, R-3-DD-25 means multi-family, 25 residential units per acre. These density provisions shall supersede the density regulation in the underlying zone and shall be exclusive of units added by a density bonus awarded pursuant to state law.

17.47.060 - General Development Standards.

All development in the HOO zone shall conform to the development standards applicable to the R-4 Zone pursuant to Title 17 of this code.

17.47.070 – HOO Project Review

A. Administrative Review. Any proposed project that is determined to be in compliance with this section and all applicable development standards shall be subject to administrative review by the Director of Planning and Community Development to confirm consistency with the design guidelines set forth herein.

B. Review by the Planning Commission. Any proposed project that is determined not to be in compliance with the development standards set forth in this chapter shall be subject to a discretionary review of the planning commission.

17.47.080 - Regulatory Agreement

A legally binding agreement, in a form approved by the City Attorney, shall be executed and recorded against the property to ensure that the property complies with all of the requirements of this article, including but not limited to, the requirement that affordable units shall be deed-restricted for a period of not less than fifty-five (55) years. The property owner shall record the regulatory agreement prior to recording any final map for the underlying property, or prior to the issuance of any building permit for the project, whichever comes first. The regulatory agreement shall be binding on all future owners and successors of interests of the project.

SECTION 3. Section 17.34.030 – Emergency Shelters is hereby amended in its entirety to read as follows:

17.34.030 - Emergency shelters.

1. Emergency shelters are permitted by right in the Emergency Shelter Overlay Zone. The Emergency Shelter Overlay Zone permits emergency

shelters by right within the following designated geographic area. The geographic area where the overlay zone would be applicable is within the M-1 zone located to the North of Date Street, South of Washington Blvd, West of South Greenwood Ave and to the West City Boundary. The following requirements are applicable to the operation of emergency shelters:

a. The facility must comply with applicable state and local standards and requirements.
b. The facility must adhere to Federal, state, and local licensing as required for any program incidental to the operation of an emergency shelter.
c. The facility must comply with applicable state and local housing, building, and fire code requirements.
d. The facility shall have on-site security during all hours when the shelter is open.
e. The facility shall provide exterior lighting on pedestrian pathways and parking lot areas on the property. Lighting shall reflect away from residential areas and public streets.
f. The facility shall provide secure areas for personal property.
~~g.~~ ~~If the emergency shelter is proposed in conjunction with a religious facility, the area utilized for emergency shelter facilities may not exceed fifty percent of the total floor area used for the religious facility.~~
g~~h~~. Each facility shall provide common kitchen and dining room area adequate for the number of residents serviced.
h~~i~~. Each facility shall provide bathroom with lavatory, toilet, and showers adequate for the number of residents serviced.

2. The facility's capacity shall not exceed forty beds.
3. The maximum term of staying at an emergency shelter is six months in a consecutive twelve-month period.
4. Parking. The emergency shelter shall provide on-site parking at a rate of one space per facility staff plus one space per six occupants allowed at the maximum capacity.
5. A management plan is required for all emergency shelters to address management experience, good neighbor issues, transportation, client supervision, client services, and food services. Such plan shall be submitted to and approved by the planning, inspections, and permitting department prior to operation of the emergency shelter. The plan shall include a floor plan that demonstrates compliance with the physical standards of this chapter.

SECTION 4. CEQA. The City Council of the City of Montebello has independently reviewed, analyzed, and considered the Addendum to the Negative Declaration dated April 1, 2020, in connection with the 2020 Housing Element Update and based on the foregoing, hereby finds that all environmental impacts of this Ordinance are below a level of significance and there is no substantial evidence that the Ordinance will have a significant effect on the environment and finds that the Addendum contains a complete and accurate reporting of the environmental impacts associated with the proposed 2020 Housing Element Update. Additionally, pursuant to Government Code Section 65863(h), an action that obligates a jurisdiction to identify and make available additional adequate sites for residential development pursuant to Government Code 65863 creates no obligation under the California Environmental Quality Act to identify, analyze, or mitigate impacts of that subsequent action to identify and make available additional adequate sites as a reasonable foreseeable consequence of that action.

SECTION 5. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 6. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 7. The City Clerk shall certify to the passage and adoption of this Ordinance, shall enter the same in the book of original ordinances of the City and shall cause the same to be published or posted according to law. This Ordinance shall go into effect thirty (30) days after its adoption.

PASSED, APPROVED AND ADOPTED this ___ day of May 2020.

____

Salvador Melendez, Mayor

APPROVED AS TO FORM

Arnold M. Alvarez-Glasman
City Attorney

ATTEST:

Irma Barajas
City Clerk

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

ATTACHMENT C

ADDENDUM TO NEGATIVE DECLARATION (SCH NO. 2014011084)
GENERAL PLAN HOUSING ELEMENT REVISIONS

Background:

This Addendum has been prepared to analyze revisions to the Housing Element which was originally analyzed in the Negative Declaration (State Clearinghouse No. 2014011084) for the 2014 Housing Element (2014-2021) dated January 16, 2014 ("Negative Declaration").

In accordance with the California Environmental Quality Act ("CEQA") Guidelines Section 15162 and 15164, this Addendum is prepared to make minor changes to the previously adopted Negative Declaration consistent with State law; no new important issues are raised about any significant effects on the environment resulting from the proposed revisions.

Project Description:

The proposed Housing Element Update (2016-2021) will address minor revisions to the Housing Element to address comments received by the California Department of Housing and Community Development on April 12, 2019 and September 16, 2019 and further respond to the Governor's mandate regarding the current housing crisis and the need for housing in the State and to comply with new state housing laws pursuant to SB 2, SB 35, and AB 879 ("State Housing Laws") incorporating changes to create certain by-right housing, changes to permitted densities; and removing other barriers to affordable housing.

Environmental Determination:

The Housing Element Negative Declaration (SCH No. 2014011084) is hereby incorporated by reference. Section 15164 of the CEQA Guidelines states "An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred."

Section 15162(a) of the CEQA Guidelines limits the preparation of a subsequent EIR or negative declaration to three scenarios:

(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or

(3) New information of substantial importance which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:

(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;

(B) Significant effects previously examined with be substantially more severe than shown in the previous EIR;

(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measures or alternative; or

(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measures or alternatives.

After review of the proposed changes and review of the Housing Element Negative Declaration, staff has determined that:

1. The revisions are not a substantial change to the project and will not create new significant impacts;

2. No substantial changes have occurred with respect to the circumstances in which the project will be undertaken which would involve new significant environmental impacts resulting from the project; and

3. No new information has become available since the preparation of the previous Negative Declaration for the project which would result in new significant impacts, an increase in severity of significant impacts, or affect the feasibility of mitigation measures, or provide for different methods of mitigating significant impacts.

4. Any future development associated with the zoning overlay would continue to rely on the regulations and development standards contained in the City of Montebello Municipal Code and maintained by the City of Montebello.

Therefore, this Addendum is prepared to augment and allow minor revisions to the Negative Declaration for the 2014 Housing Element, the analysis of which was conducted in the Negative Declaration (SCH No. 2014011084).

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MONTEBELLO, CALIFORNIA AMENDING TITLE 17 (ZONING CODE) OF THE MONTEBELLO MUNICIPAL CODE ADDING CHAPTER 17.47 ENTITLED HOUSING OPPORTUNITY OVERLAY ZONE AND SECTION 17.34.030 RELATING TO EMERGENCY SHELTERS

WHEREAS, the State Legislature has declared that the lack of housing, including providing for a variety of housing types of all income levels and special need groups, is a critical problem that threatens the economic, environmental, and social quality of life in California; and

WHEREAS, Government Code Sections 65580 through 65589.8 require that all local governments prepare and maintain housing elements to identify planning strategies to conserve, rehabilitate, and provide housing to meet the existing and future needs of the community; and

WHEREAS, the last update to the City's Housing Element was approved and adopted by City Council on December 10, 2014; and

WHEREAS, the California Housing and Community Development Department (HCD) is in charge of establishing the total number of housing units that each city and community must plan for within an eight-year (8-year) planning period known as the Regional Housing Needs Allocation (RHNA); and

WHEREAS, after review of the current City's Housing Element, it was determined that an amendment to the City's Zoning Code establishing a housing overlay zone would encourage the development of housing in the City and meet the City's State-mandated RHNA numbers to accommodate the shortfall carryover of adequately zoned sites from the 4th Cycle planning period (2006-2013) and a shortfall of adequately zoned sites for the 5th Cycle planning period (2014-2021); and

WHEREAS, to further that effort, the City of Montebello ("City") hereby creates a Housing Opportunity Overlay Zone in order to accommodate the City's RHNA 4th cycle and 5th cycle General Plan Housing Element planning periods as required by state law; and

WHEREAS, the Housing Opportunity Overlay Zone will be established to facilitate the development of housing "by-right" on underutilized sites and applied to properties that are currently zoned high density residential, commercial, and/or manufacturing uses to recycle to residential development;

WHEREAS, the Housing Opportunity Overlay Zone is further intended to serve as an implementation tool for the City's Housing Element of the General Plan by facilitating residential development on identified "housing opportunity sites;"

WHEREAS, the City further desires to amend the City's Emergency Shelters regulations to be in compliance with the State Housing Laws.

NOW, THEREFORE, the City Council of the City of Montebello does ordain as follows:

SECTION 1. RECITALS. The above recitals are true and correct and made a part of this Ordinance.

SECTION 2. FINDINGS. As a matter of state law (California Government Code Section 65300 *et seq*.), the proposed amendment to the Montebello Municipal Code ("Code") is consistent with City's general plan in that: (i) it will not create conditions materially detrimental to the public health, safety, and general welfare; (ii) it is internally consistent with those goals, objectives, and policies of the general plan which include, but is not limited to, the City's Housing Element by establishing conditions and development standards that promote and furthers the City's goals of providing an array of residential housing to meet the needs and demands of the City and State as well as providing opportunities to encourage housing development; (iii) new designation is compatible with the designations on nearby properties; and; (iv) the new designation is suitable for the location, access, visual character and topography of the subject property. Further, it is declared that the proposed amendment is authorized, appropriate, and required as a matter of public interest, convenience and necessity per Montebello Municipal Code, Title 17 - Zoning, Chapter 17.76, Zone Changes and Amendments.

SECTION 3. A new Chapter 17.47 entitled "Housing Opportunity Overlay Zone" is hereby added to the Montebello Municipal Code, to read in its entirety as follows:

17.47.010 – Purpose.

A. The Housing Opportunity Overlay ("HOO") zone is established to facilitate the development of housing "by-right" on underutilized sites. The HOO zone is intended to be applied to properties that are currently zoned high density residential, commercial, and/or manufacturing uses to recycle to residential development. The HOO is further intended to serve as an implementation tool of the city's housing elements of the general plan by facilitation residential development on identified "housing opportunity sites."

B. The HOO has the following major objectives:
1. Create "by-right" opportunities for residential development on underutilized high density residential, commercial and/or manufacturing sites.
2. Implement state laws that require cities to demonstrate available land capacity and zoning tools to accommodate the city's projected need for housing.
3. Provide a mix of housing types.
4. Facilitate well-designed new mixed-use development projects that combine residential and non-residential uses (i.e., office, retail, business services, personal services, public spaces and uses, other community amenities, etc.) to promote a better balance of jobs and housing.
5. Stimulate economic development and reinvestment through regulations based upon recognized urban design principles that allow property owners to respond with flexibility to market forces.
6. Provide additional property rights while preserving existing property rights. This intent is achieved by providing additional development rights in compliance with this chapter, which property owners may exercise under certain conditions, while retaining all development rights conferred by the underlying zone to property owners in the HOO zone. Incentives and advantages may include, but is not limited to, allowing a greater range and mix of uses and specifying more permissive dimensional specifications (i.e., greater floor area ratio, lot coverage ratio, height, reduced setbacks, etc.).

17.47.020 – Applicability

A. Application to Area. The HOO zone is an overlay zone to be used in conjunction with the underlying zones. The HOO zone shall apply to the specific, designated parcels identified in table below.

ADDRESS	PARCEL NO.	ZONING	TOTAL LOT AREA
101 E. Whittier Blvd.	6348-001-014	C2	16,716 sf (0.38 Acres)
111 E. Whittier Blvd.	6348-001-015	C2	12,192 sf (0.28 Acres)
140 E Whittier Blvd.	6347-012-009	R3	102,823 sf (2.36 Acres)
501 S. Montebello Blvd.	6350-022-020	R3/M-1	92,227 sf (2.12 Acres)

ADDRESS	PARCEL NO.	ZONING	TOTAL LOT AREA
244 George Hensel Dr.	6350-011-901	R3	160,546 sf (3.69 Acres)
236 George Hensel Dr.	6350-011-900	R3	33,039 sf (0.76 Acres)
1100 W. Olympic Blvd.	6350-011-021	C2	9,339 sf (0.21 Acres)
1112 W. Olympic Blvd.	6350-011-023	R3	44,503 sf (1.02 Acres)
113 N. Garfield	6343-014-031	C2	30,224 sf (0.69 Acres)

B. Relationship Between Base Zone Standards and Overlay Zone Standards. For properties within the HOO zone, the regulations in this chapter allow residential and mixed-use development as an alternative to the stand-alone high density residential, commercial and/or manufacturing base zones underlying the HOO.

C. Base Zone Standards.

1. The provisions in this chapter shall apply to specific, designated parcels (the HOO zone), but the provisions do not supersede the underlying base zone provisions until a property is developed in compliance with the provisions of this chapter. New projects may be developed in compliance with the existing underlying base zone, provided that all standards and requirements of the underlying base zone are met.

2. Regulations, development standards, and requirements in the underlying base zone shall continue to apply to those projects that are currently developed according to the existing standards.

3. For legal nonconforming uses (*i.e.*, uses that do not comply with the provisions of the base zone), the provisions in Chapter 17.54.040, “Nonconforming buildings and structures”) of this code shall apply.

D. Options to Apply HOO Zone Standards. The owner or developer of any property within the HOO zone may choose to develop in compliance with the standards and procedures in this chapter or the standards and procedures applicable to the underlying zone.

E. Conversion of existing nonresidential structures into a residential use may be permitted subject to a conditional use permit pursuant to Chapter 17.70, “Conditional Use Permits” of this code.

F. After Completion of Development. Once a property is developed in compliance with the provisions of this chapter, the provisions of this chapter completely supersede the provisions of the underlying base zone. Whenever the requirements of the HOO zone imposes a more or less restrictive standard than the provisions of the underlying base zone, the requirements of the HOO zone shall govern.

17.47.030 – Affordable Housing Requirement.

At least twenty percent (20%) of the total number of residential units within the HOO zone, exclusive of units added by a density bonus awarded pursuant to state law, shall be provided at prices affordable to low-income or below households as defined in state law for a minimum of fifty-five (55) years.

17.47.040 – Use regulations.

A. The following uses are allowed in the HOO Zone:

   1. All uses in the applicable underlying zone are allowed.

   2. Multiple-family dwellings as defined under section 17.08.245 of this code.

B. For uses and activities not specifically identified in subsection (A) above, the Planning and Community Development Director shall have the authority to interpret chapter and permit uses that are similar to a permitted use. The decision of the Planning and Community Development Director may be appealed to the Planning Commission pursuant to Chapter 17.78, “Public Hearings, Notices and Appeals” of this code.

C. Any use or activity not identified in subsection (A) above, or any use or activity not interpreted by the Planning and Community Development Director, shall be prohibited.

17.47.050 – Density.

Properties within the HOO zone shall provide for a minimum density of twenty (20) residential units per acre and a maximum density of eighty (80) residential units per acre as designated in the zoning map. However, the minimum number of residential units per site shall be sixteen (16). Whenever any property on the zoning map which is zoned high density, residential, commercial and/or manufacturing has in addition to its zone designation the symbol “DD” (representing “designated density”) followed by a numerical figure, the provisions hereof shall apply regarding the total number of residential units permitted on the property. The numerical figure following the letters "DD" indicates the maximum number of residential units permitted per acre. For example, R-3-DD-25 means multi-family, 25 residential units per acre. These density provisions shall supersede the density regulation in the underlying zone and shall be exclusive of units added by a density bonus awarded pursuant to state law.

17.47.060 - General Development Standards.

All development in the HOO zone shall conform to the development standards applicable to the R-4 Zone pursuant to Title 17 of this code.

17.47.070 – HOO Project Review

A. Administrative Review. Any proposed project that is determined to be in compliance with this section and all applicable development standards shall be subject to administrative review by the Director of Planning and Community Development to confirm consistency with the design guidelines set forth herein.

B. Review by the Planning Commission. Any proposed project that is determined not to be in compliance with the development standards set forth in this chapter shall be subject to a discretionary review of the planning commission.

17.47.080 - Regulatory Agreement

A legally binding agreement, in a form approved by the City Attorney, shall be executed and recorded against the property to ensure that the property complies with all of the requirements of this article, including but not limited to, the requirement that affordable units shall be deed-restricted for a period of not less than fifty-five (55) years. The property owner shall record the regulatory agreement prior to recording any final map for the underlying property, or prior to the issuance of any building permit for the project, whichever comes first. The regulatory agreement shall be binding on all future owners and successors of interests of the project.

SECTION 3. Section 17.34.030 – Emergency Shelters is hereby amended in its entirety to read as follows:

17.34.030 - Emergency shelters.

1. Emergency shelters are permitted by right in the Emergency Shelter Overlay Zone. The Emergency Shelter Overlay Zone permits emergency

shelters by right within the following designated geographic area. The geographic area where the overlay zone would be applicable is within the M-1 zone located to the North of Date Street, South of Washington Blvd, West of South Greenwood Ave and to the West City Boundary. The following requirements are applicable to the operation of emergency shelters:

a. The facility must comply with applicable state and local standards and requirements.
b. The facility must adhere to Federal, state, and local licensing as required for any program incidental to the operation of an emergency shelter.
c. The facility must comply with applicable state and local housing, building, and fire code requirements.
d. The facility shall have on-site security during all hours when the shelter is open.
e. The facility shall provide exterior lighting on pedestrian pathways and parking lot areas on the property. Lighting shall reflect away from residential areas and public streets.
f. The facility shall provide secure areas for personal property.
~~g.~~ ~~If the emergency shelter is proposed in conjunction with a religious facility, the area utilized for emergency shelter facilities may not exceed fifty percent of the total floor area used for the religious facility.~~
g~~h~~. Each facility shall provide common kitchen and dining room area adequate for the number of residents serviced.
h~~i~~. Each facility shall provide bathroom with lavatory, toilet, and showers adequate for the number of residents serviced.

2. The facility's capacity shall not exceed forty beds.
3. The maximum term of staying at an emergency shelter is six months in a consecutive twelve-month period.
4. Parking. The emergency shelter shall provide on-site parking at a rate of one space per facility staff plus one space per six occupants allowed at the maximum capacity.
5. A management plan is required for all emergency shelters to address management experience, good neighbor issues, transportation, client supervision, client services, and food services. Such plan shall be submitted to and approved by the planning, inspections, and permitting department prior to operation of the emergency shelter. The plan shall include a floor plan that demonstrates compliance with the physical standards of this chapter.

SECTION 4. CEQA. The City Council of the City of Montebello has independently reviewed, analyzed, and considered the Addendum to the Negative Declaration dated April 1, 2020, in connection with the 2020 Housing Element Update and based on the foregoing, hereby finds that all environmental impacts of this Ordinance are below a level of significance and there is no substantial evidence that the Ordinance will have a significant effect on the environment and finds that the Addendum contains a complete and accurate reporting of the environmental impacts associated with the proposed 2020 Housing Element Update. Additionally, pursuant to Government Code Section 65863(h), an action that obligates a jurisdiction to identify and make available additional adequate sites for residential development pursuant to Government Code 65863 creates no obligation under the California Environmental Quality Act to identify, analyze, or mitigate impacts of that subsequent action to identify and make available additional adequate sites as a reasonable foreseeable consequence of that action.

SECTION 5. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 6. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of any competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance, and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 7. The City Clerk shall certify to the passage and adoption of this Ordinance, shall enter the same in the book of original ordinances of the City and shall cause the same to be published or posted according to law. This Ordinance shall go into effect thirty (30) days after its adoption.

PASSED, APPROVED AND ADOPTED this ___ day of May 2020.

____
Salvador Melendez, Mayor

APPROVED AS TO FORM	ATTEST:
Arnold M. Alvarez-Glasman	Irma Barajas
City Attorney	City Clerk

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

ATTACHMENT D

RESOLUTION NO. 08-20

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MONTEBELLO RECOMMENDING THE CITY COUNCIL APPROVE HOUSING ELEMENT UPDATE 2016-2021

WHEREAS, Government Code Sections 65580 through 65589.11 require that all local governments prepare and maintain Housing Elements to identify planning strategies to conserve, rehabilitate, and provide housing to meet the existing and future needs of the community; and

WHEREAS, pursuant to Government Code Section 65588, California municipalities are required to review and revise their Housing Elements as frequently as appropriate ("Housing Element Update"); and

WHEREAS, pursuant to Government Section 65585, all Housing Element Updates must be submitted to and reviewed by the California Housing and Community Development Department ("HCD"); and

WHEREAS, in March of 2020, staff submitted the draft Housing Element Update for the 2016-2021 cycle to the HCD and on April 7, 2020, HCD submitted a letter informing the City that the Housing Element Update for the 2016-2021 cycle meets the requirements of state law; and

WHEREAS, Chapter 17.76 (Zone Changes and Amendments) of the Montebello Municipal Code ("MMC") authorizes amending provisions of the City's MMC (including the Zoning Code, Title 17) whenever public interest; convenience and necessity require it; and

WHEREAS, on December 10, 2014, the City Council of the City of Montebello adopted a Negative Declaration (State Clearinghouse No. 2014011084) pursuant to the California Environmental Quality Act ("CEQA") (Public Resources Code, § 21000 *et seq.*) and the California Code of Regulations, title 14, Section 15000 *et seq.* ("State CEQA Guidelines") considering the potential environmental impacts associated with the City of Montebello Housing Element Update ("Housing Element Update"); and

WHEREAS, on August 21, 2017, and August 28, 2017, the City held a publicly noticed advertised community meeting to receive information about and provide input on updating the Housing Element for the 2016-2021 planning period; and

WHEREAS, on April 21, 2020, the Planning Commission did hold a duly noticed and advertised public hearing and considered any testimony received during the public hearing.

NOW THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Montebello as follows:

SECTION 1. The Recitals set forth above are incorporated herein and incorporated as part of the findings contained in this Resolution.

SECTION 2. Based on the staff report, public comments, the above Recitals, and all other evidence in the record, the Planning Commission hereby makes the following findings:

A. The Housing Element Update is prepared in the interest of existing and future residents in order to ensure that housing opportunities exist for all income categories and the Housing Element Update adequately establishes the City's goals, policies, programs and quantified objectives that further the development, improvement, and preservation of housing within the City.

B. The Housing Element Update provides policies which aim to provide quality housing opportunities for all income levels and age groups based upon the fair share of the regional housing need as determined by the Southern California Association of Governments (SCAG).

C. The Housing Element Update is consistent with policy and changes required to meet State housing mandates and incorporates changes enacted by the State Legislature to meet the State's housing goals.

D. The Housing Element Update is consistent with the City's General Plan by advancing the goals and policies of the City's Population Growth Element and Land Use Element.

E. The Housing Element will not be detrimental to the health, safety and welfare of the residents of the City of Montebello.

SECTION 3. Based on the above findings, the Planning Commission of the City of Montebello hereby recommends that the City Council of the City of Montebello approve Housing Element Update as set forth in Exhibit "A," entitled draft City of Montebello 2016-2021 Housing Element Update and dated April 8, 2020.

SECTION 4. The Planning Commission further recommends that the City Council adopt an addendum to the Negative Declaration and make the required findings under Section 15164 of the State CEQA Guidelines.

SECTION 5. The adoption of this Resolution is not subject to CEQA Guidelines, pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); 15060(c)(3) (the activity is not a project as defined in Section 15378); and 15061(b)(3), because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Because the approval of this Resolution is advisory to the City Council and no final action is taken, this action is exempt from CEQA

SECTION 6. The Director of Planning and Community Development shall certify to the adoption of this Resolution and shall forward a copy of it to the City Council.

[*Signatures on the following page*]

PASSED, APPROVED, AND ADOPTED this 21st day of April 2020.

Commissioner Mooradian:	(X) AYE ( ) NOE ( ) ABSENT ( ) ABSTAIN
Commissioner Aliksanian:	(X) AYE ( ) NOE ( ) ABSENT ( ) ABSTAIN
Commissioner Briseno:	(X) AYE ( ) NOE ( ) ABSENT ( ) ABSTAIN
Commissioner Lomeli:	(X) AYE ( ) NOE ( ) ABSENT ( ) ABSTAIN
Commissioner Ramirez:	(X) AYE ( ) NOE ( ) ABSENT ( ) ABSTAIN

Sona Mooradian, Chair

ATTEST:

Joseph A. Palombi, Director
Planning & Community Development Department

ATTACHMENT E

HOUSING ELEMENT UPDATE
SECOND HCD REVIEW DRAFT

CITY OF MONTEBELLO
2016-2021 HOUSING ELEMENT

CITY OF MONTEBELLO
DEPARTMENT OF COMMUNITY DEVELOPMENT
1600 WEST BEVERLY BLVD.
MONTEBELLO, CALIFORNIA 90640

APRIL 8, 2020

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SECTION 1 - INTRODUCTION

1.1 INTRODUCTION TO THE HOUSING ELEMENT

The State of California requires that all local governments (both cities and counties) to prepare and maintain housing elements to identify planning strategies so as to conserve, rehabilitate, and provide housing to meet the existing and future needs of the community. Specific requirements concerning the scope and content of housing elements have been established by the State Legislature over the years. The Department of Housing and Community Development (HCD) is the State Agency that is responsible for ensuring that State housing law is being implemented at the local level. As a result, HCD is responsible for reviewing and approving (certifying) those housing elements that have been prepared by local governments. The State housing element requirements are designed to address the following concerns:

- Local governments must recognize their responsibility in contributing to the attainment of the State's housing goals.

- Local governments must prepare and implement housing elements that are coordinated with State and Federal efforts in providing opportunities for new housing.

- Local governments must cooperate with other agencies and governments to address regional housing needs.

This Housing Element establishes goals and policies to address the housing needs for the City of Montebello. The focus of this Element is to conserve the existing housing resources through housing rehabilitation and to provide opportunities for new housing.

1.2 OVERVIEW OF THE CITY OF MONTEBELLO

This Housing Element applies to the land area included within the City's corporate boundaries and the unincorporated areas the City have designated in its Sphere of Influence. The City of Montebello is located approximately seven miles southeast of downtown Los Angeles and is bounded by the cities of Monterey Park and Rosemead on the north; the City of Commerce and unincorporated portions of Los Angeles County on the west; the Whittier Narrows Recreation area on the east; the City of Commerce on the southwest; and the City of Pico Rivera on the southeast. The regional location of the City is shown in Exhibit 1-1 while a City-wide map is provided in Exhibit 1-2.

The first European settlement in Montebello dates back to the founding of the original San Gabriel Mission by the Franciscan Missionaries, Fathers Angel Somera and Pedro Cambon. This mission was founded on September 9, 1771, on a site near San Gabriel Boulevard adjacent to the Rio Hondo River. The Mission was the third in a system comprised of 21 missions established under the direction of Father Junipero Serra.

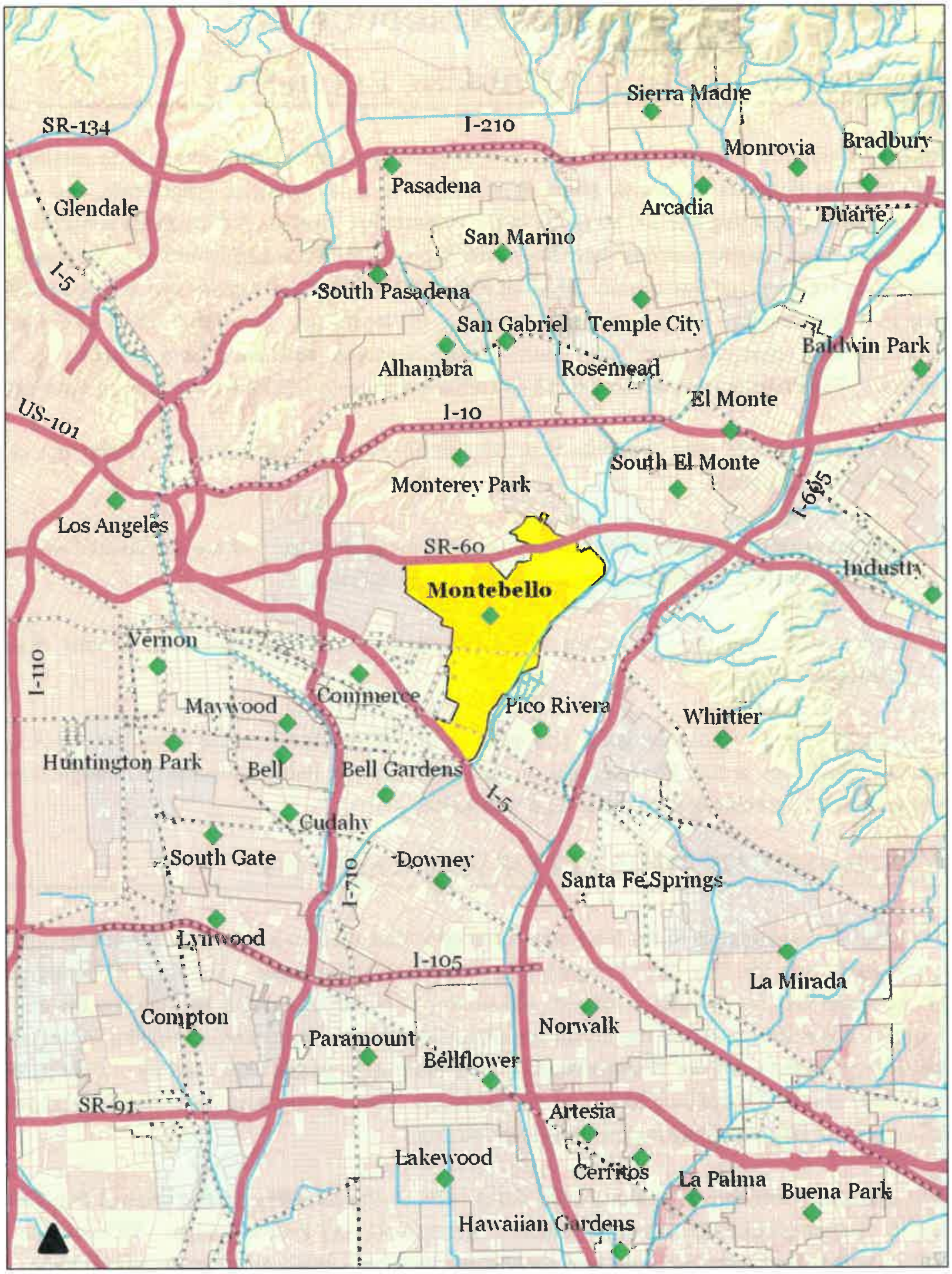


EXHIBIT 1-1. REGIONAL LOCATION OF THE CITY OF MONTEBELLO
SOURCE: QUANTUM GIS

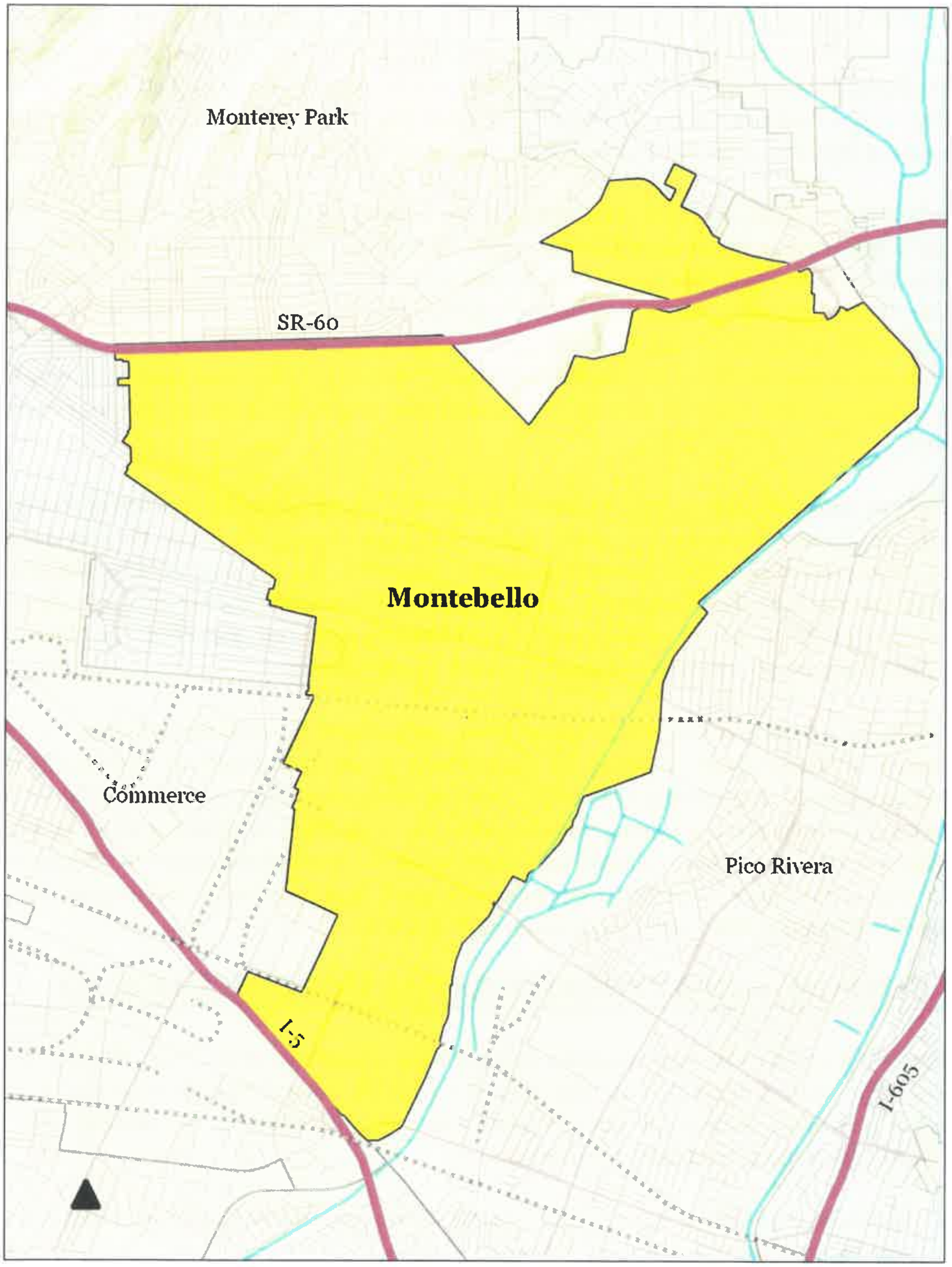


EXHIBIT 1-2. AREA-WIDE LOCATION OF THE CITY OF MONTEBELLO
SOURCE: QUANTUM GIS

The Mission managed to flourish under hardships, but heavy rains and the resulting flooding caused the mission to relocate to its permanent location in San Gabriel in 1776. The City of Montebello originally consisted of parts of Rancho San Antonio, Rancho La Merced, and Rancho Paso de Bartolo. Also within the City, on the banks of the Rio Hondo River, the last armed conflict was staged with Mexico for possession of California at the Battle of the Rio San Gabriel on January 8, 1847.

Following the Civil War, one of the early settlers in the area, Alessandro Repetto, constructed a ranch located ½-mile north of where Garfield Avenue crosses the Pomona Freeway. Repetto never married and, when he died in 1885, his brother Antonio sold his inheritance to Harris Newmark, Kaspar Cohn, John A. Bicknell, Stephen M. White, and I.W. Hellman, a group of business men well known in Los Angeles financial circles at that time. The landholdings of Newmark and Cohn consisted of 1,200 acres that included what is now the City of Montebello. The original town site of forty acres was bounded by First Street on the east, Fifth Street on the west, Cleveland Avenue on the north, and Los Angeles Avenue on the south.

Originally an agricultural community, Montebello had an ideal climate, productive soil, and an abundance of water for farming. From the turn of the century continuing through the 1920's, the area was well known for its production of flowers, vegetables, berries, and fruits. The discovery of oil by Standard Oil Company on the Anita Baldwin property in 1917, brought about a new era for the City. By 1920, Montebello oil fields accounted for one-eighth of total California crude oil production. On October 19, 1920, Montebello was incorporated as the 35th city in Los Angeles County.

Montebello has a total land area of 8.25 square miles. According to the most recent (January 1, 2019) Department of Finance (DOF) estimates, the City's population was 64,548 persons. The City has been completely urbanized for more than five decades. The new development that has occurred in the City has involved the redevelopment of existing urbanized sites that were either developed at lower residential densities or in other uses. New residential infill development has occurred throughout the City in recent years. One of the larger residential developments that had been approved in recent years was the Montebello Hills project that would include 1,200 residential units.

1.3 Purpose and Authority of the Housing Element

The City of Montebello endeavors to provide a balanced housing supply in various ways. The City aims to address future housing needs through long-range planning, the removal barriers to housing, and the utilization of available resources to conserve existing housing and to provide new housing. The key objectives of this Housing Element include the following:

- To minimize governmental constraints, market constraints, and environmental constraints that may impede the development of new housing;
- To ensure that fair and equal housing laws are enforced;
- To address future housing needs by expanding housing opportunities in the City;

- To increase the supply of affordable housing stock through new housing construction and the conservation of existing housing stock; and,

- To review the development standards for residential development as a means to improve site design, architectural quality, and the livability of multi-family housing for all segments of the community.

State law requires counties and cities to update housing elements every five years to better reflect changes in the market condition. The previously adopted Housing Element addressed housing conditions between January 1, 1989, and December 31, 1997. Because the City of Montebello did not adopt an updated element for the previous planning period, this Housing Element also analyzes housing needs for the previous 4th Cycle planning period (2008-2014) as well as the current 5th Cycle planning period (2014-2021). This Housing Element differs from the other General Plan Elements in that the Housing Element was reviewed by HCD to ensure it conforms to State requirements. Pursuant to State law (Section 65580) of the Government Code, this Housing Element must conform to the following requirements:

- This Housing Element must identify sites, with appropriate zoning, development standards, and infrastructure to accommodate the City's Regional Housing Needs Assessment (RHNA).

- This Housing Element must examine strategies that will assist in the development of new housing designed to meet the needs of existing and future residents.

- This Housing Element must identify and address potential governmental constraints that may impede the maintenance, improvement, and development of new housing, including housing for lower income households and for persons with disabilities.

- This Housing Element must strive to conserve the existing affordable housing stock and to preserve lower income housing developments that exist in the City.

- This Housing Element must continue to support equal housing regulations for all persons, regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability.

This Housing Element establishes specific actions, objectives, and timelines for addressing the above requirements. In response to changing State law pertinent to housing elements, this Housing Element also addresses new State laws that are intended to facilitate and expedite the construction of affordable housing. The more recent regulations related to the scope and content of local housing elements include the following:

- *Extremely Low Income Households.* AB 2635 requires local jurisdictions to assess the housing needs of extremely low income households, in addition to the established requirement to examine the needs of very low, low, and moderate income households. Extremely low income households are defined as households with annual incomes of less than 30% of the median income for the County (also referred to as the Area Median Income).

- *Land Inventory and Analysis.* AB 2348 (Chapter 724) amended the housing element law to include more specific requirements related to the analysis of available land for new housing. Specifically, the land inventory must include parcel-specific listing of available sites. The land inventory is included in Appendix B of this Housing Element.

- *Constraints for Persons with Disabilities.* SB 520 requires that housing elements identify potential and actual constraints on the development, maintenance and improvement of housing for persons with disabilities. The State now requires all cities to maintain a "reasonable accommodation ordinance" to ensure that zoning and development requirements do not hinder the implementation of housing improvements that aid disabled persons.

- *Emergency shelters.* SB 2, Chapter 633 requires that local governments assess homeless need and identify opportunities for addressing this need through establishing candidate sites for potential emergency shelters. The requirement is related to the provision of appropriate zoning regulations that would permit such uses in a particular zone by right. The law does not require the City to construct and/or operate an emergency shelter.

- *Density Bonus Requirements.* The City is required under State law to have adopted density bonus regulations in its Zoning Ordinance. The Density Bonus Law is found in California Government Code Sections 65915—65918. A developer who meets the requirements of the State law is entitled to receive the density bonus and other benefits.

- *Energy Conservation.* The City is now required to review the Zoning Ordinance and subdivision requirements, as well as other applicable codes, to promote energy conservation in housing rehabilitation and in the construction of new housing. This effort will supplement existing City initiatives related to the enforcement of the State's construction codes that require the installation of energy efficiency equipment and appliances in new development.

- *Single-Room Occupancy Housing.* The State requires all cities to update their zoning ordinances to provide for single room occupancy (SRO) housing. A SRO development may serve as an important source of affordable housing for lower-income individuals, seniors, and persons with disabilities.

- *Supportive and Transitional Housing.* The State requires all cities to update their zoning ordinances to provide for supportive and transitional housing. The State requires that local governments take a proactive role in facilitating the review and approval process. As a result, the City will be required to amend its Zoning Ordinance to permit such housing in its residential zone districts as a permitted use.

1.4 Relationship to Other General Plan Elements

The Montebello General Plan consists of the following twelve elements: Circulation Element, Conservation Element, Housing Element, Land Use Element, Noise Element, Open Space Element, Parks and Recreation Element, Population Element, Redevelopment Element, Safety Element, Scenic Highways Element, and Seismic Safety Element. This Housing Element builds upon the policy direction provided by the other Elements, and has been reviewed for consistency with the other General Plan policies and programs. The City's last comprehensive General Plan Update that was adopted occurred in the mid-1970s. Just before the 2008 recession, the City initiated a comprehensive update though the effort was suspended due to the budget crisis created by the Great Recession and the elimination of Redevelopment in the City. The City did undertake an update of the Housing Element and completed a Safety Element update. Housing-related policies are found in the Land Use and Redevelopment Elements that are included in the current adopted General Plan and these policies are listed below (verbatim):

- *Land Use Element, Policy 1.* Residential development should aim for the density standards outlined in the Housing Element of the General Plan.
- *Land Use Element, Policy 2.* Residential development of varying densities and housing types should be compatible among themselves and with adjacent commercial and industrial development.
- *Land Use Element, Policy 3.* Opportunities for a variety of living needs should be available in various locations throughout the City.
- *Land Use Element, Policy 4.* The existing medium density residential area characterized by mixed housing types in the central portion of Montebello should be retained.
- *Land Use Element, Policy 5.* Large concentrations of high and very high density residential development should be avoided.
- *Land Use Element, Policy 6.* The City's supply of older housing which is in good condition should be preserved.
- *Land Use Element, Policy 7.* Residential neighborhoods should be quiet, safe, and pleasant areas in which to live. They should be free from through traffic movements and encroachment of incompatible land uses.
- *Redevelopment Element, Policy 1.* Cooperate with private enterprise, community and public agencies and commissions in identifying areas and establishing priorities, objectives, and workable programs for the systematic maintenance and revitalization of residential, commercial, and industrial neighborhoods.
- *Redevelopment Element, Policy 2.* Identify pockets of declining or unstable economic land use

characteristics and develop methods of a continuing inventory of such areas.

- *Redevelopment Element, Policy 3.* All neighborhood revitalization programs shall be coordinated with and complimentary to the goals and objectives established in the land use element of the plan.

- *Redevelopment Element, Policy 4.* Examine and outline programs to facilitate the revitalization of neighborhoods. This shall include coordination of all city departmental services, as well as all other private and public agencies.

- *Redevelopment Element, Policy 5.* Examine systems for public right-of-way vacations and reductions to effect property consolidations in connection with revitalization programs.

- *Redevelopment Element, Policy 6.* The objectives of neighborhood revitalization programs shall be to improve the environmental quality within the neighborhoods and encourage private investments, broaden the tax base, avoid economic waste, increase retail sales, provide employment and improve housing in the manner consistent with other community goals.

- *Redevelopment Element, Policy 7.* Continuously evaluate the needs, problems and condition of housing within the City and endeavor to maintain an adequate supply of good housing through programs of code modification and enforcement and incentives to private developers.

- *Redevelopment Element, Policy 8.* Set guidelines for supporting land use maintenance codes and enforcement programs.

This Housing Element also recognizes the overall development capacity levels identified in the Land Use Element. The Land Use Element is also referred to in the identification of the appropriate locations for new housing development. At such time the remaining General Plan Elements are amended, this Housing Element will be reviewed to ensure continued internal consistency among the elements is maintained.

1.5 Public Participation

This section describes the various community groups and events where the public was, or will be able to provide input regarding the Housing Element's development. As part of an earlier comprehensive General Plan Update that initially included this Housing Element, the City undertook an extensive public outreach program that consisted of the following activities:

- The outreach program included the establishment of a General Plan Advisory Committee (GPAC). The GPAC conducted eight meetings over a two-year period during which time they formulated policies and recommended land uses changes to achieve City housing, economic, and quality of life goals.

- City Council/Planning Commission Workshops were also conducted to identify planning issues, to confirm key General Plan goals and policies, to identify land use alternatives, and to review the draft General Plan document.

- Community workshops were held to identify key topics and issues to assist in the development of goals and policies and the selection of the preferred land use plan. The workshops helped identify key housing issues such as the need for a smooth transition from high to low-density housing along Beverly Boulevard, incompatible residential and industrial lands uses on Maple Avenue and elsewhere in the southern portion of the City, and a need for mixed-uses and single-family affordable housing.

Following the termination of the larger General Plan Update, the City continued with the updating the Housing Element only. The City conducted a Housing Element Community Meeting on August 2017 which was well attended with approximately 35 persons in attendance. The meeting began with a presentation concerning the Housing Element process and the key issues that have been identified thus far. The major issues raised by those in attendance included the following:

- The high cost for housing in the City was a major concern for some of the persons in attendance. Long-time residents indicated that their grown children were not able to afford housing in the City.

- One comment centered around problems related to the banking crisis beginning in 2008 and the continued number of foreclosures in the community, and the detrimental impacts of these foreclosures on the community.

- Newer residential developments in the have occurred at higher densities and there is a concern that new development and future zone changes could potentially lead to land use conflicts and incompatible uses.

- Public services may not be able to meet the demand resulting from new development.

- New residential development, especially in the Montebello Hills, may result in significant impacts on the environment.

The aforementioned community meetings were followed up the next day by a study session that was held before the Planning Commission. At this Planning Commission meeting, a brief presentation was made which was followed up by a question and answer session. The flyer advertising the community meeting and workshop is provided on the following page.

NOTICE OF COMMUNITY MEETING
CITY OF MONTEBELLO

Housing Element Update

Project Description: The purpose of this community meeting is to solicit public input for the Housing Element Update.

Copies are available on the City website, Planning Public Counter, and City Clerks Office.

NOTICE IS HEREBY GIVEN that the City of Montebello will hold a community meeting. The meeting is scheduled on:

Date: Monday, August 21, 2017
Time: 4:00 p.m. – 6:00 p.m.
Place: City Hall Council Chambers
1600 W. Beverly Blvd.
Montebello, CA 90640

Date: Monday, August 28, 2017
Time: 4:00 p.m. – 6:00 p.m.
Place: City Hall Council Chambers
1600 W. Beverly Blvd.
Montebello, CA 90640

Contact Person: Matthew Feske
Phone: 323.887.1200 **Fax:** 323.887.1488
Email: mfeske@cityofmontebello.com
Address: City of Montebello, City Hall, Planning Division, 1600 W. Beverly Blvd, Montebello, CA 90640
City Website: www.cityofmontebello.com

The draft 2017 Housing Element was presented to the Planning Commission on September 5, 2017 followed by a public hearing that was held at the Planning Commission meeting held on October 3, 2017. These meetings were properly noticed.

A number of housing and service providers, and others who have historically requested Community Development Block Grant (CDBG) funding, were also requested to comment on the Housing Element and on other housing-related issues. These service providers were personally contacted by telephone as a follow-up. The key groups that were contacted and responded included the following:

- The Montebello Unified School District;
- The Montebello Housing Development Corporation;
- Genesis Social Services, Inc; and,
- Heart of Compassion (Food) Distribution.

The predominant concerns identified by the aforementioned representatives contacted were related to the scarcity of service-related resources. There was also a perception that, while there has been new residential development in the City, this new housing is largely market rate. There is also a perception that there is an increase in homelessness in the City.

City Staff recently undertook a series of Zoning Code Amendments as part of this Housing Element Update. The following Amendments included public hearings before the Planning Commission:

- The new regulation governing transitional housing, supportive housing, and emergency housing were adopted by Ordinance 2364 on December 10, 2014.

- The urgency ordinance of the accessory dwelling unit (ADU) ordinance was considered at a Council public hearing on May 19, 2019.

- The new regulations governing the land use zoning districts (R-1, R-2, R-3, and R-4) designations and the amendments to the residential density requirements were adopted by the City Council on May, 2019.

The City has placed the Draft Housing Element on the City's website throughout its preparation so the public would have an opportunity to review the Element during the course of its preparation. Following the completion of the circulation Draft Housing Element, the City Council and the Planning Commission conducted public hearings. All public hearings were advertised in the local newspaper, with additional notices mailed to interested citizens and community groups. Once the public hearings and the related public review were completed, the City Council adopted the Element. The city will make the draft housing available on its website and proactively distribute it to organizations in accessible formats and languages and consider and incorporate comments as appropriate as part of adoption. The Planning Commission will consider the final draft housing element, CEQA Addendum and proposed Housing Opportunity Overlay (HOO) zoning amendment on April 21, 2020 and the City Council will consider the housing element for adoption along with the Addendum HOO zoning amendment on May 13, 2020 or next available meeting. Moving forward during Housing Element implementation the City will continue to engage with groups who represent underserved populations.

1.6 Sources of Information

The primary source of information used in the compilation of demographic, housing, and socio-economic information required as part of this Housing Element's preparation included data collected by the U.S. Bureau of the Census. These statistics are collected every ten years as part of the national census. The most recent census was completed in 2010. In addition, annual updates are provided through the American Community Survey (ACS) estimates. The Census Bureau divided the United States into geographical units to assist in the enumeration and interpretation of the data. The largest of these units is the Standard Metropolitan Statistical Area, or SMSA, which corresponds to the larger, more populous regions in the United States. The City of Montebello is located within the Los Angeles-Long Beach SMSA, which corresponds to Los Angeles County. A number of additional sources were referred to and relied upon in the preparation of this Element. These sources include:

- The State Department of Finance (DOF) Demographic Research Unit was a source of population and housing information. The DOF publishes population and housing estimates for California cities and counties on an annual basis.

- The Southern California Association of Governments (SCAG) prepared population, housing, and employment projections used in the development of the region's Growth Management Plan.

- The U.S. Department of Housing and Urban Development (HUD) identifies the number of households that are overpaying for housing.

- Finally, the Consolidated Annual Performance and Evaluation Report (CAPER) for fiscal year 2011-2012 was also reviewed and pertinent statistical data used.

SECTION 2 - HOUSING NEEDS ASSESSMENT

This Section of the Housing Element (the Housing Needs Assessment) presents information regarding the City's population, demographics, housing characteristics, and employment trends. This section of the Element considers the following:

- *Population Characteristics* includes an analysis of population growth trends, age characteristics, and ethnicity of the City's residents;

- *Household Characteristics* provides an overview of the key socioeconomic characteristics germane to housing need;

- *Employment and Economic Characteristics* describes those economic and market factors relevant to the maintenance of existing housing and the production of new housing in the City;

- *Special Housing Needs Groups* includes a discussion of those City residents that have special housing requirements; and,

- *Housing Unit Characteristics* focuses on trends in residential development, housing unit types, and housing tenure.

2.1 POPULATION CHARACTERISTICS

Similar to population trends of other Southern California communities, Montebello experienced steady population growth in its earlier days and a boom after the end of World War II. Population growth continued into the 1980's though the rate of growth slowed in the decade following 2000 due to demographic trends and limited new housing development. According to the most recent 2019 State Department of Finance estimates, the City's current population is 64,548 persons. Population growth trends for the City are illustrated in Exhibit 2-1 and are summarized below in Table 2-1.

Table 2-1
Population Growth Trends: 1960 to 2019

Year	Population	%Δ
1960	32,097	---
1970	42,807	33.4%
1980	52,929	23.6%
1990	59,564	12.5%
2000	62,150	4.3%
2010	62,500	0.6%
2019	64,548	2.8%

Source: U. S. Bureau of the Census (1960 to 2010) and DOF 2019.

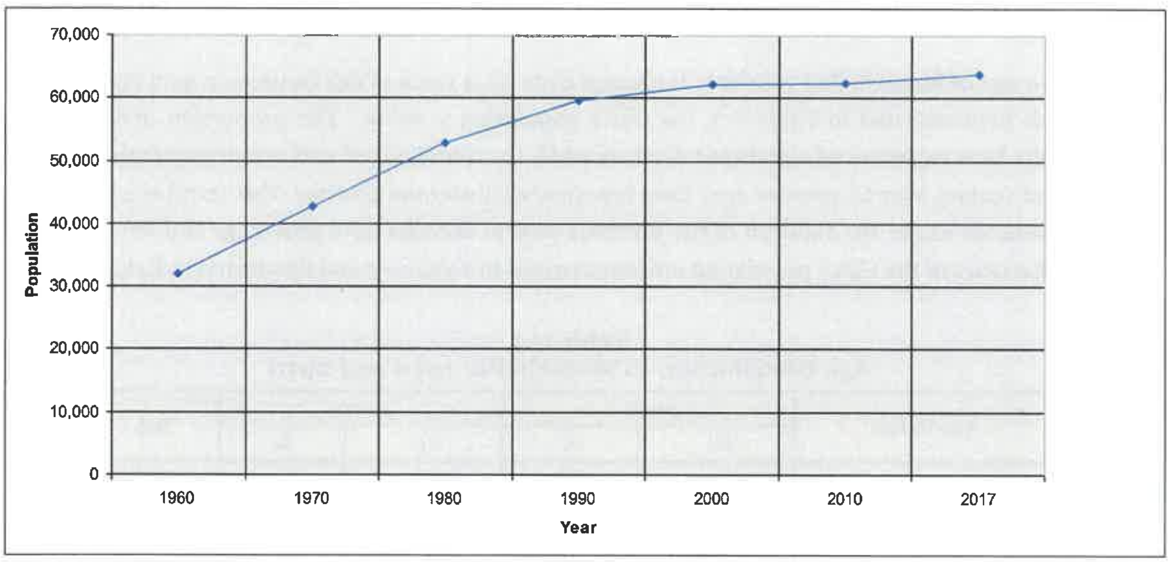


EXHIBIT 2-1 - POPULATION GROWTH IN MONTEBELLO
SOURCE: U. S. CENSUS AND DOF

A comparison of 1990 to 2019 population trends to those of surrounding communities and the County shows that Montebello had a relatively modest population growth rate of 7.9% from 1990 to 2019 (refer to Table 2-2). According to the most recent 2019 DOF estimates, the City's population increased by 4,683 persons between 1990 and 2019.

Table 2-2
Population Trends

Jurisdiction	Population			%Δ 1990 to 2019
	1990	2000	2019	
Montebello	**59,564**	**62,150**	**64,548**	**8.%**
El Monte	106,209	115,965	117,204	10.4%
Monterey Park	60,738	60,051	61,828	1.7%
Whittier	77,671	83,680	87,526	12.7%
Los Angeles County	8,863,164	9,519,338	10,523,716	18.7%

Sources: Census 1990 and 2000 U. S. Census and 2019 DOF Estimates.

2.2. AGE CHARACTERISTICS

The median age of Montebello's residents increased from 30.4 years of age in 1990 to 34.7 years of age in 2010. As is demonstrated in Table 2-3, the City's population is aging. The proportion of children and young adults have experienced significant declines while the middle-aged and senior population (with the exception of seniors over 65 years of age) have experience substantial growth. This trend is a reflection of aging households where the children of the previous several decades have grown up and left home. The age characteristics of the City's population are summarized in Table 2-3 and illustrated in Exhibit 2-2.

Table 2-3
Age Distribution in Montebello: 1990 and 2010

Age Range	1990		2010		%Δ
	No.	%	No.	%	
Under 5 years of age	4,986	8.4%	4,299	6.9%	-13.8%
5–24 years of age	18,586	31.2%	18,257	29.3	-1.8%
25-34 years of age	10,890	18.3%	8,935	14.3%	14.2%
35–44 years of age	7,556	12.7%	8,632	13.9%	45.1%
45–54 years of age	5,316	8.9%	7,711	12.4%	19.7%
55-64 years of age	5,133	8.6%	6,146	9.9%	20.1%
Seniors 65 and over	7,097	11.9%	8,520	13.7%	-13.8%
Median Age	30.4		34.7		

Source: Census 1990 and 2010.

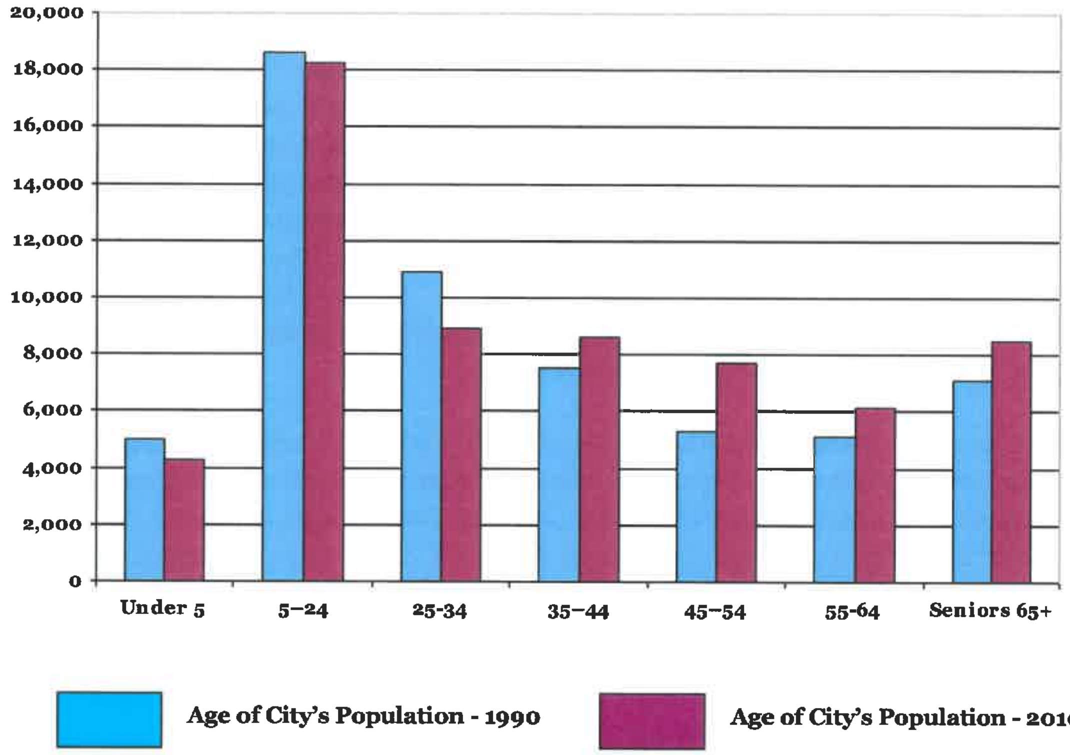


EXHIBIT 2-2. AGE CHARACTERISTICS OF MONTEBELLO'S POPULATION: 1990-2010

SOURCE: U. S. CENSUS AND DOF

2.3. Race and Ethnicity of the City's Population

Household characteristics and cultural backgrounds differ by race and ethnicity and are indicators of varying housing preferences. The U. S. Census includes an enumeration of race and ethnicity. Race refers to the racial composition of a population such as Asian or African-American. Table 2-4 indicates the racial composition of the City. According to the 2010 Census, approximately 53.8% of the City's population was classified as white while 0.9% was classified as African-American, 11.0% as Asian American, Native or Alaskan, and 3.7% consisted of two or more races. The Census redefined the ethnic groupings in the most recent 2010 data. For example "whites" appear to have significantly increased in the most recent Census placing a large number of Hispanics in this group whereas before (1990 and 2000) the "White" category did not include many Hispanics.

The above paragraph provided a racial breakdown of the City's population while this paragraph focuses on the Hispanic ethnicity of the City's population. Montebello contains a predominantly Hispanic population that has grown from 67.6% to 74.6% of the total population between 1990 and 2000. According to the most recent 2010 Census, Hispanics accounted for 79.3% of the City's population. As indicated previously, Hispanics are considered an ethnic group rather than a racial group. Hispanics may include persons from a variety of races including Caucasians, African-Americans, and even Asians.

Table 2-4
Race and Ethnicity: 1990 to 2010

Race/Ethnicity	1990		2000		2010	
	No.	%	No.	%	No.	%
White	9,981	16.8%	6,911	11.1%	33,633	53.8%
Black	486	0.8%	395	0.6%	567	0.9%
Asian, Native Hawaiian, and Other	8,566	14.4%	7,099	11.4%	6,908	11.0%
Two or more Races	n/a	n/a	1,187	1.9%	2,329	3.7%
Hispanic (Ethnicity)	40,263	67.6%	46,347	74.6%	49,578	79.3

Source: Census 1990, 2000, and 2010.

2.4. Employment Trends

Employment trends show information on the types of jobs held by Montebello residents, which can be an indicator for the types of housing that meets the needs of certain workers. Wage and income information can also indicate how much workers can spend on housing. Employment growth may also be an indicator of housing needs. According to employment data from the Employment Development Department (EDD), the unemployment rate for the City as of May 2017 was 3.4%, compared to 4.0% for the County. At that time, there were 1,000 persons in the City actively seeking employment, out of a total labor force of 29,100 persons.

The number of employed residents decreased between 1990 and 2000 though the job losses that occurred between 1990 and 2000 had somewhat recovered by 2010. During the 20 years between 1990 and 2010, the number of residents employed in the manufacturing and retail trade sectors experienced significant declines. During this same period, the number of residents employed in the health services, education, arts, and public administration increased. Table 2-5 indicates the employment characteristics of the City's residents according to the 1990, 2000, and 2010 U. S. Census.

Table 2-5
Employment by Industry: 1990, 2000, and 2010 in Montebello

Employment Category	1990	2000	2010
Agriculture, forestry, fishing	426	58	110
Hunting, and mining:	1,393	776	1,385
Manufacturing	5,612	4,150	3,332
Wholesale trade	1,547	1,367	1,392
Retail trade	4,601	2,476	2,983
Transportation and warehousing, and utilities	2,280	1,484	2,238
Information	n/a	665	744
Finance, insurance, and real estate.	1,921	1,244	1,503
Professional, scientific, management, administrative, etc.	2,101	1,770	2,208
Educational, health, and social services.	3,646	4,655	5,869
Arts, entertainment, recreation, accommodation and food services.	385	1,849	2,292
Other services (except public admin.)	1,506	1,371	1,222
Public administration	911	1,002	1,473
Total	26,329	22,867	26,751

Source: Census 1990, 2000, and 2010.

The major employers in the City are summarized in Table 2-6. Jobs in education account for the majority of jobs offered in Montebello. The Montebello Unified School District is the largest employer in the City, with multiple schools providing jobs for administrators, teachers, and custodians, as well jobs located at the central administration offices.

Table 2-6
Major Employers in Montebello - 2016

Company	Products	Number of Employees
City of Montebello	Municipality	614
J.C. Penny Corporation, Inc 2172-5	Retailer	293
Costco Wholesale #459[1.]	Wholesale Retailer	279
Wilbur Curtis Co, Inc	Manufacturing	271
Katzkin Leather, Inc	Manufacturing	235
Monarch Litho Inc	Commercial Printing	170
Forever 21	Retailer	149
BJ's Restaurant and Brewhouse	Restaurant	143
Minson Corporation	Retail and Manufacturing	140
All Access Apparel Corp	Manufacturing	136
Lifeline Ambulance	Health Services	110
Total		2,540

1. This Costco store closed for business in 2018.

Source: City of Montebello Comprehensive Annual Financial Report for the 2016 Fiscal Year

In 2010 (refer to Table 2-7) 28.2% of the employed residents worked in sales and office occupations; 28.6% worked in management, professional, and related occupations; 17.5% worked in service-related occupations, 7.8% worked in construction related occupations, and 19.6% worked in production, transportation, and material moving occupations.

Table 2-7
Employment by Occupation: 1990, 2000, and 2010 in Montebello

Occupation Category	1990	2000	2010-#	2010-%
Management, professional, and related occupations	5,694	5,897	7,652	28.6
Service	5,914	3,304	4,687	17.5
Sales and office	9,374	7,444	7,535	28.2
Farming, fishing, and forestry	377	16	0	0.0
Construction, extraction, and maintenance	3,687	1,728	2,085	7.8
Production, transportation, and material moving	1,283	4,478	4,792	17.9
Total	26,329	22,867	26,751	100.0%

Source: Census 1990, 2000, and 2010.

2.5. HOUSEHOLD CHARACTERISTICS

The household characteristics of a community's impact the type of housing needed in that community. Household type, income levels, the presence of special needs populations, and other household characteristics are all factors that affect the housing needs of a community. A household is defined by the U.S. Census as "all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, and unrelated individuals living together." Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households. Family households are defined by the Census as two or more persons sharing a dwelling unit who are related. According to the 2010 Census, there were 19,012 households in the City. Of this total number, 14,770 (77.7%) were family households and non-family households totaled 4,242 (22.3%). A total of 8,168 households (43.0) included dependent children less than 18 years of age. The number of senior households containing an individual 65 years of age or older was 6,169 households (32.4%). Table 2-8, compares the household statistics taken from the 1990 and 2010 Census data.

Table 2-8
Household Type: 1990 and 2010

Household by Type	1990		2010		%Δ
	Households	%	Households	%	
Total Households	18,618	100%	19,012	100%	2.1%
Family Households	14,397	77%	14,770	77.7%	2.6%
Married-With Children	5,316	29%	4,313	22.7%	-18.9%
Married No Children	4,587	25%	4,775	25.0%	4.1%
Non-Family Households	4,221	23%	4,242	22.3%	-1.5%
Householder Living Alone	3,402	18%	3,350	17.6%	2.1%
Average Household Size	3.17 persons/household		3.27 persons/household		
Average Family Size	3.59 persons/family		3.67 persons/family		

Source: Census 1990 and 2010.

2.6. HOUSEHOLD INCOME AND HOUSING AFFORDABILITY

Household income is an important indicator of housing need. Table 2-9 shows the median household income by tenure for Montebello and surrounding cities. According to the 2000 Census, Montebello experienced a moderate increase (22.6%) in median household income between 1990 and 2000. Renters earned higher median household income ($29,400) than renters in all but one of its neighboring cities. Still, 23.1% of renter households earned less than $24,999 compared to 9.6% of owner households.

Table 2-9
Median Household Income by Tenure in 2000

Jurisdiction	Median Income				%Δ between 1990 and 2000
	Owner-occupied	Renter-occupied	Total 2000	Total 1990	
Montebello	**$54,931**	**$29,400**	**$38,562**	**$31,441**	**22.6%**
El Monte	$46,625	$25,879	$32,456	$28,034	15.8%
Monterey Park	$55,182	$28,155	$40,579	$32,605	24.5%
Pico Rivera	$48,537	$28,640	$41,723	$34,383	21.3%
Whittier	$66,482	$34,623	$49,033	$38,020	29.0%
Los Angeles County	$62,180	$29,395	$42,030	$34,965	20.2%

Source: Census 2000.

Housing needs are often evaluated based on income level and household type. The California State Department of Housing and Community Development (HCD) places income into the following categories based on the median family income (MFI) of a particular metropolitan area:

- *Extremely Low-Income Households* earn 0% to 30% of the MFI;
- *Very Low-Income Households* earn 31% to 50% of the MFI;
- *Low-Income Households* earn between 51% to 80% of the MFI;
- *Moderate-Income Households* earn between 81% and 120% of the MFI; and,
- *Above Moderate-Income Households* earn above 120 % of the MFI.

The U.S. Department of Housing and Urban Development (HUD) uses Census data to create a data set known as the Comprehensive Housing Affordability Strategy (CHAS). This data set allows for an analysis of housing need by income level and household type. Federal CHAS data is organized differently from that of the California's HCD categories described above. Federal CHAS data is separated into Extremely Low Income (0%-30% of MFI), Very Low Income (31%-50% MFI), Low Income (51%-80% MFI), and Moderate/Upper Income (81% and above MFI). The CHAS data separates the household type into the following categories:

- *Elderly households:* The head of the household is of age 62 or older;
- *Small Family Households:* Families with a total household size of two to four persons; and,
- *Large Family Households:* Families with a total household size of five or more persons.

The cost for housing has increased significantly in the past five years throughout the Southern California region in general. Historically, the Census and other service agencies have indicated that those households that pay in excess of 30% of their total income for housing are overpaying. The resulting effect of this overpayment is that these households may not have the finances required for other necessities such as food, clothing, education, medical insurance, transportation, or other basic needs. The continuing escalation of housing costs corresponded to a period of little growth in real wages. This has translated into a significant increase in both the amount of overpayment and the number of affected households. HUD has prepared a fair market rent schedule as a guideline to maximum rents allowable for units receiving Section 8 assistance (refer to Table 2-11). HUD uses the Consumer Price Index and the Census Bureau housing survey data to calculate the fair market rents for each Standard Metropolitan Statistical Area (SMSA). As indicated in Table 2-10, market rents in the City have more than doubled since 1990.

Table 2-10
HUD Fair Market Rents, Los Angeles-Long Beach SMSA

Year	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
1990	$615	$715	$916	$1,035
1995	$695	$855	$1,154	$1,416
1996	$675	$854	$1,153	$1,375
1997	$583	$737	$995	$1,187
1998	$592	$749	$1,011	$1,206
1999	$605	$766	$1,033	$1,233
2000	$605	$766	$1,033	$1,233
2001	$618	$782	$1,055	$1,260
2002	$650	$823	$1,110	$1,325
2003	$764	$967	$1,305	$1,558
2004	$807	$1,021	$1,378	$1,646
2005	$900	$1,124	$1,510	$1,816
2006	$852	$1,189	$1,597	$1,921
2007	$1,016	$1,269	$1,704	$2,051
2008	$1,041	$1,300	$1,746	$2,101
2009	$1,090	$1,361	$1,828	$2,199
2010	$1,137	$1,420	$1,907	$2,295
2011	$1,173	$1,465	$1,967	$2,367
2012	$1,159	$1,447	$1,943	$2,338
2013	$1,101	$1,421	$1,921	$2,140
2014	$1,083	$1,398	$1,890	$2,106
2015	$1,103	$1,424	$1,926	$2,145
2016	$1,154	$1,490	$2,009	$2,227
2017	$1,195	$1,545	$2,079	$2,303

Source: U.S. Department of Housing and Urban Development

HCD now requires local governments to identify those households that have incomes that are classified as *extremely low income*. Extremely low income households include those households that have annual incomes that are 30% of the County median (the households included in this category typically represent the lowest wage earners in a community with wages corresponding to the current annual minimum wage of $10.50 per hour as of January 1, 2017). The annual wage figure cited previously assumes full-time employment. Table 2-12 indicates the income limits established by HUD to define the lower income household groups. The income thresholds shown in Table 2-11 indicate the income limits for various household sizes (between one-person households up to 8-person households).

Table 2-11
Household Lower Income Limits (in dollars)

Household Size	2000 Census Data			2017 (HUD MFI) in dollars		
	30% of Median	Very Low	Low	30% of Median	Very Low	Low
1	10,950	18,250	29,200	$18,950	$31,550	$50,500
2	12,500	20,850	33,350	$21,650	$36,050	$57,700
3	14,050	23,450	37,500	$24,350	$40,550	$64,900
4	15,650	26,050	41,700	$27,050	$45,050	$72,100
5	16,900	28,150	45,000	$29,250	$48,700	$77,900
6	18,150	30,200	48,350	$32,960	$52,300	$83,650
7	19,400	32,300	51,700	$37,140	$55,900	$89,450
8	20,650	34,400	55,000	$41,320	$59,500	$95,200

Source: U. S. Dept. of Housing and Urban Development.

According to the HUD, households that pay in excess of 30% of their monthly income for housing (either a mortgage or a rent/lease) may be overpaying. Table 2-12 indicates the number of owner-occupied and renter-occupied households that are overpaying for housing.

Table 2-12
Overpayment for Housing - 2011

Percent of Overpayment	Owner-Occupied	Rental Units
Less than 20%	254 (14.2%)	485 (78.1%)
20%-24.9%	156 (8.7%)	6 (1.0%)
25%-29.9%	216 (12.1%)	18 (2.9 %)
30%-34.9%	256 (14.3%)	36 (5.8%)
35% and more	906 (50.7%)	76 (12.2%)

Source: U.S. Bureau of the Census, 2010.

The Comprehensive Housing Affordability Strategy (CHAS) data are used by HOME and CDBG jurisdictions to prepare their consolidated plans. Data showing housing problems and the availability of affordable housing are available through the CHAS website for all counties, places, and CDBG/HOME jurisdictions. The CHAS data concerning overpayment for housing in Montebello is summarized in Table 2-13.

Table 2-13
Overpayment For Housing in Montebello

Income Distribution Overview	Owner	Renter	Total
Household Income <= 30% HAMFI	905	2,805	3,710
Household Income >30% to <=50% HAMFI	1,230	2,730	3,960
Household Income >50% to <=80% HAMFI	1,570	2,495	4,065
Household Income >80% to <=100% HAMFI	1,115	1,070	2,185
Household Income >100% HAMFI	4,260	1,500	5,760
Total	9,075	10,600	19,675
Housing Problems Overview[1]	**Owner**	**Renter**	**Total**
Household has 1 of 4 Housing Problems	3,625	6,975	10,600
Household has none of 4 Housing Problems	5,425	3,470	8,895
Cost Burden not available	25	155	180
Total	9,075	10,600	19,675
Severe Housing Problems Overview [2]	**Owner**	**Renter**	**Total**
Household has 1 of 4 Severe Housing Problems	1,815	4,490	6,305
Household has none of 4 Severe Housing Problems	7,235	5,955	13,190
Cost Burden not available	25	155	180
Total	9,075	10,600	19,675
Housing Cost Burden Overview	**Owner**	**Renter**	**Total**
Cost Burden <=30%	5,805	4,220	10,025
Cost Burden >30% to <=50%	1,950	2,964	4,914
Cost Burden >50%	1,300	3,245	4,545
Cost Burden not available	25	175	200
Total	9,075	10,600	19,675

HAMFI – Household Average Median Family Income Source: CHAS Data Book 2010-2014 (for Montebello,

The Table 2-13 indicates the overpayment for extremely low income households (<30% of the County median), very low income households (30% to 50% of the County median), low income households (50% to 80% of the County median), and all of the households in the City. The households that are overpaying for housing are further identified by tenure (owner-occupied and renter households). Finally, the Table indicates senior households and large-family households that are overpaying for housing. The Census data indicated that for owner-occupied housing units, median mortgage, and selected monthly service costs in 2010 were $1,829. In 2010, owner-occupied households (50.7%) expended more than 35% of their income for housing. These housing expenditures reflected the sum of mortgages, real estate taxes, insurance, association fees, and utilities. Monthly payments for homeowners more than quadrupled in the 30 years between 1980 and 2010, and the percentage of households paying 30% or more for housing nearly doubled during this same period. For renters, the median gross rent per month increased from $211 in 1980 to $979 in 2010. This dollar amount refers to the contract rent (i.e., monthly rent agreed to, or contracted for) plus the estimated average cost of utilities if paid for by the renter. This definition was used by the Census in an attempt to eliminate differentials due to varying practices in rent structuring. According to the most recent Census, a total of 3,309 renter-occupied households (47.8%) paid in excess of 30% of their monthly incomes for housing.

2.7. Special Housing Needs

Special housing needs groups refer to those households that contain the elderly, handicapped, large families, overcrowded households, female heads of households, and persons in need of emergency shelter.

Senior Households

For the purpose of this special needs analysis, individuals 65 years of age or more are considered "seniors." This is different than "elderly" as defined in the CHAS data (62 years of age or more). Households headed by seniors have special needs due to low, lower incomes, physical or mental disabilities, and other dependency needs. Seniors are often retired and rely on fixed or low incomes. They are also more prone to injuries and illnesses that increase their health care costs, thus reducing the income that would otherwise be available for housing. Their housing choices are also more specific because seniors often wish to be close to public transportation and other services. According to the 2000 Census, Montebello had over 4,400 households headed by seniors. The number of owner-occupied, elderly-headed households increased between 1990 and 2000 by almost 12%, while the number of renters decreased by approximately 4%. According to the 2010 Census, the number of households containing an individual 65 years of age or older was 6,169 households (32.4%).

Disabled Households

Persons with disabilities are defined by the Americans with Disabilities Act (ADA) as those having physical or mental impairments that substantially limit one or more major life activities. Disabled persons often have a difficult time obtaining adequate housing because they earn lower incomes, pay higher health costs, depend on supportive services, or require special accessibility such as elevators and ramps that are not available in conventional designs.

The Census considers the following six disability categories that limit one or more major life activity:

- *Sensory disability* that includes blindness, deafness, or severe vision or hearing impairment.
- *Physical disability* refers to a condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying;
- *Mental disability* refers to impaired ability to learn, remember, or concentrate;
- *Self-care disability* refers to an impaired ability to dress, bathe, or get around inside the home;

- *Go-outside-home* refers to those individuals that are physically unable to go outside the home alone to shop or visit a doctor's office; and,
- *Employment disability* includes those individuals that are unable work.

The 2010 U.S. Census and the 2013 American Community Survey indicates different types of disabilities tallied for major age groups. The number of residents in each category is summarized in Table 2-14. Exhibit 2-3 depicts the percentage and distribution of residents with a disability by census tract in the City.

Table 2-14
Types of Disability in 2010

Description	Number	%
Under 6 Years with a Disability	107	2.1
Hearing Disability	44	0.9
Vision Disability	63	1.2
5 to 17 years with a Disability	733	7.1
Hearing Disability	0	0.0
Vision Disability	151	1.5
Cognitive Disability	397	3.9
Ambulatory Disability	200	1.9
Self-care Disability	181	1.8
18 to 64 years with a Disability	4,358	11.5
Hearing Disability	346	0.9
Vision Disability	967	2.5
Cognitive Disability	1,904	5.0
Ambulatory Disability	2,196	5.8
Self-care Disability	1,519	4.0
Independent Living Disability	1,887	5.0
65 years and over:	4,752	52.4
Hearing Disability	1,901	20.9
Vision Disability	1,161	12.8
Cognitive Disability	1,522	16.8
Ambulatory Disability	3,295	36.3
Self-care Disability	1,501	16.5
Independent Living Disability	2,376	26.2

Source: Census 2010-2013

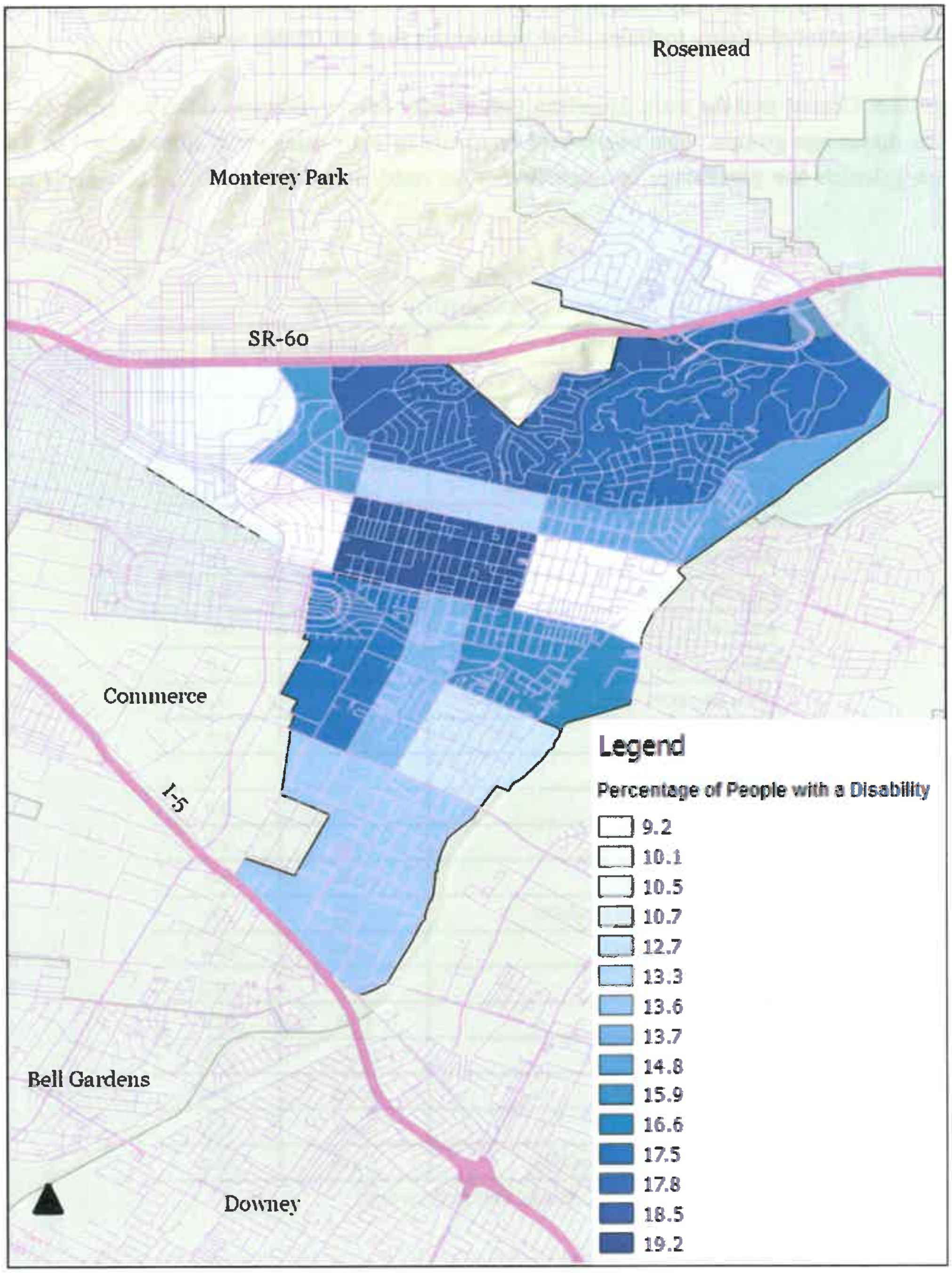


EXHIBIT 2-3. PERCENTAGE AND DISTRIBUTION OF PEOPLE WITH A DISABILITY BY CENSUS TRACT
SOURCE: U.S. CENSUS

According to the State Department of Development Servicies (DDS), the are 451 persons residing in Montebello that have a developmental disability. A developmental disability is defined as defined as "a disability that originates before an individual attains age 18 years, continues, or can be expected to continue indefinitely, and constitutes a substantial disability for that individual." The disabilities may include an intellectual disability, cerebral palsy, epilepsy, and autism and other developmental disabilities (Welfare and Institutions Code Section 4512). The DDS administers programs for developmental disabilities via regional centers. The Eastern LA Regions Center serves the City of Montebello. The City requires that all new residential developments comply with California building standards (Title 24 of the California Code of Regulations) and Federal requirements for accessibility. Other City efforts designed to promote reasonable accommodation include the following:

- *Procedures for Ensuring Reasonable Accommodations.* The City does not have any Zoning Ordinance provisions that are specific to housing for disabled persons. Minor building improvements, such as ramps, rails, and wheelchair lifts, may be handled through an administrative review process to evaluate such development requirements applicable to housing for persons with disabilities.

- *Efforts to Remove Regulatory Constraints for Persons with Disabilities.* The State has removed any City discretion for review of small group homes for persons with disabilities (six or fewer residents). The City of Montebello does not impose additional zoning, building code, or permitting procedures other than those allowed by State law. There are no constraints on housing for persons with disabilities caused or controlled by the City.

- *Retrofitting Requirements.* The City also allows residential retrofitting to increase the suitability of homes for persons with disabilities in compliance with accessibility requirements. In addition, the City works with applicants who need special accommodations in their homes to ensure that application of building code requirements does not create a constraint.

- *Information Regarding Accommodation for Zoning, Permit Processing, and Building Codes.* The City implements and enforces the current California Building Code (2012). The City provides information to all interested parties regarding accommodations in zoning, permit processes, and application of building codes for housing for persons with disabilities.

This Housing Element also includes a new program that includes the provision of a new Reasonable Accommodation Program. Under this program, the City will adopt a *Reasonable Accommodation Ordinance* to provide exception in zoning and land-use regulations for housing and/or improvements for persons with disabilities. Currently, the City's Zoning Ordinance contains no such provisions. The procedures related to the program's implementation will be ministerial in nature with minimal or no processing fee. Improvements may be approved by the Community Development Director as long as a number of findings may be made. First, the request for reasonable accommodation must be used by an individual with a disability protected under fair housing laws. Second, the requested accommodation is necessary to make housing available to an individual with a disability protected under fair housing laws. Third, the requested accommodation would not impose an undue financial or administrative burden on the City. Finally, the requested accommodation would not require a fundamental alteration in the nature of the City's General Plan and Zoning Ordinance.

Farm worker Housing

According to the Census, those working in agricultural, fishery, forestry, and hunting industry decreased by 84.2% between 1990 and 2015 in Montebello (refer to Table 2-15). According to the ACS Census data, 50 persons residing in the City if 2015 worked in "agricultural-related" occupations. These occupations do not include active farming given that no agricultural lanes are located within the City. These only related occupations are related to nurseries where landscaping materials are cultivated. Given the low number of persons employed in agricultural-related industries, the City can address the needs of the farm worker population through its overall affordable housing programs. Also, because Montebello is an urban community in a metropolitan area and those persons identified as having agricultural jobs are most likely employed at plant nurseries and similar enterprises and thus are not anticipated to have the seasonal housing needs associated with crop-related farm worker jobs.

Table 2-15
Farm Workers: 1990 and 2015

Area	1990	2015	%Δ
Montebello	368	50	-86.4%
Los Angeles County	54,215	29,963	-41.9%

Source: Census 1990 and 2015.

The City of Montebello Zoning Code includes a single Residential-Agricultural (R-A) zone district. The purpose of the R-A zone is to provide for single-family residential development and the proper use of those lands best suited for agricultural purposes. According to the City's Zoning Code, the R-A zone may also be used as a transitional classification for open or agricultural land, pending classification for a more permanent use. In addition to a single-family residence, *noncommercial* horticulture and agriculture crops are also permitted on the same lot.

Employee Housing

The California Legislature enacted the *Employee Housing Act* (EHA) to provide protection for persons living in privately owned and operated employee housing. The EHA is specifically designed to ensure the health, safety, and general welfare of these residents and to provide them a decent living environment. The EHA also provides protection for the general public that may be impacted by conditions in and around employee housing. Any employee housing that has qualified, or is intended to qualify, for a permit to operate pursuant to the EHA, may invoke the following provisions:

- Any employee housing providing accommodations for six or fewer employees shall be deemed a *single-family structure* with a residential land use designation. Employee housing *shall not* be included within the definition of a boarding house, rooming house, hotel, dormitory, or other similar term that implies that the employee housing is a business run for profit or differs in any other way from a family dwelling.

- No conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that serves six or fewer employees that is not required of a family dwelling of the same type in the same zone. According to the State Housing law, employee housing for six or fewer persons must be treated as regular housing.

- The use of a single family unit for purposes of employee housing serving six or fewer persons, shall not constitute a change of occupancy pursuant to any local building codes.

- Employee housing that serves six or fewer employees shall not be subject to any business taxes, local registration fees, use permit fees, or other fees to which other family dwellings of the same type in the same zone are not likewise subject.

- For the purposes of any contract, deed, or covenant for the transfer of real property, employee housing which serves six or fewer employees shall be considered a residential use of property and a use of property by a single household.

- Each county and city shall permit and encourage the development and use of sufficient numbers and types of employee housing facilities as are commensurate with local needs. This section shall apply equally to any charter city, general law city, county, city and county, district, and any other local public entity.

A new program, Program 16: Zoning Ordinance Revisions, has been included that will incorporate the above changes related to the EHA's implementation.

LARGE HOUSEHOLDS AND OVERCROWDING

Households with five or more members are considered large households for the purpose of analysis in the Housing Element. Large households are typically composed of families with children and/or extended family members. Large households experience difficulties finding housing due to the limited number of housing units with enough space and/or bedrooms and at an affordable cost. Large households often live in overcrowded, inadequate housing. The 2000 Census shows that 4,301 households, or 22.8% of households in Montebello, had five or more members. The number of large renter households in Montebello increased by 302 households and the number of large owner households increased by 79 households between 1990 and 2000. According to the 2010 Census, a total of 2,049 large family households lived in owner-occupied units. The same Census figures also indicated that 2,281 large family households lived in rental units. This overcrowding is exacerbated by the large number of renter households in the City as well as the age of the City's housing stock. Table 2-16 summarizes the Census data regarding large households.

Table 2-16
Large Households: 1990 to 2010

	1990		2000		2010	
	Renter	Owner	Renter	Owner	Renter	Owner
5 or more person households	2,013	1,909	2,315	1,986	2,281	2,049
% of Total Occupied Households	10.8%	10.3%	23.4%	22.3%	22.3%	23.3%

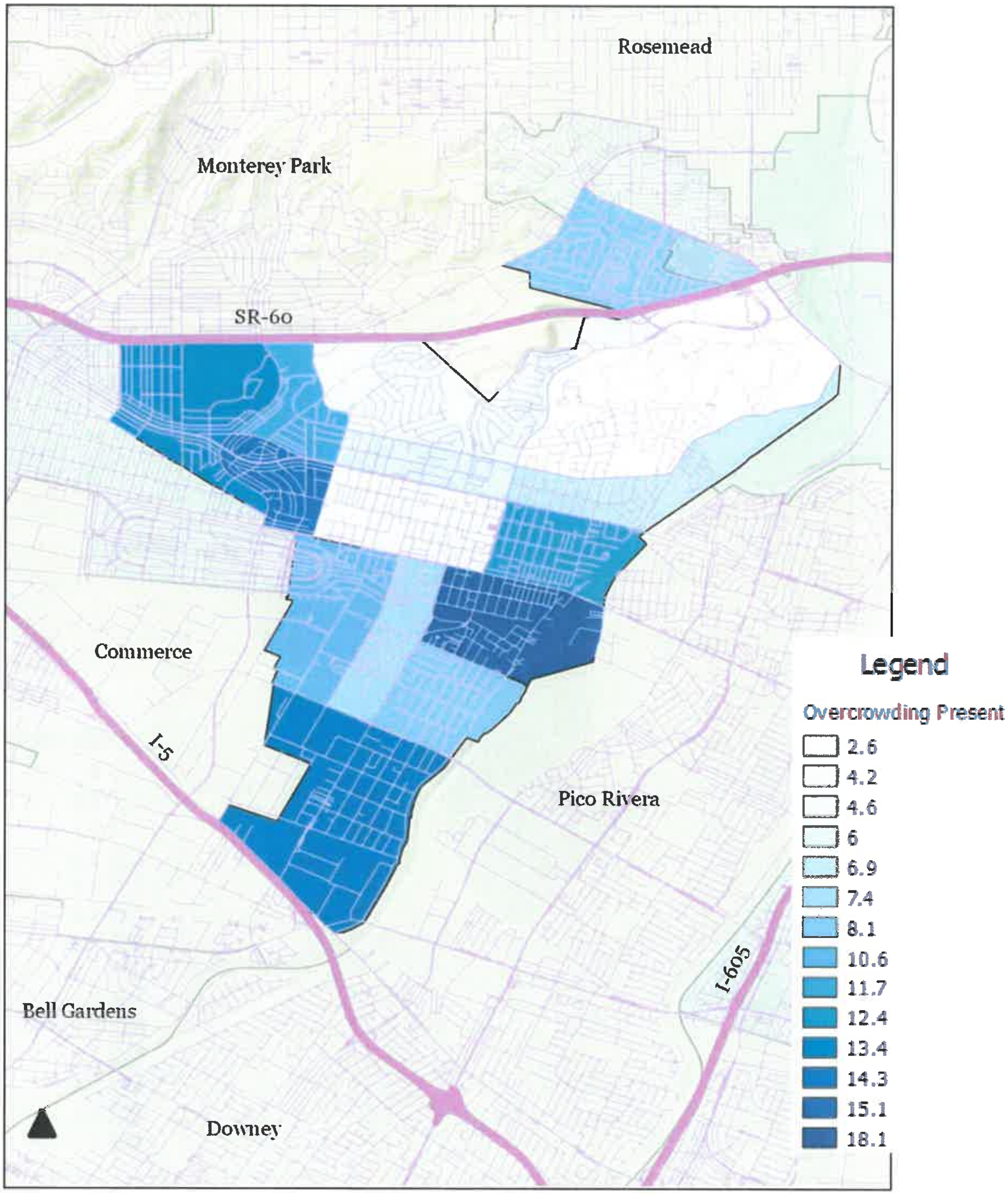
Source: Census 1990 and 2000.

The Census defines *severe overcrowding* as housing with more than 1.5 persons per room. To avoid severe overcrowding, the average household will require two or more bedrooms per unit and an average family will require 2.5 bedrooms per unit. Overcrowding takes place when a lack of affordable housing compels larger households to occupy smaller dwelling units or when two or more households share a single unit. A housing unit that is occupied by more people than intended can lead to faster deterioration of the housing unit. Overcrowding can lead to unplanned traffic congestion and parking shortages, as well, if there are multiple cars for each housing unit. In 2010, approximately 4.2% of total occupied housing units in the City were considered to be overcrowded with 1.5 persons per room or more. Of the total households in the City, 0.9% of the owner-occupied households were overcrowded and 3.5% of the renter-occupied households were overcrowded. Exhibits 2-4 and 2-5 depict overcrowded and severely overcrowded units by census tract in the City, with the white indicating fewer concentrations of overcrowding and the blue indicating higher concentrations of overcrowding.

HOMELESS AND EMERGENCY SHELTERS

There are two categories of need that should be considered in discussing the homeless: 1) transient housing providing shelter, and usually on a nightly basis; and, 2) short-term housing, usually including a more comprehensive array of social services to enable families to re-integrate themselves into a stable housing environment. The issue of homelessness emerged as a major issue in the 1990's during the severe economic recession that Southern California was undergoing at that time. Homelessness was further exacerbated by the closing of mental institutions and the recent housing dislocation associated with the great recession that began in 2008. While the Southern California economy is improving, housing costs are once again rising in response to the growing demand. As a result, homelessness within the larger Southern California region continues to be a problem. The U.S. Department of Housing and Urban Development defines homeless persons as those in the following situations:

- Persons residing in spaces not meant for human habitation such as boxes, cars, abandoned buildings, and sidewalks;
- Persons residing in transitional housing or emergency shelters; and,
- Persons being evicted or is leaving an institution and lacks the funding and support network to obtain housing.


Rosemead
Monterey Park
SR-60
Commerce
I-5
Pico Rivera
I-605
Bell Gardens
Downey
Legend
Overcrowding Present
2.6
4.2
4.6
6
6.9
7.4
8.1
10.6
11.7
12.4
13.4
14.3
15.1
18.1

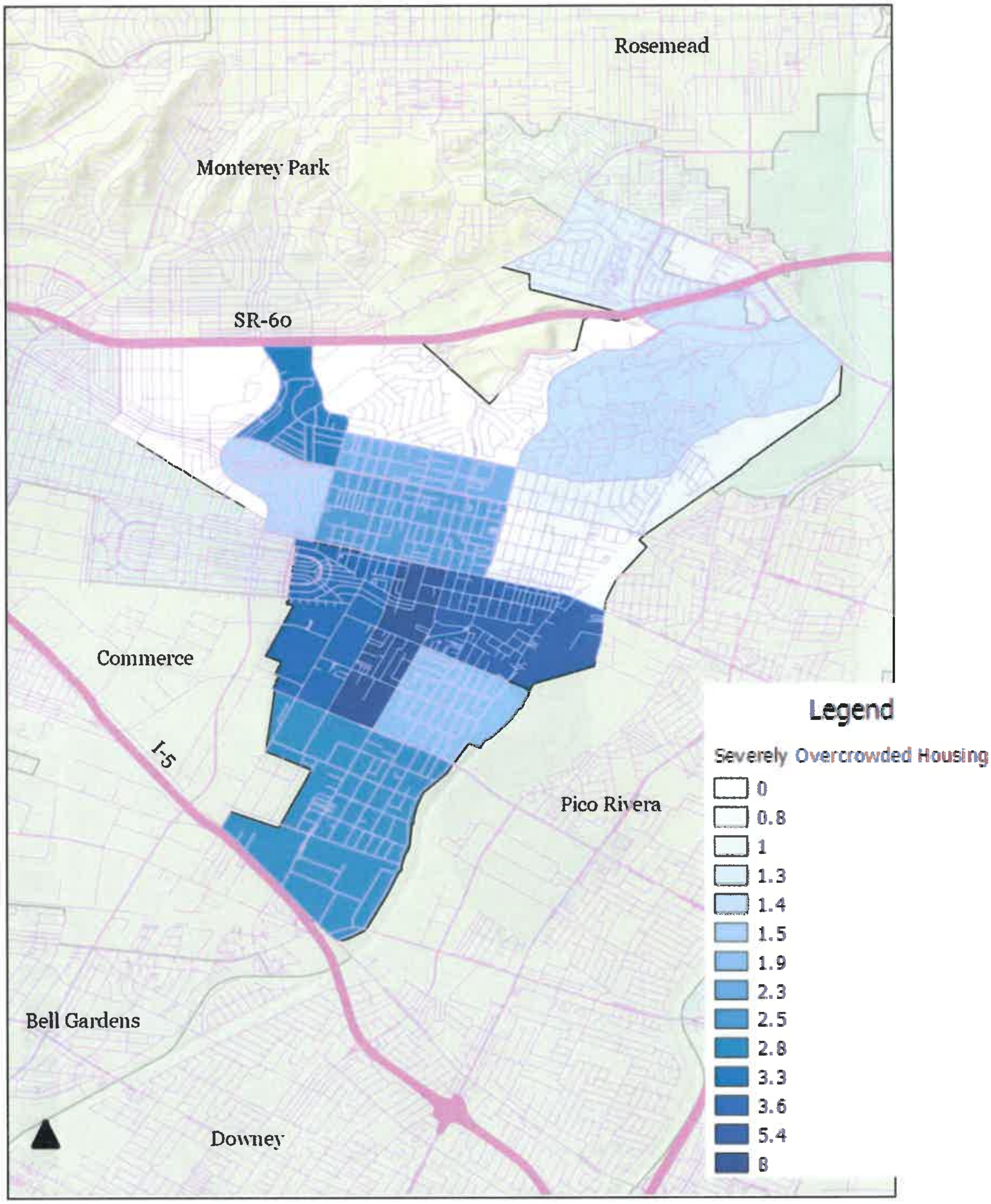


EXHIBIT 2-5. OCCUPANCY CHARACTERISTICS – PERCENTAGE OF SEVERELY OVERCROWDED HOUSING UNITS BY CENSUS TRACT
SOURCE: U.S. CENSUS

A Citywide housing condition survey was conducted by the preparers of this Housing Element during the early summer (June and July) of 2017. This survey involved a windshield survey of every street in the City. During this survey, the location and extent of homeless persons were also noted. The surveys identified six homeless individuals on the day the survey was conducted.

Data provided by the Shelter Partnership estimated that there were 236,400 homeless persons in Los Angeles County over the course of a year. On any given night in Los Angeles County, there are more than 84,000 homeless persons. Various circumstances that may lead to homelessness include the following:

- Single adult transients passing through the City on the way to some other destination;
- Seasonal and/or migrant homeless individuals seeking seasonal employment in the City;
- The chronically homeless, single adults, including non-institutionalized, mentally disabled individuals, alcohol and drug abusers, elderly individuals with insufficient incomes, and others who voluntarily, or are forced, due to financial circumstances, to live on the streets;
- Minors who have run away from home;
- Low-income families that are temporarily homeless due to financial circumstances or are in the process of searching for a home (single-parent families, mostly female-headed, are especially prevalent in this group); and,
- Women (with or without children) that are escaping domestic violence.

The City of Montebello was included in the East Los Angeles County Survey Area (SPA 7) conducted by the Los Angeles County Homeless Services Authority. The 2017 survey identified 5,189 homeless persons which was an increase from the 2016 number of 3,469 homeless persons. This increase in observed homeless persons was 1,720 or 50%. The City of Montebello does not currently provide temporary housing services for homeless persons. The City refers homeless individuals to the Rio Hondo Temporary Home (RHTH) and the Women's and Children's Crisis Shelter. These two places offer services to the homeless as shown in Table 2-17.

Table 2-17
Homeless Agency Services

Shelters/Services	Rio Hondo Temporary Home	Women's and Children's Crisis Shelter
Sleeping Capacity	92	31
Rental Assistance	No	No
Clients	Homeless families with children, All single parents, adult couples (18 ages or older), children from infancy to 18.	Victims of domestic violence (battered women and abused children).

Table 2-17
Homeless Agency Services (continued)

Shelters/Services	Rio Hondo Temporary Home	Women's and Children's Crisis Shelter
Social Service Programs	Counseling and case management (mental health therapy, pediatric occupational therapist), on-site childcare center, on-site medical clinic, three meals seven days a week, and Federal Emergency Soup Program.	Counseling and advocacy Programs.
Day services	Life skills program (hygiene, sanitation, Money management).	Advocacy, legal work, medical assistance, life skills
Food Voucher	No	No
Serve Special populations	No	Yes
Handle rehab clients	No	No
Mailing Address	12300 4th Street Bldg. 213 Norwalk, CA 90650	10007 Cole Rd. Whittier, CA 90603

Source: Rio Hondo Temporary Home and Women's and Children's Crisis Shelter.

Single Parent Households

Since single-parents typically must work full-time while raising children, single-parent headed households have special needs such as affordable childcare, healthcare, and housing assistance. Female-headed households also tend to earn less than other family groups, and have limited access to affordable housing. According to the Census Bureau, in 2010, 5,682 or 30% of the total households in Montebello were headed by single parents, compared to only 23.4% in 1990. Between 2000 and 2010, the number of female-headed single-parent households increased by 238 households. Among the single-parent households in 2010, 9.5% of single-parent households were female-headed with children.

Poverty

People living in poverty have difficulty finding housing due to constrained incomes. According to the Census, poverty status of families or individuals is determined by comparing family size and composition to a money income (before tax) threshold. This income threshold is updated annually to reflect changes in the consumer price index, but does not vary geographically. The income threshold varies by family size and age of its members, and includes the income level people and families need to live. The poverty rate data, summarized in Table 2-18, shows the percentage of residents and families living in poverty in each category. In 2010, approximately 17.0% of Montebello residents lived in poverty and of these, approximately a quarter (24.9%) of them are less than 18 years old. The groups with the highest percentage living in poverty were female-headed households with children under 18 years old at 38.1%, followed by female-headed households at 28.3%. Even though female-headed households with children comprise 16.2 % of the total population, they comprise 43.3% of families living in poverty. Exhibit 2-6 depicts poverty levels by census tract in the City, with white indicating lower concentrations of poverty and blue indicating higher concentrations of poverty.

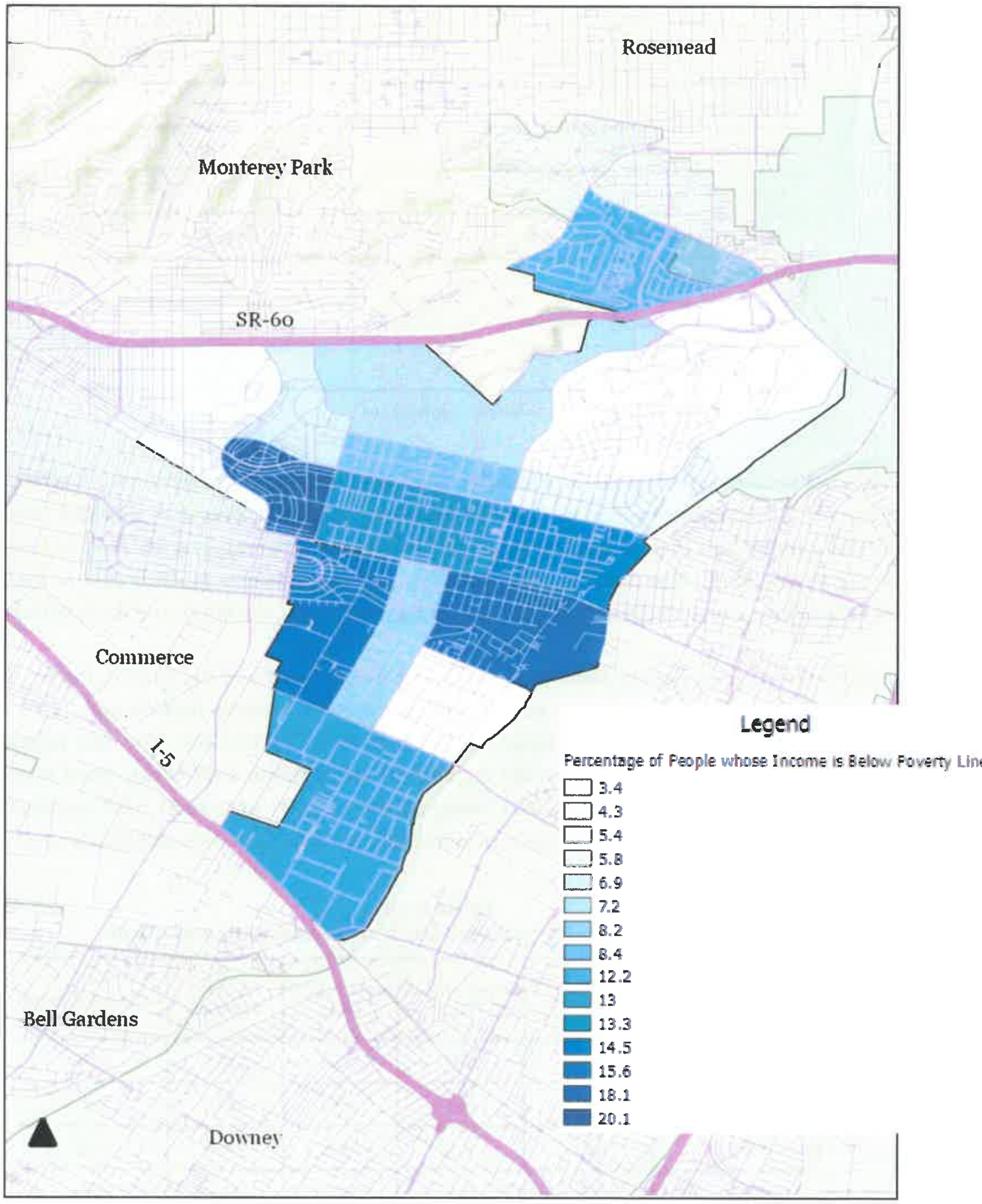


Exhibit 2-6. Percentage and Distribution of Those Living in Poverty by Census Tract
Source: U. S. Census

Table 2-18
Poverty Rate in Montebello - 2010

Variable	% of Total Households
Population in Poverty	17.0%
Under 18	24.9%
65 and over	10.7%
Married Couples in Poverty	9.1%
With Children under 18	11.9%
Female Households w/ no Husband Present in Poverty	28.3%
With Children under 18	38.1%

Source: Census 2010.

The number of persons receiving public assistance is another indicator of poverty rate. CalWORKs is a State program that provides temporary financial assistance and employment to qualified low-income families with children less than 18 years of age. The Food Stamp Program gives vouchers to low-income families for buying food. The Medical assistance only program provides medical care to low-income families with children, expecting mothers, elderly over 65 years of age, the blind, and the disabled.

According to Los Angeles County Department of Public Social Services data, around 10,267 residents (15.7%) of the City's population receive medical assistance, 5.8% receives food stamps, 3.5% receives CalWORKs, and 0.4% receives General Relief assistance (refer to Table 2-19). The data indicates that children under 18 years of age comprise the majority of recipients in CalWORKs, Food stamps, and medical assistance programs. Female adults comprise the majority of general relief recipients. The majority of persons receiving public assistance in Montebello consist of children and female adults.

Table 2-19
Persons in Montebello Receiving Public Assistance in 2006

Aid Program	Children (%)	Female Adult (%)	Male Adult (%)	Total Persons	% of Estimated Total Population
CalWORKs	79%	18%	3%	2,322	3.5%
General Relief	0%	45%	6%	260	0.4%
Food Stamps (only)	64%	25%	10%	3,816	5.8%
Medical assistance (only)	56%	30%	14%	10,267	15.7%

*Note: Population estimate based on Department of Finance 2006 population estimate of 65,423 residents.
Source: Los Angeles County Department of Public Social Services, June 2006, California Department of Finance.

Montebello has three licensed care facilities to assist residents with special needs such as the elderly or children in foster care. These facilities include two elderly care facilities and one children's facility that provide a total of 170 beds.

2.8 Housing Unit Characteristics

A community's housing stock is defined as the collection of all housing units located within the jurisdiction. The characteristics of the housing stock, including growth, tenure, vacancy rates, age, condition, and cost are important in determining the housing need for the community. A 'housing unit' is defined by the U.S. Census as any of the following: a house, an apartment, a mobile home or trailer, a group of homes, or a single room intended for use as separate living quarters. When occupants live separately and have direct access to a common hall or building exterior, these units are considered separate living quarters.

Housing Trends

Table 2-20 indicates the housing that was found in Montebello, nearby cities, and the County at large. The housing data was taken from the 1990 and 2000 Census data and the most recent 2017 DOF data. The surrounding similar cities experienced substantial increases in housing growth ranging from 3.0% to 7.7%. Montebello's housing stock experienced a 4% growth in the number of housing units during this same period (1990 to 2017). The net increase in the number of housing units during the 1990-2017 period was 776 units.

Table 2-20
Housing Unit Growth Trends: 1990 to 2017

Jurisdiction	1990	2000	2017	Numeric Change	%Δ
El Monte	27,167	27,758	29,268	2,101	7.7%
Montebello	19,193	19,416	19,969	776	4.0%
Monterey Park	20,298	20,209	21,164	866	4.2%
Pico Rivera	16,316	16,807	17,133	817	5.0%
Whittier	28,758	28,977	29,644	886	3.0%
Los Angeles County	3,163,343	3,270,909	3,527,312	363,969	11.5%

Sources: Census 1990, 2000, and 2017 DOF.

Montebello's housing stock increased by 776 units between 1990 and 2017 (4.0%) as shown in Table 2-22. The housing unit type is still predominantly single-family detached units, which accounts for about half of the housing in the City. Housing trends in the City are summarized below in Table 2-21 and are illustrated in Exhibit 2-7. Exhibits 2-8 through 2-14 depict the types of housing stock in the City by census tract, with the white indicating fewer concentrations of a certain type of housing and the blue indicating higher concentrations of a certain type of housing. Exhibit 2-15 depicts the total number of housing units by census tract.

Table 2-21
Changes in Housing Stock: 1990 to 2017

Housing Type	1990		2000		2017		Change 1990 to 2017	
	Number	%	Number	%	Number	%	Number	%
Single-Family	10,617	55.3%	10,927	56.3%	11,433	57.2%	746	7.0%
Detached	9,234	48.1%	9,354	48.2%	9,821	49.1%	587	6.4%
Attached	1,383	7.2%	1,573	8.1%	1,612	8.0%	159	11.5%
2-4 Units	2,928	15.3%	2,862	14.7%	2,464	12.3%	-462	-15.8%
5+ Units	5,265	27.4%	5,388	27.8%	5,806	29.0%	452	8.6%
Mobile Homes	207	1.1%	229	1.2%	266	1.3%	59	28.5%
Other	176	0.9%	4	0.0%	0	--	-176	-100.0%
Total Units	19,193	100%	19,410	100%	19,969	100.0%	619	3.2%

Source: Census 1990 and 2000, California Department of Finance January 2017.

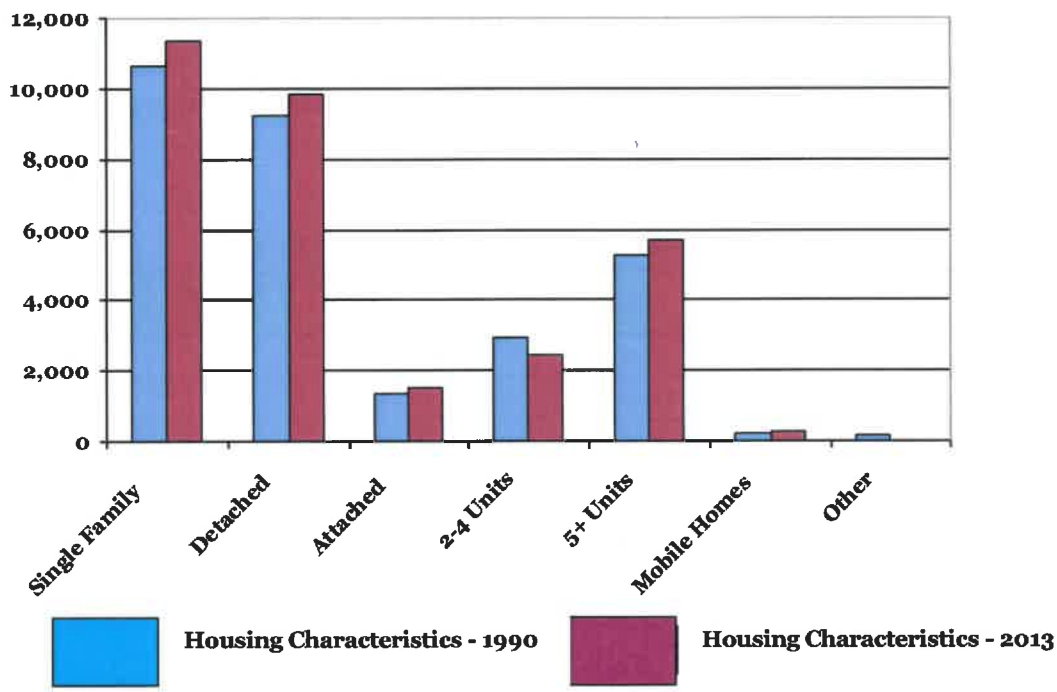


EXHIBIT 2-7 - HOUSING CHARACTERISTICS OF MONTEBELLO: 1990 TO 2013
SOURCE: U.S. CENSUS AND DOF

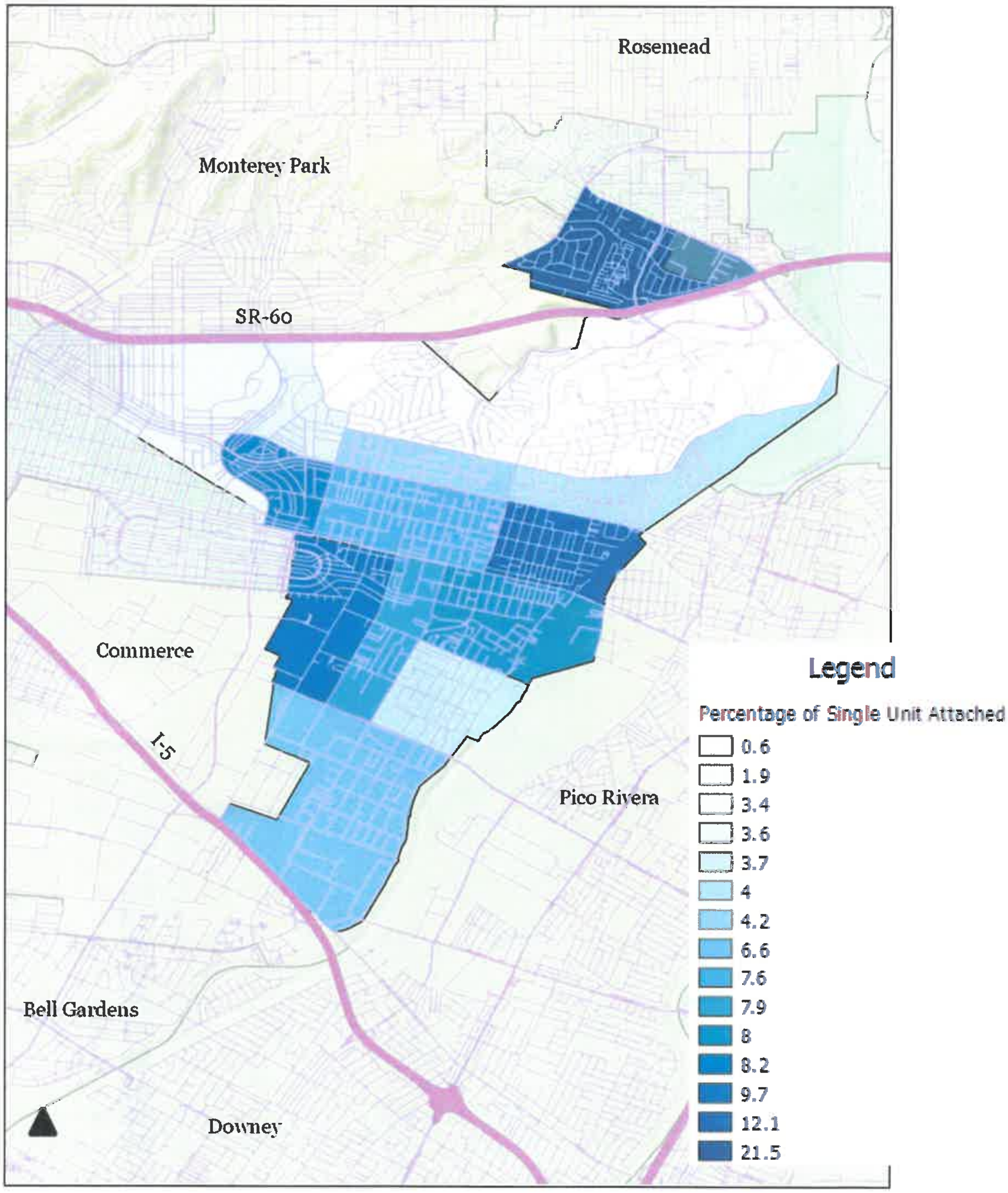


EXHIBIT 2-8. PERCENTAGE AND DISTRIBUTION OF SINGLE-FAMILY ATTACHED UNITS BY CENSUS TRACT
SOURCE: U.S. CENSUS

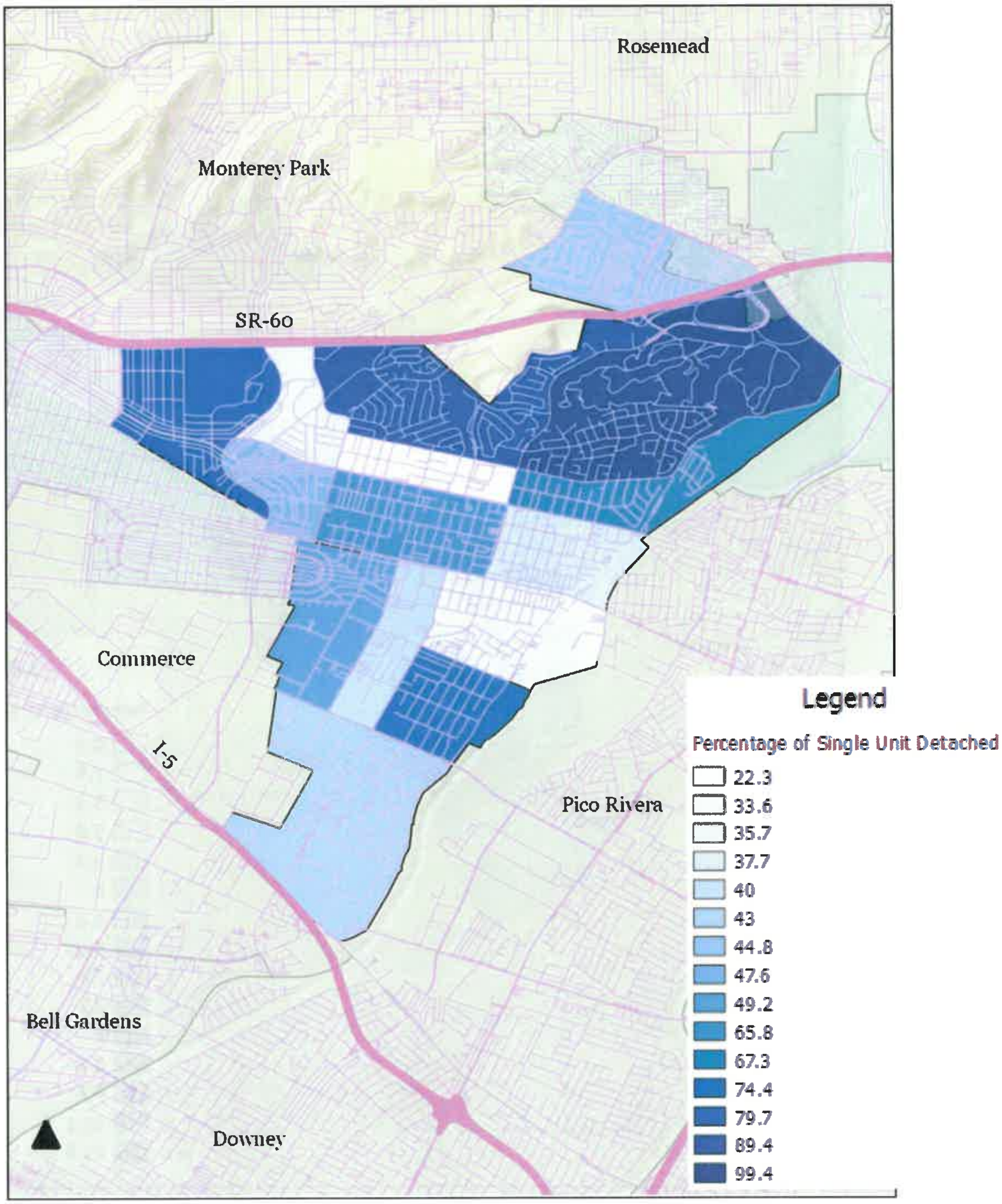


EXHIBIT 2-9. PERCENTAGE AND DISTRIBUTION OF SINGLE-FAMILY DETACHED UNITS BY CENSUS TRACT
SOURCE: U.S. CENSUS

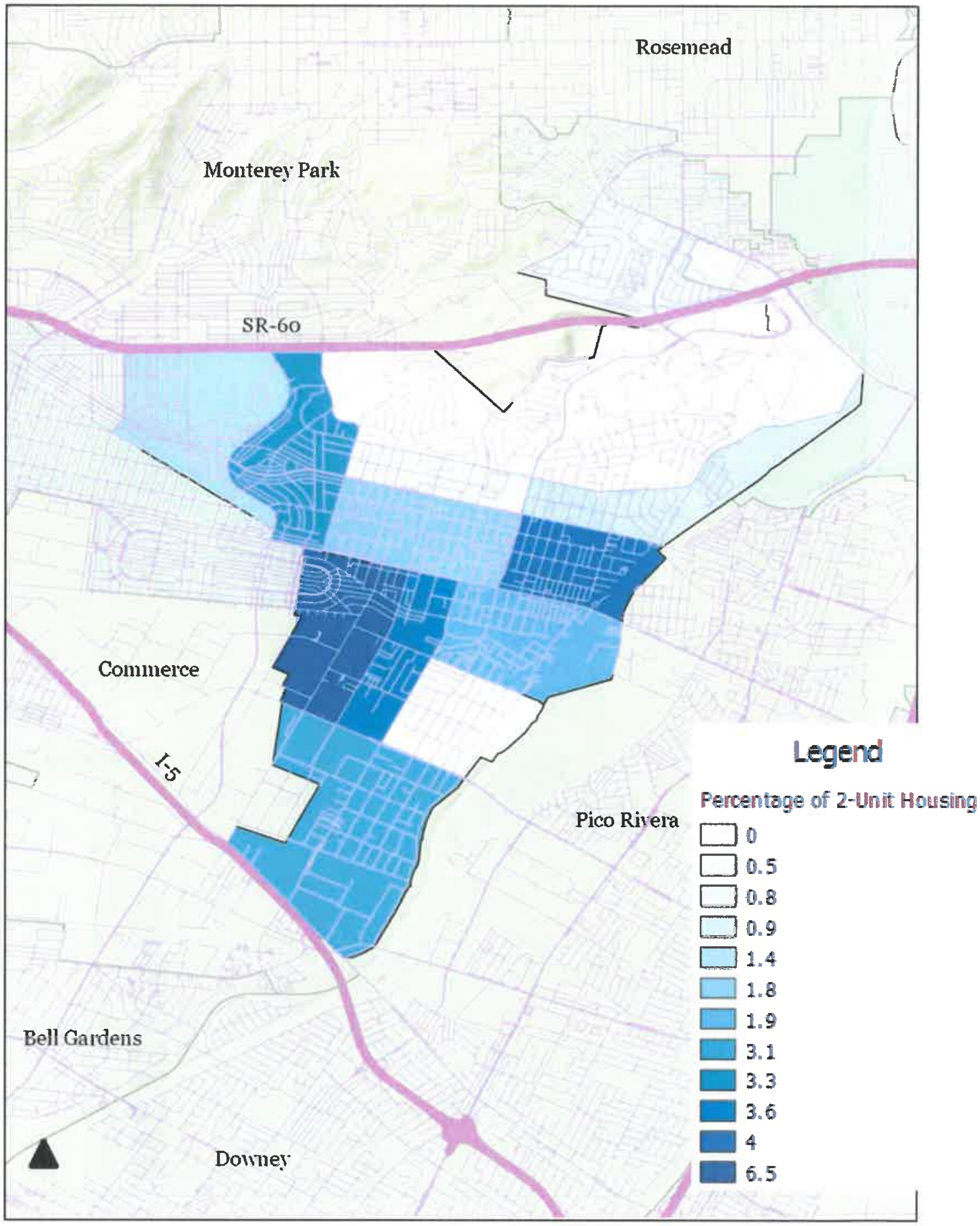


Exhibit 2-10. Percentage and Distribution of Duplexes (2 Units) by Census Tract
Source: U.S. Census

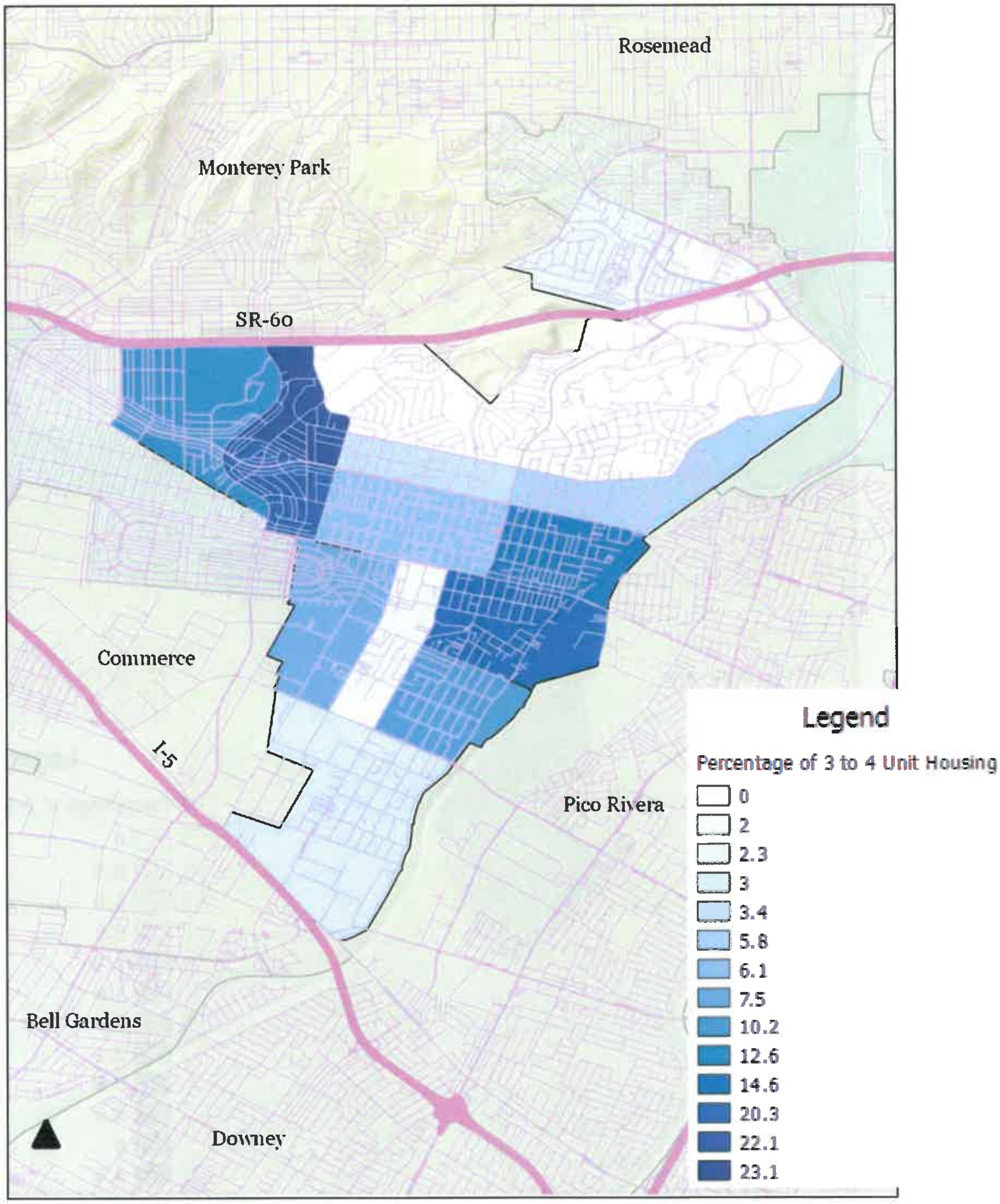


EXHIBIT 2-11. PERCENTAGE AND DISTRIBUTION OF TRIPLEXES (3 UNITS) AND FOURPLEXES (4 UNITS) BY CENSUS TRACT
SOURCE: U.S. CENSUS

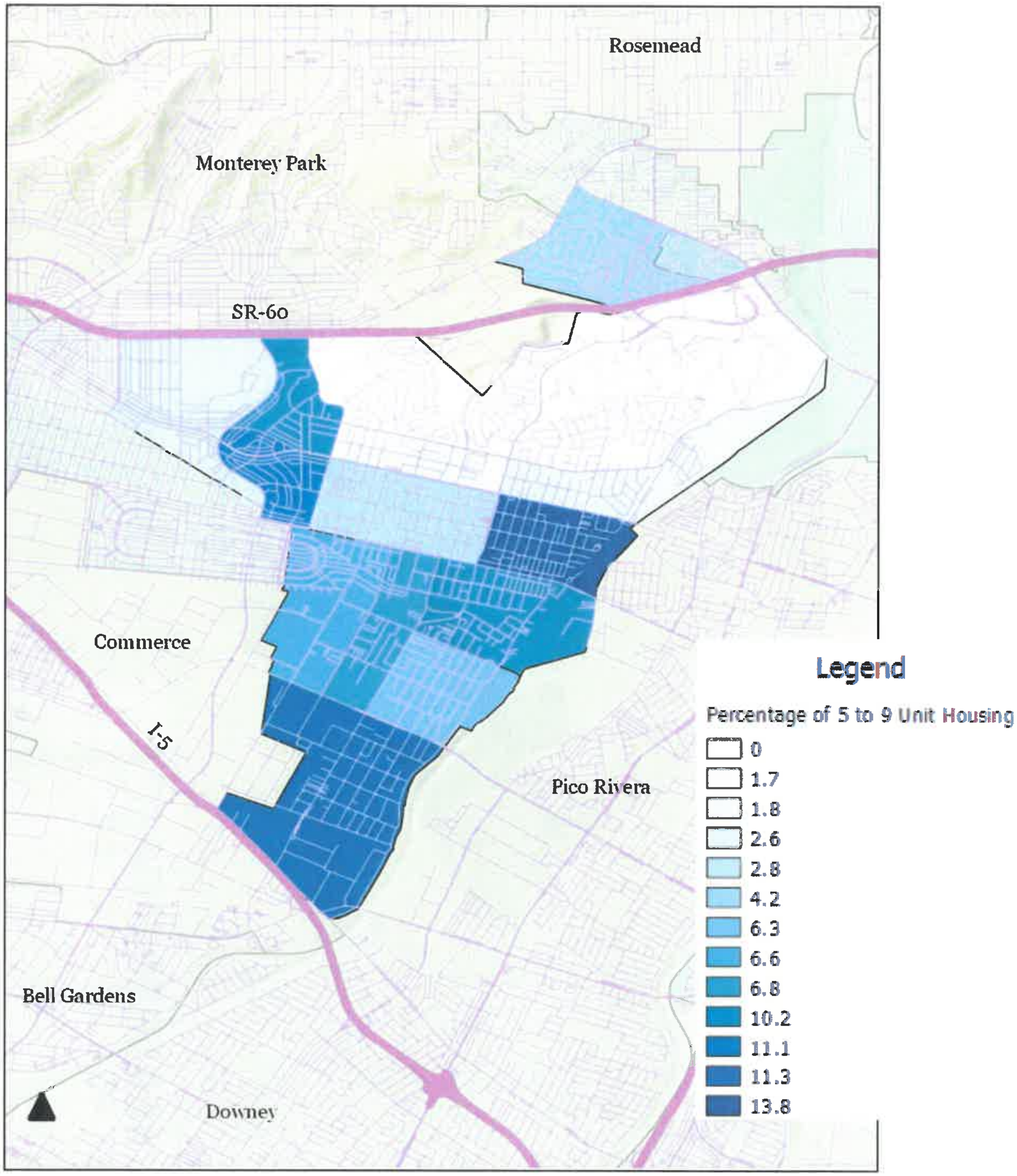


Exhibit 2-12. Percentage and Distribution of Five to Nine Unit Residential by Census Tract
Source: U.S. Census

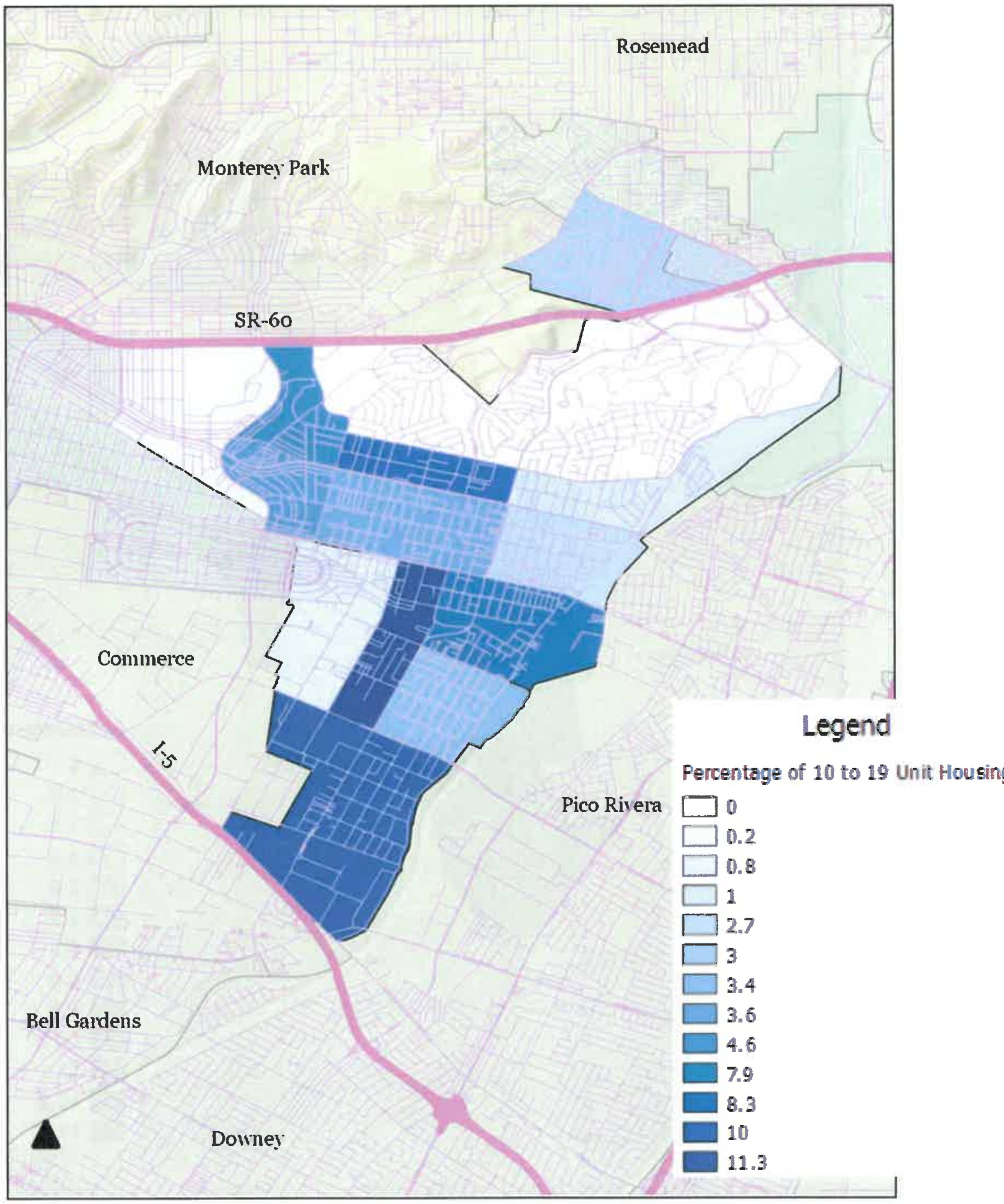


EXHIBIT 2-13. PERCENTAGE AND DISTRIBUTION OF 10 TO 19 UNIT RESIDENTIAL BY CENSUS TRACT
SOURCE: U.S. CENSUS

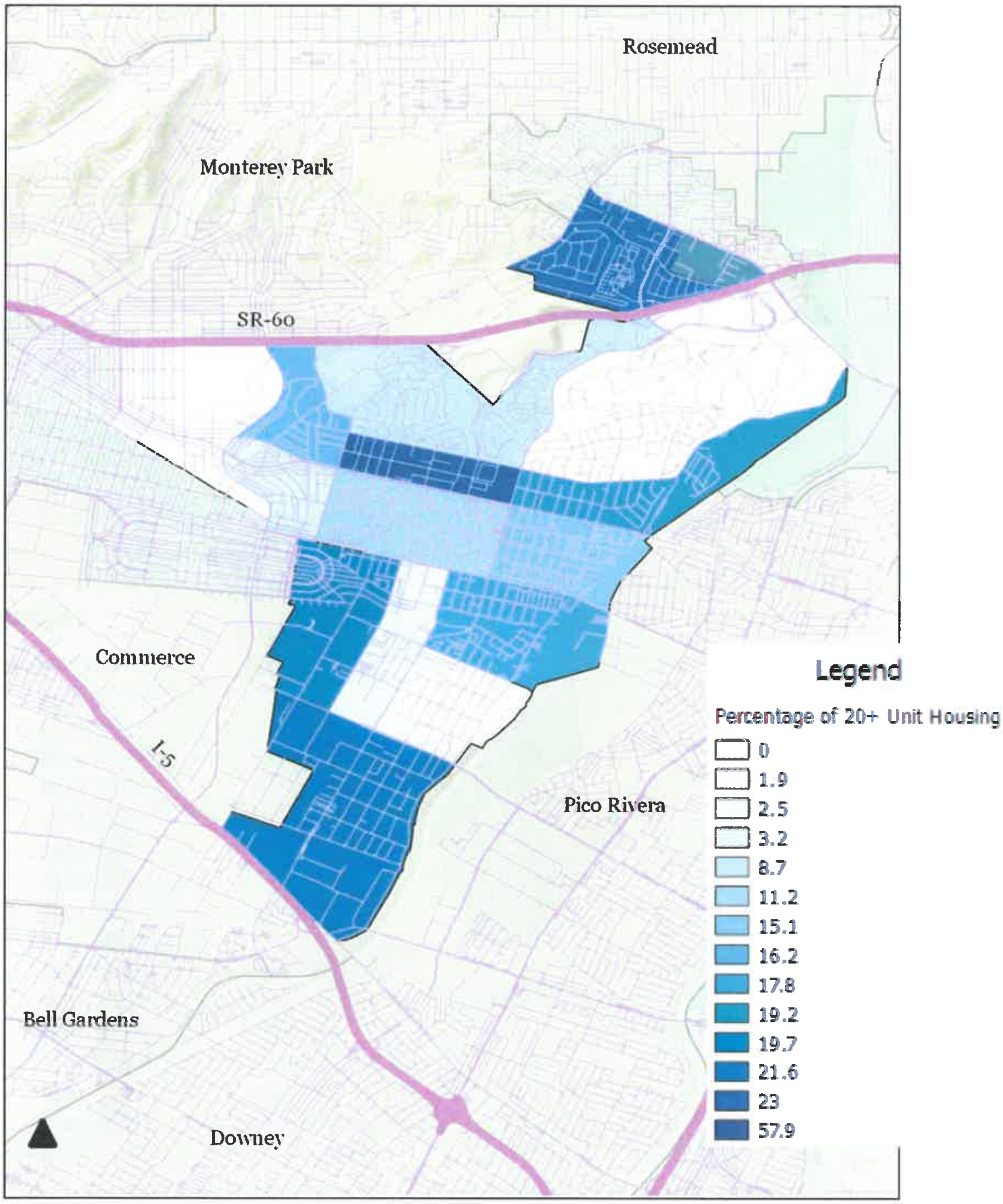


EXHIBIT 2-14. PERCENTAGE AND DISTRIBUTION OF 20+ UNIT RESIDENTIAL BY CENSUS TRACT
SOURCE: U.S. CENSUS

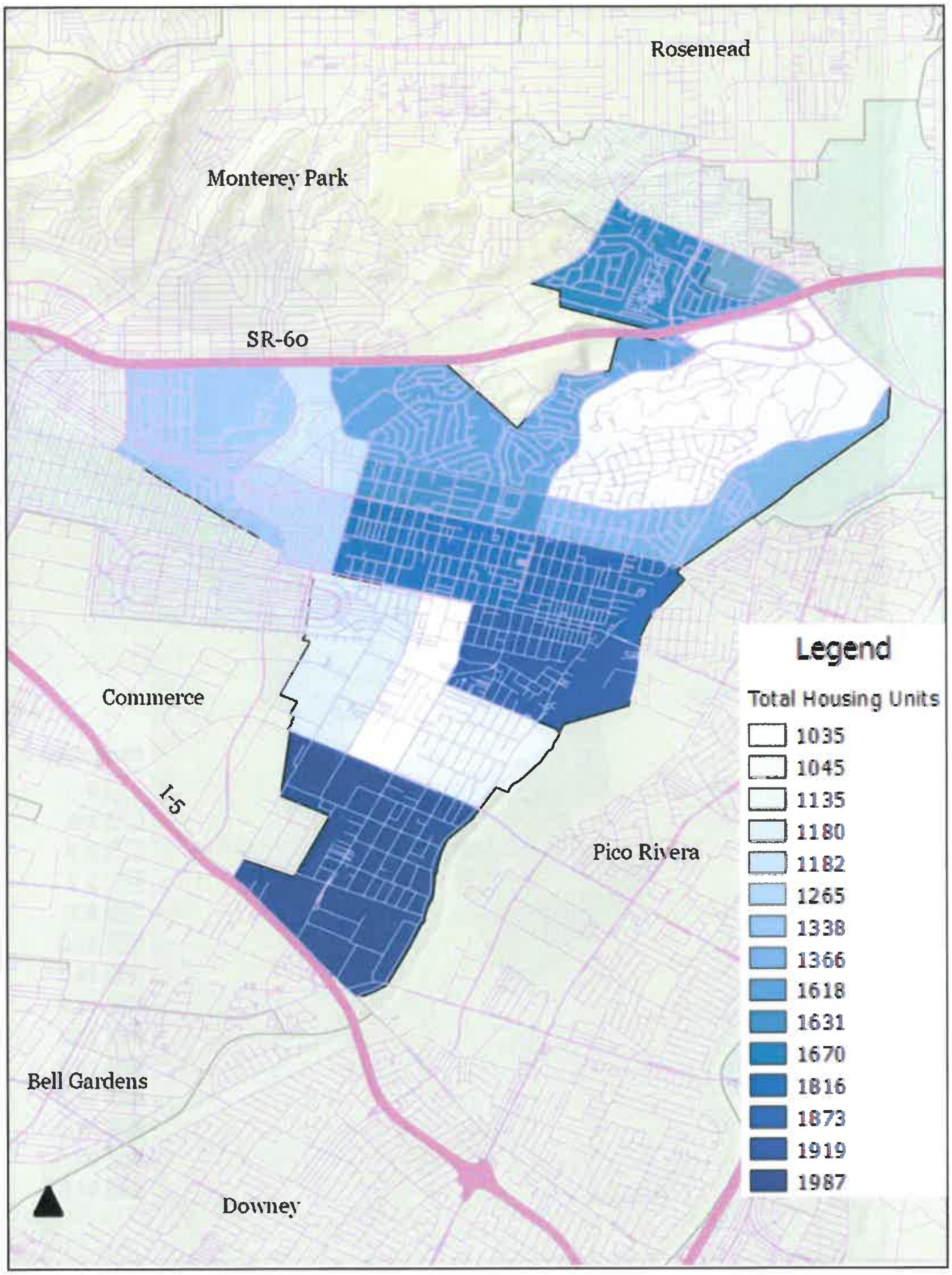


EXHIBIT 2-15. TOTAL NUMBER OF HOUSING UNITS BY CENSUS TRACT
SOURCE: U.S. CENSUS

HOUSING UNIT AGE AND CONDITION

The U.S. Census data is an important source that may be referred to in interpolating housing condition in the City. The most widely referred to variable is related to the age of the housing unit. The use of this information is based on the premise that the older the units, the more likely they are to require some form of repair or maintenance. This is not always the case since many older units have undergone extensive renovation and/or remodeling. As a result, the housing unit age data should not be exclusively used to determine the overall condition of housing in the City. According to the 2010 Census, 69.4% of housing stock in Montebello was constructed prior to 1970 (refer to Table 2-22).

Table 2-22
Age of Housing Units - 2010

Year Built	Number of Units	%
1939 or earlier	1,678	8.3%
1940 to 1949	3,663	18.3%
1950 to 1959	4,463	22.3%
1960 to 1969	4,065	20.3%
1970 to 1979	3,990	20.0%
1980 to 1989	1,305	6.5%
1990 to 2000	441	2.0%
2000 to 2005	274	1.3%
2005-Present	101	0.5%
Total	19,980	100%

Source: Census 2010.

In addition to housing age, availability of plumbing and kitchen facilities is another way to estimate rehabilitation and replacement need. However, it is also important to note that the majority of housing units in need of rehabilitation often have complete kitchen and plumbing facilities. The U.S. Census also includes other measures that could be used to assess housing condition. These measures include the number of units lacking utilities, indoor plumbing, or kitchens. According to the 2010 Census, 2,206 units (11.6% of the citywide total) contained no provisions for indoor heating. In addition, 112 units (0.6%) lacked complete plumbing facilities. Finally, 344 units (1.8%) lacked kitchen facilities. The City maintains a proactive code enforcement program that is designed to address neglect and deferred maintenance in existing residential neighborhoods. The program generally makes 500 to 650 corrective actions annually to address property maintenance.

In June and July, 2017, a citywide housing condition windshield survey was completed by the preparers of this Housing Element. Two planners were involved in this survey; a driver and a reporter. The survey only examined the exteriors of the housing units. Each unit surveyed was evaluated according to the following criteria:

- *Category #1.* The housing unit appears to be structurally sound and relatively well maintained. The great majority of the units surveyed fell into this category.

- *Category #2.* The housing unit is clearing exhibiting the need for maintenance and/or repair. This needed repair or maintenance includes painting or replacement of exterior walls, damage to doors and windows, roof repair or replacement, and the need for general maintenance. The windshield survey identified a total of 45 units that were placed in this category. While the units included in this category were found throughout the City, they appeared to be concentrated in the older, central part of the City, south of Lincoln Avenue and west of Wilcox Avenue.

- *Category #3.* The housing unit is largely beyond repair and will require extensive rehabilitation to make the unit habitable. The great majority of the units in this category are not suitable for occupancy. The windshield survey identified a total of 3 units that were placed in this category. The units included in this category were generally found in the southernmost portion of the City.

HOUSING TENURE AND VACANCY

Between 1990 and 2010, citywide occupied units remained split into approximately half owner-occupied and half renter-occupied: 48.4% owner-occupied and 51.6% renter-occupied in 1990 to 47.9% owner-occupied and 52.1% renter-occupied units in 2010 (refer to Table 2-23), resulting in a slight increase in renter-occupied units. Exhibit 2-16 depicts the concentration of owner occupied housing in the City by census tract, with the white indicating fewer concentrations of owner occupied housing and the blue indicating higher concentrations of owner occupied housing. Exhibit 2-17 depicts the concentration of renter occupied housing in the City by census tract, with the white indicating fewer concentrations of renter occupied housing and the blue indicating higher concentrations of renter occupied housing.

Table 2-23
Housing Growth Trend by Tenure: 1990 to 2010

Variable	1990	% of Total	2010	% of Total
Owner-occupied Units	9,002	48.4%	9,090	47.9%
Renter-occupied Units	9,616	51.6%	9,870	52.1%
Rental vacancy	3.3%		3.0%	
Owner vacancy	0.9%		0.8%	
Overall vacancy	3.0%		5.1%	
Total Units	19,193	100%	19,980	100%

Source: Census 1990 and 2010.

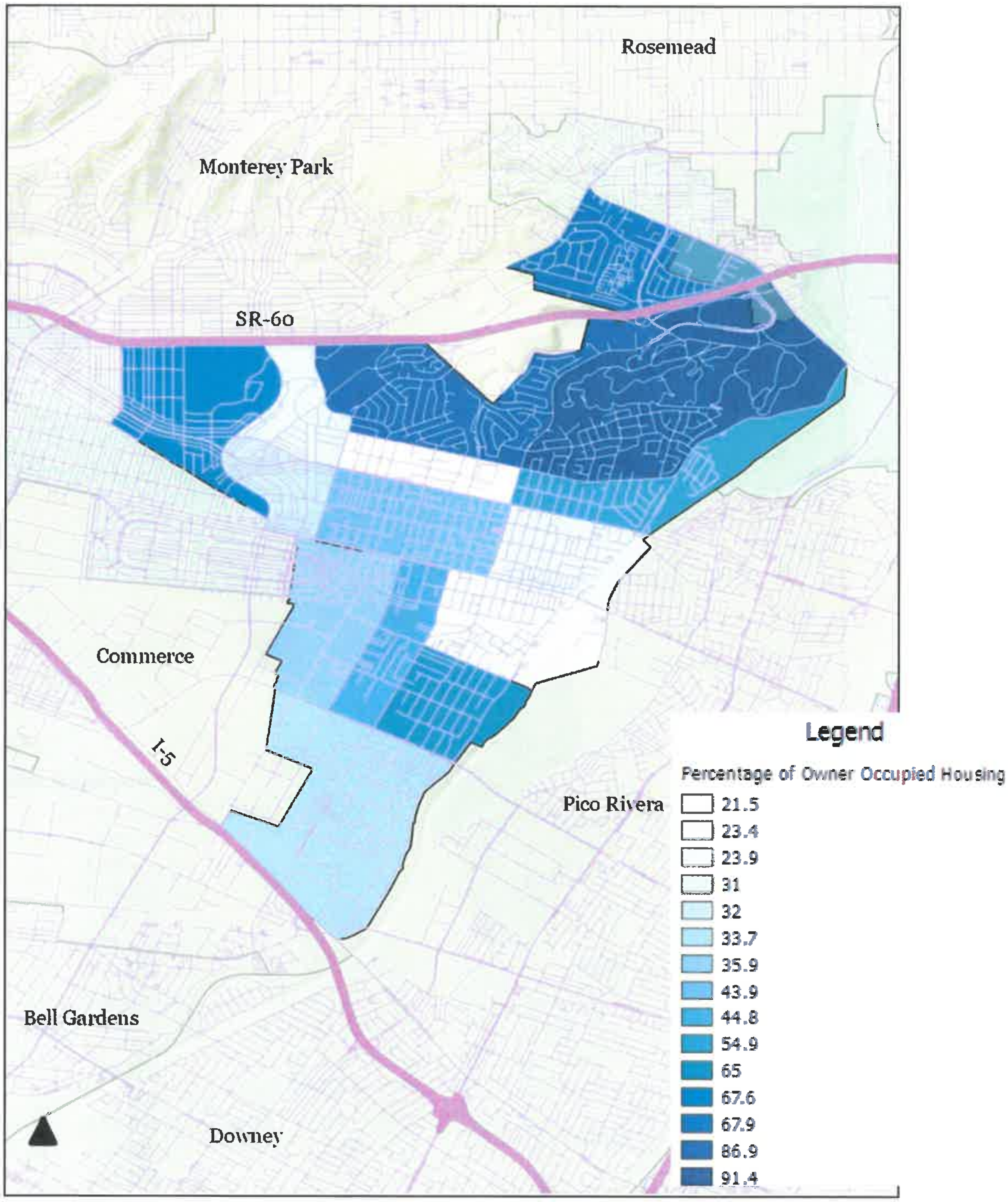


EXHIBIT 2-16. HOUSING TENURE – CONCENTRATION OF OWNER OCCUPIED HOUSING BY CENSUS TRACT
SOURCE: U. S. CENSUS

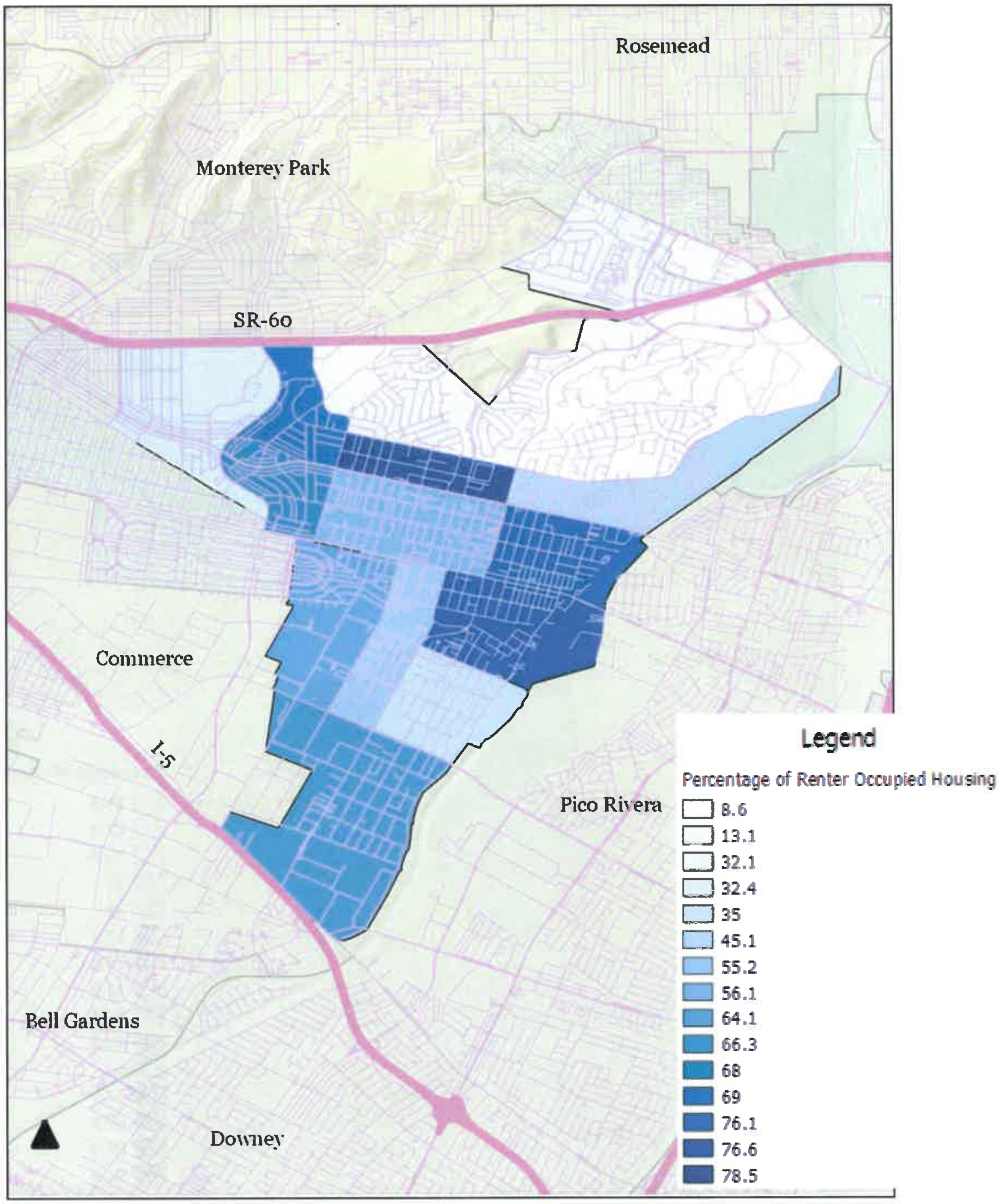


EXHIBIT 2-17. HOUSING TENURE – CONCENTRATION OF RENTER OCCUPIED HOUSING BY CENSUS TRACT
SOURCE: U. S. CENSUS

HOUSING COST

The region's median home price for Los Angeles County in May 2017 was $560,000 according to the real estate firm DataQuick. This represents a 6.7% increase over the County's 2016 median home price of $525,000. The median home price for the City in 2017 was $460,000. Overall, housing prices have consistently risen since the economic downtown of 2007/2008. Prices continue to increase steadily due to an improving economy, a short supply of homes, and heavy investor demand. Many economists believe the increases should moderate as the housing inventory increases. Rising prices are also likely to serve as a catalyst for new-home construction that would ease the supply of housing. However, according to the California Association of Realtors (CAR), sales increased in Southern California as supply in housing saw a double digit decline. Rising mortgage rates should also eventually help cool the market. However, interest rate increases could also spur more sales and price increases in the short-term, as buyers enter the housing market before rates further increase. The median gross rent for the year 2015 was $1,188. Table 2-24 summarizes the cost for housing in the City using year 2015 data.

Table 2-24
Cost for Housing in Montebello - 2015

Mean Sales Price for Housing Unit Type	Amount
All Units	$458,752
Single-family Detached Units	$474,986
Single-family Attached Units (incl. town homes)	$384,220
Condominiums (2 units)	$484,165
Condominiums (3-4 units)	$406,483
Condominiums (5 units and over)	$325,283
Mobile Homes	$115,334
Estimated Median Home Value	$452,982
Median Gross Rent	$1,188

Source: CityData.com

AFFORDABLE HOUSING INVENTORY AND AT RISK HOUSING

As of 2017, Montebello had six multi-family affordable rental housing developments providing approximately 637 affordable units to lower-income households (the multiple-family developments are indicated in Table 2-25). Many affordable rental housing developments financed with public funds have converted to market-rate housing once the public funding has been repaid or the period of rent and occupancy restriction has expired. Throughout California, affordable housing units have been lost statewide to market-rate conversions, putting many lower-income households at risk of displacement. At-risk housing refers to property that may convert to market rate within this current housing cycle due to expiration of subsidy or termination of Section 8 or other housing subsidy contracts. As indicated in Table 2-25, one assisted project in Montebello, the Beverly Towers, which provides 189 affordable units, has an expiring Section 8 contract and is at risk of converting to market rate during the planning period ending in 2023. However, because the project is owned and operated by a non-profit organization, it is considered to be at low risk of converting to market rate.

Table 2-25
Publicly Assisted Housing Inventory

Property (Overall Expiration Date)	Type	Total Units	Assisted Units/ Income Level	Unit Size	Funding Source(s)
Beverly Towers 1315 W. Beverly Blvd. (2013-2023 period)	Elderly	189 units	189 units	133 Studio 561-bedroom	Federal Section 8
Casa La Merced 140 N. Montebello Blvd. (2027)	Elderly-Handicapped	130 Units	129 units	43 Studio 86 1-bedroom	Federal 202/811 Direct Loan/ Elderly-Handicapped Federal Section 8
Greenwood Gardens 1405 S. Greenwood Ave. (2033)	Families	40 units	30 units	2 2-bedroom 28 3-bedroom	Federal Section 8
Via Campo Senior Villas 2201 Via Campo (2101)	Elderly	75 units	75 units/ Low moderate	71 1-bedroom 2 2-bedroom 2 2-bedroom plus den	County Section 8 voucher accepted, subsidized rent
Montebello Senior Villas 2051 W. Whittier Blvd. (2098)	Elderly	160 units	32 CHFA units/ Very low income 128 low-income	150 1-bedroom 10 2-bedroom	CHFA, County Section 8 voucher accepted, subsidized rent
Montebello Downtown Plaza 815 W. Cleveland Ave (2024).	Independent Living for Seniors	54 units	54 units Low-income at or below 80% of MFI	1-bedroom units	Enterprise Foundation, Federal Home Loan Bank Affordable Housing Program

The construction of new low-income housing units is a means of replacing the at-risk units should they be converted to market-rate units. The cost of developing new replacement housing depends on a number of variables including the ultimate density of the replacement project, the size of the individual units, location of the potential development site, the cost of the land to be developed, and the type of construction. Assuming an average development cost of $150,000 per unit for multi-family rental housing, replacement of the 189 at-risk units included in the Beverly Towers development would require approximately $28,350,000. Construction costs include the materials and labor necessary to build the structure. These costs will vary widely depending on the quality features (e.g., size, roofing, carpeting, etc.) that are incorporated in the structure. The cost for the construction of a single-family home is in the area of $50 to $75 per square-foot.

A list of qualified agencies that have indicated interest in purchasing projects that are at-risk of converting to market rate is attached as Appendix B for future reference. The preservation of any future at-risk projects may also be achieved in a variety of ways, with adequate funding availability. These include:

- Transfer of ownership to nonprofit developers and housing organizations;
- Providing rental assistance to renters through other funding sources;
- Purchase affordability covenants; and,
- Refinance mortgage revenue bonds.

Alternatively, units that are converted to market rate may be replaced with new assisted multi-family units with specified affordability timeframes. In case nonprofit developers cannot maintain or operate existing affordable housing units, the City will contact potential nonprofit purchasers and investigate other methods to preserve affordability of those units. State, local, or other funding sources can also be used to provide rental subsidies to maintain the affordability of at-risk projects. These subsidies can be structured to mirror the Section 8 program, whereby the subsidy covers the cost of the unit above what is determined to be affordable for the tenant's household income (including a utility allowance) up to the fair market value of the apartment.

Another option to preserve the affordability of future at-risk projects is to restructure the financing of the projects by paying off the remaining balance or writing down the interest rate on the remaining loan balance. The feasibility of this option depends on whether the complexes are too highly leveraged. To replace any loss in the affordable housing stock, the City will encourage private developers to construct new affordable housing developments. Recently, the City has worked with a number of experienced affordable housing developers such as TELACU and Los Angeles Community Design Center to provide affordable housing. The cost of developing new housing depends on a variety of factors including density, size of units, construction quality and type, location, and land cost.

ELIMINATION OF REDEVELOPMENT AND HOUSING SET-ASIDE FUNDS

A 1976 update to State redevelopment law required redevelopment agencies to set aside 20% of their tax increment revenue for the provision of affordable housing. The California Redevelopment Association estimates that redevelopment agencies have contributed to the production of over 98,000 units of affordable housing since 1993. Set-aside funds totaled $5.6 billion in 2007-08. Redevelopment was a common source of funds for affordable housing developed by nonprofits. Redevelopment funds are in almost every affordable housing deal in California and are the second-biggest source of funds in the State, after Federal funds. With the elimination of redevelopment, the City of Montebello lost $17.5 million in tax increment revenue from three redevelopment project areas. Of this total revenue, approximately $3.8 million was earmarked for affordable housing.

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SECTION 3 - HOUSING CONSTRAINTS

State law requires that Housing Elements analyze governmental and non-governmental constraints to the production, maintenance, and improvement of housing. The constraints analysis must also demonstrate local efforts to remove or mitigate barriers to housing production.

3.1 GOVERNMENTAL CONSTRAINTS

The supply and availability of housing may be constrained by governmental actions that can affect the supply and cost of housing by increasing development costs and reducing the availability of land on which to build housing. The following sections contain local regulations and land use policies that the local government has power to control such as land use policies, site improvement requirements, permit and impact fees, and permit processing procedures.

RESIDENTIAL ZONE DISTRICTS AND DEVELOPMENT STANDARDS

The Zoning Code contains the basic standards that allow for the development of a variety of housing types. Various housing types are permitted within the residential zone districts in the City. The existing residential zone districts are summarized in Table 3-1.

Table 3-1
Permitted Housing Types by Zone District in the Zoning Ordinance

Residential Uses	R-A	R-1	R-2	R-3	R-4	C-R	C-1	C-2	C-M	M-1	M-2
Single-family detached dwellings	P	P	P	P	P	---	---	---	---	---	---
Single-family attached dwellings	---	P	P	P	P	---	---	---	---	---	---
Duplex	---	---	P	P	P	---	---	---	---	---	---
Multi-family dwelling	---	---	---	P	P	---	---	---	---	---	---
Accessory Dwelling Unit	P	P	P	P	P	---	---	---	---	---	---
Children's Homes	CUP	CUP	CUP	CUP	CUP	CUP	CUP	CUP	CUP	---	---
Convents and Monasteries	CUP	CUP	CUP	CUP	CUP	---	---	---	---	---	---
Dwellings, Caretaker (Quarters)	---	---	---	---	---	---	---	---	P	P	P
Emergency Shelters	---	---	---	---	---	---	---	---	P	P	---
Family Care for 7 or More Persons	CUP	CUP	CUP	CUP	CUP	---	---	---	---	---	---
Homes for Seniors & Handicapped	---	---	---	CUP	CUP	CUP	CUP	CUP	---	---	---
Mobile Home Parks	---	---	---	CUP	CUP	---	---	---	---	---	---
Mobile/Manufactured Housing	---	P	P	P	P	---	---	---	---	---	---
Supportive Housing	---	P	P	P	P	---	---	---	---	---	---
Transitional Housing	---	P	P	P	P	---	---	---	---	---	---

"P" = permitted uses; "CUP" = conditionally permitted uses "---" = uses not permitted;.
Source: City of Montebello Zoning Code, 2019.

The City of Montebello amended its zoning ordinance (May, 2019) that revised certain residential development standards contained in Table 17.10.020 of the Montebello Zoning Code. The City's Zoning Code previously listed the development densities based on the number of dwelling units allowed per a set square-footage. For example, the R-2 and R-3 zones permitted one unit per 3,000 square feet of lot area translating into 14.5 units per acre. The R-4 zone permitted one unit per 2,000 square feet of lot area translating into 21.0 units per acre). In the previous Zoning Code, lower residential densities also depended on location. For example, areas zoned R-A or R-1 located south of Beverly Boulevard, had smaller minimum lot area requirements compared to those areas located to the north of Beverly Boulevard. Table 3-2 summarizes the modifications that have been made to the City of Montebello Zoning Code.

Table 3-2
Former and New Residential Zone District Development Standards (Table 17.10.020)

Zone District	New Density Standard (New)	Max. No. of Bedrooms/1,000 sq. ft. of Lot Area	Maximum Building Length Requirements	Max. Coverage Requirements	Minimum Lot Area
R-A	**8 units/acre**	Unchanged	None (unchanged)	40% (no change)	**6,000 sf (eliminated)**
R-1	**8 units/acre**	Unchanged	None (unchanged)	40% (no change)	**6,000sf (eliminated)**
R-2	**9-20 units/acre**	**Eliminated**	None (unchanged)	60% (no change)	**6,000 sf (eliminated)**
R-3	**21-30 units/acre**	**Eliminated**	**150 ft. (eliminated)**	**60% (eliminated)**	**10,000 sf (eliminated)**
R-4	**31-49 units/acre**	**Eliminated**	**250 ft.(eliminated)**	**60% (eliminated)**	**20,000 (eliminated)**

Note: "Eliminated" indicates the requirement or development standard has been removed from the Zoning Ordinance.

Source: City of Montebello Zoning Code. 2019

The purpose of residential development standards is to protect and promote health, safety, and general welfare of residents and to preserve the character of neighborhoods. Key residential development standards that were amended as part of the May, 2019 amendments to the City's residential development standards are described below.

- *Number of Bedrooms.* Residential units in R-2, R-3, and R-4 zones were previously limited to a maximum of one bedroom per 1,000 square feet. As part of the changes to the residential development standards, these bedroom requirements were removed to allow more flexible design and higher density residential developments.

- ***Building Height.*** **Previously, a maximum building height of 35 feet applied to single-family residential while a 25 feet height limit applies to R-2, R-3, and R-4. As part of most recent changes to the residential development standards, the City revised the building height limit in the R-2 zone to 35 feet; in the R-3 zone to 45 feet; and in the R-4 zone to 55 feet again to allow for higher density residential developments.**

- ***Lot Coverage Requirements.*** **For single-family homes, buildings may cover between 40% and 50% of the lot, leaving the remaining 50% to 60% for open space. Previously, the lot coverage requirement for developments within the R-3 and R-4 zones was 60%. The lot coverage requirements for the R-3 and R-4 zones has been**

ELIMINATED.

- ***SETBACK REQUIREMENTS.*** **THE SETBACK REQUIREMENTS FOR RESIDENTIAL DEVELOPMENT INCLUDED IN THE CITY OF MONTEBELLO ZONING ORDINANCE ARE SUMMARIZED BELOW IN TABLE 3-3.**

Table 3-3
Minimum Residential Setbacks

Yard	Adjacent Property	Setback
Front	Street	20 ft.
Side	Other lots	5 ft. for habitable structures; zero for non-habitable structures
	Alley	5 ft. for garage opening on alley; zero for non-habitable structures
	Street	10 ft. , 20 ft. for garage opening on street
Rear	Other lots	10 ft. for habitable structures; zero for non-habitable structures; 5 ft. for reverse corner lots
	Alley	5 ft. for habitable structures, or garage opening; zero for non-habitable structures

Source: City of Montebello Zoning Code. 2019

- *Open Space.* Residential development within the two-family residential R-2 zone is required to provide 100 square feet of private and 300 square feet of total open spaces per unit (private or common space). Development within the R-3 and R-4 zones is required to provide 150 square feet of private open space and 100 square feet of common open space per unit, for a total of no less than 300 square feet of total open space per unit. The City's requirements for open space does not constrain the development of housing, and are comparable, and often less than those in surrounding communities, such as Alhambra and Monterey Park.

- *Parking.* For all residential zones, a minimum of two enclosed parking spaces per dwelling unit are required. For medium- to very high-density zones such as R-3, and R-4, one guest parking space per three dwelling units is also required. Mobile homes and mobile home parks require one parking space plus 0.5 guest parking space per site. The parking requirement for Accessory Dwelling Units (ADUs), one space per ADU, has been eliminated.

Table 3-4
Parking Requirements

Use	Required Parking Spaces
R-A and R-1 zones	2 enclosed spaces per unit
R-2, R-3, and R-4 zones	2 enclosed spaces per unit, plus 1 visitor space per 3 units
Accessory Dwelling Unit	**No off street parking spaces are required.**
Mobile Home Park	1 space per site plus ½ per site.

Source: Montebello Zoning Code, 2019.

As indicated in Table 3-4, the previous off-street parking requirement of one space per ADU has now been eliminated. The Planning Commission may authorize the joint use of parking facilities if up to 50% of the parking facilities used primarily for a day-time use may be provided by the parking facilities used primarily for a night-time and/or Sunday use. The reverse is also true: up to 50% of the parking facilities used primarily for a night-time and/or Sunday use may be provided by the parking facilities used primarily for a day-time use. In order for a joint use parking permit to be approved, the Applicant must show that there is no substantial conflict in the principle operating hours of the buildings or uses for which the joint use of off-street parking facilities is proposed.

Emergency Shelter

The California Health and Safety Code (Section 50801) defines an emergency shelter as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or households may be denied emergency shelter because of an inability to pay."

Senate Bill 2 (Cedillo, 2007) requires jurisdictions to allow emergency shelters and supportive and transitional housing without a conditional use permit. The City's Zoning Ordinance currently allows emergency shelters without requiring a conditional use permit in the M-1 zone. Program 16 is proposed to allow emergency shelters more broadly and to remove constraints associated with regulations for emergency shelters in the M-1 zone.

The M-1 zone is close to services (shopping and public services) and transit stops. Within this zone, the City has identified 37 acres on 47 parcels that will allow adequate capacity for the provision of an emergency shelter. Sites in this zone include a couple sites that the city has studied that are considered suitable for use as an emergency shelter. The City's most recent estimated homeless count was nine persons. The M-1 zone provides sufficient opportunities for development of an emergency shelter to address the city's homeless need.

Other Local Ordinances Impacting Housing Supply

The City does not have an inclusionary housing ordinance, short-term rental ordinance or any other ordinances that have impacts on the supply of housing.

Accessory Dwelling (Second) Units

Accessory dwelling units, also known as "second dwelling units," are permitted by right in residential zoning districts consistent with State law (California Government Code Section 65852.2). Within the City of Montebello, accessory units are permitted by right in R-1, R-2, R-3, and R-4 zones. Development standards and requirements include:

- Minimum of 350 square feet of living space.
- Attached units may not exceed 35% of the size of the existing unit.
- Detached accessory units may not exceed 1,200 square feet.

- Detached accessory units must be separated from the existing dwelling unit by a minimum of ten feet.

- Accessory units must incorporate the same or similar architectural features, building materials, and color as the primary dwelling unit on the property.

- The primary dwelling unit and the accessory dwelling unit must both be equipped with "hardwired" smoke detectors (with battery backup) and automatic fire extinguishing systems (sprinkler) systems subject to fire department specifications, unless it is determined to be infeasible by the Fire Department.

- An owner of the property upon which an accessory dwelling unit is located who has at least a 50% ownership of the property must utilize either the primary dwelling or the accessory dwelling as their principal place of full-time residence.

- The accessory dwelling unit shall not be owned or sold separately from the primary dwelling unit.

An Urgency Ordinance for the Accessory Dwelling Unit (ADU) Ordinance was adopted at a City Council public hearing on May 19, 2019. Recent State law amended California Government Code Section 65852.2 which limited the City's ability to regulate Accessory Dwelling Units ("ADUs"). Effective January 1, 2017, the two bills: Assembly Bill 2299 ("AB 2299"), and Senate Bill 1 069 ("SB 1 069"), now require cities to adopt an ADU ordinance that complies with the new State criteria.

The original ADU Ordinance required a minimum lot size of 7,500 square feet to build or convert an existing accessory structure (garage, storage structure, etc.) into a small residential unit. This original minimum lot size was created to ensure that residentially zoned areas with narrow street widths did not allow the conversion of required parking (garages) in order to the preservation of the public peace, health or safety. However, the State is now mandating that the City allow for this type of housing with minimal constraints. For this reason, the City's ADU Ordinance was revised to include the following changes:

- The minimum lot size was changed from 7,500 square feet to 5,000 square feet in the area;

- The restriction against garage conversions, including those located on substandard streets, was eliminated

- The minimum 8 foot separation requirement between the primary unit and the ADU was reduced to 5 feet.

- The off-street parking requirement of one space per ADU was eliminated. Off-street parking is no longer required.

Density Bonus Requirements

State law (§56915 of the Government Code) permits developers to receive density bonuses of 20% to 35%, depending on the amount and type of affordable housing provided. The density bonus regulations allow for exceptions to applicable zoning and other development standards to further encourage development of affordable housing. A developer can receive an incentive or concession based on the proportion of affordable units for target groups. Incentives or concessions may include, but are not limited to, a reduction in setback and square-footage requirements and a reduction in the ratio of vehicular parking spaces that would otherwise be required that results in identifiable, financially sufficient, and actual cost reductions. Developers may seek a waiver or modification of development standards that have the effect of precluding the construction of a housing development meeting the density bonus criteria. The developer must show that the waiver or modification is necessary to make the housing units economically feasible. While the City abides by State law with regard to density bonuses, the Zoning Code does not currently reference State Density Bonus requirements. The Zoning Code will be updated as part of the comprehensive revision to facilitate the development of affordable housing.

PROCESSING COSTS AND TIME

The City works closely with developers to expedite approval procedures so as not to put any unnecessary timing constraints on development. For a typical project, an initial pre-consultation meeting with the Community Development Department, Public Works, and the Fire Department is arranged to discuss the development proposal. Then a tentative parcel map application, for example, or a description of project must be filed with a site plan, which is first reviewed by the Planning Department and other agencies, such as Public Works, for consistency with City ordinances. The City also encourages the joint processing of related applications for a multiple-family project. Table 3-5 identifies the typical processing time most common in the entitlement process. It should be noted that each project does not necessarily have to complete each step in the process (i.e., small scale projects consistent with General Plan and Zoning designations do not generally require discretionary approvals.

For a typical housing project, an initial pre-consultation meeting with the Community Development Department, Public Works, and the Fire Department is arranged to discuss the development proposal. After the project is approved, the building department performs plan checks and issues building permits. Throughout the construction of a multiple-family development, the Building Department will perform building checks to monitor the progress of the project. A site plan review is required for all residential developments consisting of 3 or more units (Chapter 17.74 of the City of Montebello Municipal Code). Table 3-5 outlines typical approval requirements for a typical single-family infill project, a typical subdivision, and a typical multiple-family rental housing development.

Table 3-5
Permit Review Timelines in the City of Montebello

Type of Approval or Permit	Typical Processing Time	Approval Body
Site Plan Review	30-60 days	Planning Commission
Plan Check	2-3 weeks	City Staff
Conditional Use Permit	60-90 days	Planning Commission
Variance	60-90 days	Planning Commission
Zone Change	90-120 days	Planning Commission
General Plan Amendment	90-120 days	City Council
Final Subdivision Map	6-8 months	Planning Commission
Tentative Subdivision Maps	60-90 days	Planning Commission
Parcel Maps	60-90 days	Planning Commission
Negative Declaration	3-4 months	Planning Commission
Environmental Impact Report	6- months	Planning Commission

Source: City of Montebello, 2017

The developer must also determine if the proposed project is a "Priority Project" and subject to the National Pollutant Discharge Elimination System (NPDES) Permit's Standard Urban Stormwater Mitigation Plan (SUSMP) requirements. If the project is subject to these requirements, it must meet SUSMP requirements prior to issuance of grading and building permits. In addition, school fees must be paid to school districts prior to issuance of building permits. School fees for the Montebello Unified School District are $4.00 per livable square-foot.

The site plan approval process generally requires 30 to 60 days. The site plan review process ensures that a project complies with the applicable Zoning standards. Except for single-family homes, multiple-family residential developments three or more units must receive approval from the Planning Commission prior to the issuance of a building permit. Required findings under site plan review include a) that the proposed design for improvement complies with all requirements of the Montebello Municipal Code; b) that the proposed design for improvement is consistent with the general plan and c) that the proposed design for improvement will not have any significant adverse impact on the surrounding properties or on the general public welfare. The City has not found the site plan review process to be a constraint on approval of multi-family housing projects.

The has not received any recent requests to develop housing within the that would fall under the maximum densities allowed for the identified lot area. The typical timeframe to process housing related entitlements from the time the application is deemed complete is two to three months before the submittal for a building permit.

When the proposal is discretionary, the architecture and site plan are among the elements the City considers along with any requested discretionary approvals. The City does not restrict occupancy of unrelated individuals in local housing. Building permit and plan check fees are in line with those currently charged by other jurisdictions in the area. Local governments may unintentionally influence the cost of housing through land use controls, building codes and their enforcement, fee processing requirements, required on-and-off-site improvements, and taxes and insurance. The aforementioned fees for the City of Montebello are summarized below in Table 3-6.

Table 3-6
Current Discretionary Fees for Montebello

Description	Fee
Conditional Use Permit (CUP)	$1,852.63
Extension of Nonconforming Use Permit	$1,522.74
Variance	$1,734.00
Zone Change	3,751.67$
Extension of CUP or Variance	$474.52
Zoning Code Amendment	$3,646.04
Specific Plan	$3,751.67
General Plan Amendment	$3,408.78
Site Plan Review	$1,481.53
Planned Development District	$1,831.62
Hillside Plan Review	$1,731.44
Mobile Home Site Plan Review	$1,692.79
Initial Study/Negative Declaration	1,017.06$
Categorical Exemption	$118.63
Tentative Tract Map	$2,076.50
Tentative Parcel Map	$1,628.37
Lot Line Adjustment	$1,628..37

Source: City of Montebello, 2019

New residential developments in Montebello are subject to development review and permit processing. The discretionary review process and permit processes are required to ensure a safe environment for Montebello residents. The City makes full use of the CEQA Class 32 Infill Exemption to "streamline the environmental review for those projects requiring discretionary approval. The required finding for the use and approval of the Class 32 exemption correspond to those required for this exemption. The timeframe for review and approval by the Planning Commission is 12 to 20 weeks. The average building permit plan check time frame is 4 to 6 weeks each time plans are submitted. In order to facilitate home improvements, the City publishes a Homeowner's Guide to Residential Improvement, which outlines the process for obtaining building permits for a variety of renovations and improvements. To reduce time and associated cost of the permit process, the City's Community Development Department offers one-stop processing for developments. This process reviews submitted documents for completeness.

For new construction, the typical fees for both single-family and multiple family developments are outlined below in Table 3-7. The fees noted in Table 3-7 assume that no discretionary approvals will be required. For purposes of comparison, Table 37 compares the permit fees for a 1,200 square foot, single family residential detached unit with an appraised fee of $700,000 with the permit fees for a multiple-family residential development containing five units with 900 square feet per unit with an appraised at $2,000,000.

Table 3-7
Sample Fees for Single-Family and Multiple-Family Development

Type of Permit	Fee Amount	Single-Family	Multiple-Family
Building Permit/Inspection	First $500,000 = $8,890 Each Additional $1,000 = $17.00	$12,290.00	$34,390.00
Zoning Verification Letter	$65.00	$65.00	$65.00
Residential Inspection	$195.00	$195.00	$195.00
School Fee	$3.79/sq. ft.	$4,548.00	$17,055
Plumbing Fixtures	$35.00/fixture		
Sewer Connection	$88.00/connection		
Water Heater/Vent	$88.00/unit		
Gas Piping System (1-4 outlets)	$88.00		
Gas Piping System (5 or> outlets)	$142.00		
Lawn Sprinkler Systems	$88.00		
Electrical (1-10 circuits)	$88.00		
Electrical (appliances)	$88.00		
Air Conditioning	$142.00/unit	$142.00	$710.00
Furnace	$177.00/unit	$177.00	$885.00

OTHER FEES

Section 3.24.010 of the City's municipal code, the City imposes the following impact fee:

- $1,183 per single-family unit or condominium conversion requiring subdivision map approval; and,
- $681 per mobile home.

The City does not impose a development tax on the development of new multi-family housing. As such, the impact fee is not considered to be a constraint to affordable housing development.

OTHER POTENTIAL REVIEW REQUIREMENTS

Depending on the type of development, certain types of residential development projects may be subject to other types of review that are outlined in this section.

- *Hillside Plan District Review.* Proposed developments that are located in the hillside areas indicated in the Montebello Hillside Areas Map and requiring subdivision or a grading permit must undergo a Hillside Plan District Review to ensure compatibility with existing and future developments in this area. This review process may take approximately 3 to 4 months. However, due to the largely built-out character of the City, Hillside Plan District review has not been utilized in recent years. There are no remaining undeveloped hillside properties.

- *Civic Center District Review.* With the exception of single-family units, all residential developments within the Civic Center District are subject to a review by the Planning Commission and City Council. The review ensures that any new development meets high quality standards of the Civic Center District. This review process may take approximately 3 to 6 months, depending on meeting availability.

- *Site Plan Review.* The Site Plan Review process is designed to minimize or preclude potential adverse impacts to the public interest, or, on abutting properties and adjacent residential, commercial, and industrial neighborhoods, resulting from the design or layout of a proposed development. Multi-family residential developments of three or more units and commercial and industrial developments of 5,000 square feet or more building area are subject to Planning Commission review and approval of site plans. This review process may take approximately 2 to 3 months.

- *Planned Development District.* A Planned Development District (PD) is a master planning mechanism for the development of larger parcels of land in residential, commercial, and manufacturing zones where the existing underlying development standards do not functionally allow for reasonable development. This master planning mechanism allows for a comprehensive approach to development on a single parcel or contiguous parcels of land under single or joint ownership, and allow for flexibility in land use controls typically required by another zoning designation. The planned development mechanism encourages the use of modern planning and development techniques thereby ensuring more efficient utilization of land in the community.

- *Precise Plan of Development.* A precise plan of development is also required in conjunction with a planned district development. An application for planned development district designation and precise plan of development approval will not be approved unless the planning commission and/or city council determines that the approval is consistent with the public safety and general welfare, and that the development proposed is consistent with the city's general plan and any applicable specific plan. However, strict adherence to the underlying range of uses and/or density requirements may not be necessary if a reasonable mix of uses and densities can be designed to be compatible with one another within the PD, and with those existing and/or proposed uses in the immediately surrounding properties, provided that the mix of uses and densities is consistent with the overlying designations of the general plan for the lots in the PD. The establishment and operation of any use in the approved PD shall be in compliance with the requirements of the underlying zoning classifications, unless specifically exempted by the approved plan.

Costs Related to Code Enforcement

The City has adopted the 2012 State code standards (Title 24 of the California Code of Regulations) and is currently working on an ordinance that would adopt the most current standards. The City has adopted several minor amendments to the State building code standards to reflect local conditions. Modified standards include a requirement for the installation of an automatic sprinkler system in all residential projects. While the incorporation of this measure may raise the cost of construction and therefore housing, these standards are necessary to prevent and quickly extinguish fires that may have far more costly impacts.

The enforcement of building code standards do not constrain the production or improvement of housing in Montebello but instead serves to maintain the condition of the City's neighborhoods. Further, the California Building Code is adopted by many cities throughout Southern California and does not, in general, pose a constraint to residential development. The City maintains an active code enforcement program. This enforcement protects residential neighborhoods against the ill effects of neglect and deferred maintenance. Goals of the Code Enforcement Division include:

- Administer a fair and unbiased enforcement program to correct violations of the Montebello Municipal Code.

- Work with Montebello residents, businesses, neighborhood associations, and public service agencies to: establish community priorities for code enforcement; assist community self-help programs; and develop public outreach programs.

- Utilize an effective "Complaint Management System," which is a responsive solution-oriented approach, designed specifically to provide practical and efficient response to code enforcement complaints.

- Establish priorities for a proactive approach to code enforcement. Long-term comprehensive solutions are developed and implemented in order to address specific nuisances or code enforcement problems within the community.

3.2 Environmental Constraints

The City of Montebello is an urban environment susceptible to many natural hazards including wildfire, earthquakes, floods, and hazardous materials. Residential developments located near active earthquake faults should provide seismic reinforcements and comply with appropriate seismic codes. Future residential developments located near excessive transportation-related noise or other nuisances should have adequate insulation to protect residents from noise pollution.

- *Wildfire.* The City of Montebello is an urbanized area with limited vegetation to raise major concerns regarding wildfire. However, to ensure emergency access and provision of fire protection flows in the case of a fire, the City's Fire Department requires the following: fire protection flows of 1,500 gallons per minute; a minimum 20-foot road width for fire vehicle access; and a 100-foot clearance around structures located in brushy hillside areas.

- *Earthquake.* Montebello does not contain an active fault identified within its boundaries. Thus, the City is not required to withhold permit issuance or require geologic investigations to demonstrate structural safety associated with fault rupture. However, since Montebello is located close to the Whittier Fault and atop several blind thrust faults, all structures must abide by seismic reinforcement requirements of the City's Building Code.

- *Landslide.* The northern portion of the City consists of hillside areas (Montebello Hills and the eastern part of the Montebello Town Center). The City requires submission of soil and geologic conditions surveys by State-licensed engineering geologists for review of development proposals involving steep slopes, grading, unstable soils and other hazardous conditions. Based on the results of surveys, mitigation measures may be required.

- *Liquefaction.* Areas of Montebello that may be subject to potential liquefaction are located along the eastern boundary of the City, parallel to the Rio Hondo River. Liquefaction affects stability of foundation soils and requires soil investigation prior to construction of buildings for occupancy.

- *Flood Hazard.* 100-year and 500-year flood zones are located along Garfield Avenue south of the Pomona Freeway to Hay Street just south of Beverly Boulevard; industrial areas near the Montebello School District property at the corner of Mines Avenue and Maple Avenue; the west side of Mines Avenue at Beach Street; and the area south of Lincoln Avenue and north of the Whittier Narrows Dam.

- *Hazardous Materials.* Every hazardous material handler is required to submit a business plan and an inventory of hazardous substances and acutely hazardous materials to the Montebello Fire Department on a yearly basis. If the hazardous materials inventory of a business should change, a revised business plan must be submitted. Hazardous material users and generators in the City include gasoline stations, auto repair shops, printers and photo labs, clinics, dry cleaners, schools, fire stations, and a variety of other commercial and industrial land uses. Developments on brownfield sites and other sites with hazardous materials will require additional costs to clean them of dangerous contaminants. Additional environmental studies, reports, and mitigation measures can increase development costs, but also ensure safety.

3.3 Infrastructure Constraints

Infrastructure that is substandard and needs to be replaced or the need for new facilities may also add to development costs. The potential infrastructure constraints that should be considered as part of any future residential development are outlined in this section.

- *Water Service.* Water service for the City is provided by five service providers in five different districts: California Water Service Company, Central Basin/Metropolitan Water District (MWD), Montebello Land and Water, San Gabriel Valley Water Company, and the South Montebello Irrigation District.

- *Sewer Service.* The County Sanitation District maintains and operates the sewer system in the City of Montebello. Sewer lines are maintained by the County Department of Public Works with sewage from the area conveyed through sewer mains into the Joint Water Pollution Control Plant

(JWPCP) in Cerritos. The wastewater generated by future development within the project site will be treated at the Los Coyotes Water Reclamation Plant located in the City of Cerritos. This plant has a design capacity of 37.5 million gallons per day (mgd) and is currently treating an average of 31.3 mgd.

- *Storm Drainage.* Storm drainage is facilitated using catch basins and storm drains. These lines ultimately connect to the drainage pipes maintained by the Los Angeles County Department of Public Works and are disposed into the San Gabriel River, the Los Angeles River and the Rio Hondo River. Storm water flows from future major development will be conveyed to a gutter system, into clarifiers, and then continues into existing storm drains. The majority of the potential development sites was previously paved or otherwise covered with impervious surfaces. As a result, no additional storm water infrastructure will be required to accommodate the projected demand. Nevertheless, new development will be required to comply with Federal Clean Water Act requirements, and to obtain a National Pollutant Discharge Elimination System (NPDES) permit from the Los Angeles Regional Water Quality Control Board.

- *Solid Waste.* Trash collection service is provided by Athens Services. Athens Services separates the recycling from the trash at its Materials Recovery Facility (MRF) located in the City of Industry. Other residual waste is disposed of at area landfills. All residential development in Montebello is required to adhere to City and County ordinances with respect to waste reduction and recycling.

- *Energy.* Electricity is provided by Southern California Edison and Southern California Gas Company provides natural gas services to individual properties. The Southern California Gas Company offers rebates on qualifying appliances such as clothes washers, dishwashers, furnaces, water heaters, and insulation.

- *Communications.* Every residential property in the City has access to phone and internet services through a variety of private service providers.

3.4 Market Constraints

Factors that influence housing cost, such as availability of land, cost of land, and cost of construction can increase housing costs and limit the number of housing affordable to low and moderate-income households, seniors, disabled, and others with special housing needs, or make housing economically impractical. To date, the City has not identified any non-governmental constraints to housing other than the availability of vacant developable land. There are no reports of redlining or discriminatory loan practices in the City in recent years.

Financing Constraints

Obtaining home loans allows homeowners to purchase or to renovate homes. The Home Mortgage Disclosure Act (HMDA) requires financial and mortgage lending institutions such as banks, savings associations, and credit unions to collect and publicly disclose information about housing loans and applications for such loans, including the Applicant's income, gender, and race/ethnicity as well as the status of the applications. Interest rates and financing availability can limit housing for renters and homebuyers. As of September 2013, interest rates for home purchase loans of $300,000 to $417,000 at a 30-year fixed rate in Montebello are as low as 3.65%. In the recent past, Montebello and the country as a whole have experienced interest rates at historically low levels, enabling many households to purchase a home. These rates have risen over the past few years, and many households – particularly households with adjustable rate mortgages - realize that they are unable to pay new mortgage rates.

Beginning in 2006, increases in interest rates resulted in an increased number of foreclosures for households with sub-prime loans when a significant number of subprime loans with variable rates began to convert to fixed-rate loans at much higher interest rates. The number of mortgage default notices filed against homeowners reveals foreclosure rates in specific areas. The number of default notices filed against homeowners in Los Angeles County has increased substantially since 2008 and continuing through the great recession. In September 2013, there were 111 homes for sale that were foreclosures. Furthermore, the availability and cost of capital required for pre-development costs for new housing, such as land purchase option money and project design and entitlement processing, as well as uncertainty in the larger housing market, remain a deterrent to development of affordable housing.

According to International Code Council's Building Valuation Data, typical, wood-frame residential construction ranged from $112 to $143 per square-foot for single-family housing and $102 to $152 per square-foot for multi-family housing in 2015. The median home value in the City is $496,110. The Montebello Housing Development Corporation (MHCD) informs, educates, and facilitates home ownership for people in the community focusing low to modest-income working families who qualify for assistance. MHDC provides service events including housing fairs, home rescue fairs, foreclosure workshops, financial literacy classes and outreach to local residents. There are numerous financial institutions in the City that may provide conventional housing loans to qualifying borrowers.

Development Costs

This section discusses the development costs such as land, labor, and construction costs that determine housing affordability. Montebello is a predominantly urban area that is mostly built out. Even though land costs vary depending on the condition of the land at the time of purchase and location of land, land costs account for a large portion of total development costs and constrain housing development.

Pursuant to the California Labor Code regulations, developers of federally funded or assisted projects must pay prevailing wages for construction, alteration, installation, demolition, or repair work. Single-family homes and apartments up to four stories that are publicly funded are also required to pay prevailing wages. Public works projects exceeding $1,000 in value also are subject to prevailing wage requirements. Even public transfer of an asset for less than fair market value such as a land write-down would be considered to be paid for by public funds. If public funds are involved, prevailing wages rates may be triggered. Although the difference between prevailing wages and standard wages vary regionally and by occupation, prevailing wages add significantly to the development cost and reduce the number of affordable units that could have been completed otherwise.

Construction costs include construction type, material, and custom versus conventional unit design, site conditions, finishes, amenities, size, structure, and construction schedule/timeline. According to International Code Council's Building Valuation Data, typical, wood-frame residential construction ranged from $112 to $143 per square-foot for single-family housing and $102 to $152 per square-foot for multi-family housing in 2015. Updates to the California Title 24 Energy Code require higher insulation values that requires thicker, often more expensive materials that have increased building costs. Construction costs make up a large portion of development costs depending on the size and timeline of the project. However, since construction costs are similar regionally, they are not considered a major constraint to housing production. New developments often require site improvements that can significantly increase development costs. The Subdivision Code (Section 16.32.020 of the Montebello Municipal Codes) requires on- and off-site improvements for subdivision and all division of land. The City requires the following systems designed and constructed to serve each proposed lot:

- Domestic water distribution system;
- Sewage system;
- Storm water drainage system;
- Public and/or private street and alley system;
- All necessary utilities, including, but not limited to, facilities of water, natural gas, electricity, and telephone service; and,
- All public improvements necessary to provide services.

To complete these requirements, developers must submit construction plans for approval. Developers may also be required to provide supplemental improvements that are dedicated to the public as indicated in Government Code Section 66485 such as off-site sewer lines. Portions of curbs, gutters, sidewalks and driveways may be required to be replaced, depending on their condition. Subdivisions must abide by requirements of grading and erosion control including the prevention of sedimentation or damage to off-site property, and provide a preliminary soils report. A soils investigation report is typically required as necessary to ensure suitable development.

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Section 4 - Housing Plan

4.1 Introduction to the RHNA

This section of the City of Montebello Housing Element evaluates the housing need projections developed by the Southern California Association of Governments (SCAG) as part of the Regional Housing Needs Assessment (RHNA). The authority to determine housing needs for the various income groups for cities within the region has been delegated to the Southern California Association of Governments (SCAG), pursuant to Section 65584 of the Government Code. The RHNA for Montebello is categorized according to the following income groups:

- The *Very Low-income* households are those households whose income does not exceed 50% of the median household income for the greater Los Angeles area;
- The *Low-income* households earn from 51% to 80% of the median;
- The *Moderate-income* groups earn from 81% to 120% of the median; and,
- The *Above-Moderate* households earn over 120% of the median income.

HCD requires local governments to consider the projected needs for extremely low-income households. Those households that have incomes of 30% of the County median would fall into this category. Based on the 2010 Los Angeles County median ($61,632), an extremely low-income household would have a median annual income of $18,490 or less. According to the 2010 Census, there were 3,980 persons living in households that were classified as extremely low income (ELI) in Montebello. Of this total number, 1,105 households were owner-occupied, and 3,960 households were renter-occupied.

The following sections describe the RHNA for the current 2014–2021 (5th) RHNA cycle and for the previous 2006–2013 (4th) RHNA cycle. The City was not able to accommodate all of its RHNA during the 4th Housing Element RHNA cycle.

4TH Cycle (2006-2013) RHNA

The City's RHNA for the 2006–2013 planning period (503 units) is shown in Table 4-1. According to City records, one affordable housing development was constructed during the previous 5th City planning period, comprising 54 low-income units, and one moderate-income manager's unit. The TELACU project located at North Montebello Boulevard and West Whittier Boulevard included 54 units available to low-income seniors, and one moderate-income manager's unit. Construction was completed in 2008. The 4.17-acre project site is located on the northwest corner of Montebello Boulevard and Whittier Boulevard. The site's addresses include 800 Whittier Boulevard and 124 North Spruce Street. A covenant that is applicable to the project guarantees its affordability for 99 years. The recorded covenant (recorded in 2005) for this project requires that the 54 affordable senior citizen rental units must maintain affordable rents set at 30% of the 80% of the area median income.

After accounting for residential units permitted or constructed between January 2006 and December 2013, vacant land available during the 4th cycle the City has an unmet lower-income RHNA of 123 very low-, and 24 low-income units. The City currently does not have sites zoned appropriately to accommodate all of the RHNA for lower-income households (low-, very low-, and extremely low-income). To remedy this, a density overlay has been proposed, which would allow vacant and underutilized sites to accommodate the lower-income residential need, as required by the RHNA. The proposed Housing Opportunity Overlay would provide the City with an implementation mechanism to rezone sites appropriate for lower-income housing developments (see Program 22). These sites are listed further down in this section and additional details are provided on the sites in Appendix B.

Table 4-1
Regional Housing Needs Assessment for the 4th Cycle (2006 to 2013)

Income Category	Total Units	Percent	Units Constructed	Vacant Land Inventory	Remaining RHNA
Very Low-Income (<50 % MFI)	123	24.5%	0	0	123
Low-Income (51-80 % MFI)	78	15.5%	54	0	24
Moderate-Income (81-120 % MFI)	85	16.9%	1	0	84
Above Moderate-Income (>120 % MFI)	217	43.1%	0	0	217
Total RHNA	503	100.0	55	0	448

CURRENT 5TH CYCLE (2014-2021) RHNA

SCAG's Regional Housing Needs Assessment (RHNA) estimated the seven-year (2014-2021) RHNA for Montebello at 1,066 units. Of the 1,066 housing units needed to accommodate the 5th Cycle need, 269 units should be allocated to very low-income households, 161 units should be provided for low income households, 175 units should be provided for moderate income households, and 461 units should be provided for households with above moderate incomes. Table 4-2 shows the distribution of the 5th Cycle RHNA housing needs for the four income categories and units reflecting land available to address the RHNA.

There is one already approved project that can accommodate 1,200 moderate and above moderate units. The Montebello Hills Specific Plan is approved and will begin construction in June 2020. The specific plan site consists of approximately 488 acres located within the City of Montebello. The plan includes developing this area for the following uses: (1) 349 residential dwelling units contained within some of the five planning areas occupying approximately 173.6 acres of the project site and (2) approximately 314.6 acres dedicated for Open Space (approximately a 260 acre Reserve). The 349 approved units consist of 244 attached residential dwelling units and 105 detached single family dwelling units. The attached units are assumed to be affordable to moderate income households. The detached units would be affordable to above-moderate income households. The remainder of the specific plan area would provide an additional 851 units. Of the 851 units 145 units are proposed to be detached and 706 would be attached. That phase is expected to begin site plan review this year. The approved units in the specific plan are shown in the

Units Approved or Constructed column in Table 4-2. The other units are included in the land inventory column in addition to the other parcels available for moderate and above moderate units that are discussed under mixed use sites below the table.

Table 4-2
Regional Housing Needs Assessment for the 5th Cycle (2014-2021)

Income Level	RHNA (# units)	Percent	Units Approved or	Land Inventory	Remaining RHNA
Extremely Low-income*	134	13.1%	0	0	134
Very Low-income	135	13.1%	0	0	135
Low-income	161	15.5%	0	0	161
Moderate-income	175	16.5%	244	856**	0
Above Moderate-income	461	42.8%	105	376**	0
Total	1,066	100.0%	349	1,232	430

*The number of units required for Extremely Low Income households is calculated as 50% of the total RHNA for Very Low Income units.
** Mixed use units included in this number described in more detail in Appendix B-3

In addition to the 430 lower income units required by the 5th Cycle RHNA, the city must also meet the unmet lower-income RHNA of 147 units for the 4th cycle. This brings the unaccommodated lower income RHNA to 577 units total. The city has identified opportunity sites for development of lower-income housing, with a realistic development potential of 675 units. With application of the Housing Opportunity Overlay zone the city will have enough appropriately zoned sites to address their remaining lower income RHNA.

Sites Inventory and Analysis

Local governments can employ a variety of strategies to meet their RHNA housing production goals, as established in Government Code Section 65583(c)(1)). This section summarizes the vacant land inventory and opportunity sites where rezoning is needed to address the remaining lower-income RHNA.

State law governing the preparation of housing elements emphasizes the importance of an adequate land supply by requiring that each housing element "identify adequate sites... to facilitate and encourage the development of a variety of types of housing for all income levels" (Government Code Section 65583(c)(1)). If an adequate supply of new housing is to be provided, enough land must be zoned to allow for the construction of a variety of housing at densities that will satisfy the objectives of the housing element. The land must also have access to appropriate public services, such as water, sewage, storm drainage, and roads.

Mixed use sites zoned for Residential Use

The land inventory identifies the potential for 381 residential units across three areas. These areas currently comprise underutilized commercial and residential land uses, and account for approximately 38 acres zoned for mixed-use. The city has already seen successful mixed use development in the Whittier and Beverly Corridors; examples are detailed in Appendix B-3. Utilizing a minimum density of 10 units per acre, the city will encourage mixed-use development that includes high-density residential above retail. Table B-3 in Appendix B further details these sites.

SITES PROPOSED FOR APPLICATION OF HOUSING OPPORTUNITY OVERLAY

In order to satisfy the current housing need, the City has proposed the Housing Opportunity Overlay, and identified appropriate sites for housing development to receive that overlay. The Housing Opportunity Overlay will provide a maximum density of 80 units/acre and a realistic density of 64 units/acre and will be applied to five sites in the city. Calculating a realistic number of units on each site would allow a realistic yield of 675 residential units. This reflects typical densities. These sites are listed below, and detailed further in Appendix B.

- *Site #1.* This site is a 0.5-acre site located at 101 and 111 E. Whittier Blvd which is zoned C2. The parcel numbers are 6348-001-015 and 6348-001-015. Assuming a realistic density of 64 units per acre, this property could realistically yield 41 residential units.

- *Site #2.* This site is a 0.69-acre site located at 113 N. Garfield which is zoned C2. The parcel number is 6343-041-031. Assuming a realistic density of 64 units per acre, this site could realistically yield 44 residential units.

- *Site #3.* This site is a 2.12-acre site located at 501 South Montebello Boulevard which is zoned C2. The parcel number is 6350-022-020. Assuming a realistic density of 64 units per acre, this property could realistically yield 77 units.

- *Site #4.* This site is a 2.36-acre site located at 140 E. Whittier Blvd which is zoned R3. The parcel number is 6347-012-009. Assuming a realistic density of 64 units per acre, this property could realistically yield 150 residential units.

- *Site #5.* This site is a 5.6-acre site located at the corner of 244 and 236 George Hensel Dr., 1100 W. Olympic Blvd, and 1112 W. Olympic Blvd. 1100 W. Olympic Boulevard is zoned C2 and the other three parcels are zoned R3. The parcel numbers are 6350-011-901/900/021/023. Assuming a realistic density of 64 units per acre, this site could realistically yield 363 residential units.

4.2 HOUSING ELEMENT POLICIES

The City of Montebello seeks to enhance the quality of life for all its residents by maximizing the use of available resources in order to assure the availability of safe, decent, and affordable housing, creating a suitable living environment, and expanding economic opportunities for the community. The Housing Plan identifies long-term housing goals and shorter-term policies to address the identified housing needs. The goals and policies will be implemented through a series of housing programs. Housing programs define the specific actions the City will undertake to achieve the stated goals and policies, and are organized around the City's five housing goals. Quantified objectives identified in particular programs are estimates of assistance the City will be able to offer, subject to available financial and administrative resources. The State requires that local housing elements address a number of key issues through the adoption of policies and the implementation of corresponding programs. In the remainder of this section, the existing and recommended housing policies are arranged according to the following issues.

- *Issue No. 1 - Housing Conservation.* The policies included in the category indicate the City will remain committed to those efforts designed to preserve and maintain the existing housing resources, including affordable housing.

- *Issue No. 2 - Removal of Governmental Constraints.* The City will continue to explore and implement strategies designed to remove those governmental constraints related to the production of new housing.

- *Issue No. 3 - Identification of Adequate Sites.* The City will remain committed to the identification of potential sites along with the appropriate zoning.

- *Issue No. 4 - Development of New Housing Opportunities for All Income Groups.* The policies included in the issue category underscore the City's commitment in continuing assistance in the development of new housing for all income groups.

- *Issue No. 5 - Equal Housing.* The City will adopt policies that underscore Montebello's commitment to equal housing opportunities.

As indicated previously, the existing, revised, and new Housing Element policies have been arranged according to the aforementioned issue areas.

ISSUE NO. 1 MAINTENANCE AND CONSERVATION OF HOUSING

The City of Montebello will remain committed to those efforts designed to preserve and maintain the existing housing resources in the City, including affordable housing, with the implementation of the following goal and supporting policies:

Goal 1. The City shall strive to maintain and improve the quality of existing housing and residential neighborhoods in Montebello.

Policy 1.1. The City shall strive to ensure safe, sanitary, and decent housing for all segments of the community.

Policy 1.2. The City will continue to provide proactive code enforcement activities to maintain and improve the quality of housing and neighborhoods.

Policy 1.3. The City will preserve existing affordable housing through rehabilitation programs and code enforcement.

Policy 1.4. The City shall strive make every effort to continue to provide assistance for rehabilitation of existing structures and will advertise the availability of housing rehabilitation and encourage the rehabilitation of substandard residential properties by homeowners and landlords.

Policy 1.5. The City will continue to develop strategies for the rehabilitation of multi-unit buildings that are in need of renovation.

Policy 1.6. The City will continue to work to conserve existing affordable housing for lower income renters through continuation of rent subsidies, encouraging landowners to extend Section 8 contracts, and encouraging the use of rehabilitation programs.

ISSUE NO. 2 REMOVAL OF CONSTRAINTS

The City of Montebello will continue to explore and implement strategies designed to remove those governmental constraints to new housing production.

Goal 2. The City will remove potential constraints to housing production and housing affordability.

Policy 2.1. The City will provide financial and regulatory incentives and remove regulatory barriers to encourage the development of lower, moderate, and above moderate income housing as resources are made available.

Policy 2.2. The City will continue to review the permit process to reduce the time associated with the housing approval process.

Policy 2.3. The City will promote consistency between the land use element, including the land use map, and the zoning ordinance.

Policy 2.4. The City will assist in the provision of housing for extremely low income and special needs persons.

Policy 2.5. The City will cooperate with other agencies and organizations to promote programs that meet the needs of the homeless population.

ISSUE NO. 3 IDENTIFY ADEQUATE SITES

The following Housing Element policies underscore the City's commitment in continuing to promote new residential development through the appropriate Zoning and General Plan designations.

Goal 3. The City will continue to identify adequate housing sites through appropriate land use, zoning, and specific plan designations to accommodate the City's share of regional housing needs and will provide land use policy that encourages, promotes, and provides for the development of various housing types.

Policy 3.1. The City will promote the implementation of standards to allow mixed use and urban housing development in appropriate areas (along Whittier Boulevard and at specific intersections on Beverly Boulevard and along other commercial corridors).

Policy 3.2. The City will continue to apply residential density standards which preserve the existing character of the City while increasing the availability of sites for housing.

Policy 3.3. The City will continue to permit a range of residential and mixed use densities to encourage a wide spectrum of housing with a variety of housing styles and types distributed throughout the City.

Policy 3.4. The City will continue to increase the availability of sites for housing by requiring the cleanup of contaminated sites and encouraging the consolidation of irregularly shaped parcels.

Policy 3.5. The City will continue to encourage the development of housing on all parcels suitable for residential development.

Policy 3.6. The City will continue to encourage a wide variety of housing types including smaller, more affordable housing to provide options for the City's existing seniors to relocate when they desire a smaller home.

ISSUE NO. 4 DEVELOPMENT OF NEW HOUSING OPPORTUNITIES FOR ALL INCOME GROUPS

The following Housing Element policies underscore the City's commitment in continuing assistance in the development of new housing for all income groups.

Goal 4. The City will continue to pursue programs and funding sources and adoption of policies which allow for continued affordability of housing units.

Policy 4.1. The City will continue to encourage the development of affordable housing throughout the community.

Policy 4.2. The City will promote the development of housing that provides decent and affordable housing for households with special needs and for the elderly.

Policy 4.3. The City will continue to look for revenue sources that will replace redevelopment funds as a means to promote and encourage the development of housing and housing programs.

Policy 4.4. The City will promote homeownership opportunities for low and moderate income households.

Policy 4.5. The City will continue to encourage development of new housing in proximity to public services, transportation routes, and other community facilities.

Policy 4.6. The City will encourage the establishment of a variety of affordability levels in multiple-projects.

Issue No. 5 Promote Fair Housing Practices

The following policies indicate the City's desire to continue to promote equal housing opportunities in Montebello.

Goal 5. The City will continue to promote fair housing practices and equal housing opportunity for all residents.

Policy 5.1. The City will continue to enforce fair housing laws prohibiting discrimination in the building, financing, selling, or renting of housing on the basis of race, ethnicity, ancestry, national origin, religion, sex, disability, age, marital status, familial status, source of income, sexual orientation, or any other arbitrary factor.

Policy 5.2. The City will continue to provide fair housing referral services to Montebello residents.

Policy 5.3. The City will require reasonable accommodation in the siting, development, retrofit, and occupancy of housing to meet the needs of residents with special needs.

Policy 5.4. The City will promote community awareness of available housing programs and services and encourage participation.

Policy 5.5. The City will continue to support fair housing programs and landlord/tenant mediation to existing and potential residents of Montebello.

4.3 Housing Programs

This section outlines those housing programs that will be effective in the implementation of the aforementioned housing policies.

Program 1: Code Enforcement Program (CEP)

Code enforcement is essential to ensuring housing conservation and rehabilitation. The City has long maintained an aggressive code enforcement program (CEP) to preserve and protect existing neighborhoods against the harmful effects of deterioration caused by neglect, graffiti, and deferred maintenance. In addition, a property maintenance ordinance was adopted to allow code enforcement to abate specific conditions on private property as a public nuisance.

- *Objective.* To continue to implement the code enforcement program to bring substandard housing units into compliance with City building and zoning codes.
- *Timeframe.* Ongoing.
- *Responsible Agency.* Planning Division - Code Enforcement Division.
- *Funding Sources.* Departmental Budget; CDBG.

PROGRAM 2: HOME IMPROVEMENT PROGRAMS

The City offers multiple home improvement programs to lower income homeowners with homes in need of repair. The Home Improvement program maintains affordable single-family housing stock through provision of amortized and deferred loans to extremely low, very low, low, and moderate income (as defined by HUD) homeowners for major home repairs. The Senior Grant Program provides grants for up to $10,000 to very low income senior homeowners to fund home repairs.

- *Objectives.* To provide brochures at the City's Community Development Department and on the City's website regarding the Home Improvement and Senior Grant programs; to work with the Montebello Housing Development Corporation to provide seminars, advocacy, and education sessions to provide information on available housing programs in the City; to assist 10 owner-occupied units per year, for a total of 60 units; and to rehabilitate 10 properties per year through the Senior Grant Program, for a total of 60 units during the 2014-2021 Housing Element cycle.
- *Timeframe.* Ongoing.
- *Responsible Agency.* Planning Division.
- *Funding Sources.* HOME funds.

PROGRAM 3: RENTAL REHABILITATION PROGRAM

The City's Rental Rehabilitation Program is designed to improve the existing rental housing stock and to allow lower income renters to afford the rehabilitated units. The City will continue to provide funding for the Rental Rehabilitation Program to improve the City's rental housing stock in need of rehabilitation, to provide safe, decent, and sanitary housing for lower income families.

- *Objectives:* To publicize the programs to owners of multi-family developments through flyers at the City's Community Development Department and on the City's website; to focus efforts on investor owned, small-scale multi-family rental properties, providing amortized and deferred loans at a 3% interest rate for a 10 to 15-year loan period; and to assist a total of 12 units during the 2014-2021 period.
- *Timeframe:* Ongoing.
- *Responsible Agency:* Community and Economic Development.
- *Funding Source:* HOME funds and CDBG.

PROGRAM 4: NEIGHBORHOOD REVITALIZATION

The goal of the neighborhood revitalization program is to eliminate slum and blight conditions and improve living conditions through the provision of rehabilitation activities and public improvement projects. The City's goal is to stabilize neighborhoods and create a viable and livable community through rehabilitation and new homeownership opportunities.

- *Objectives.* To continue to support neighborhood revitalization programs, working with nonprofit organizations and community groups to improve living conditions throughout the City; and to target the South Greenwood area for neighborhood revitalization.

- *Timeframe.* Ongoing.
- *Responsible Agency.* Community and Economic Development.
- *Funding Source.* Department and HOME funds.

PROGRAM 5: PRESERVATION OF AT-RISK HOUSING

The City is committed to guarding against the loss of housing units reserved for lower income households. One assisted project in the City of Montebello, the Beverly Towers, which provides 189 affordable units, has an expiring Section 8 contract and is at risk of converting to market rate. However, because the project is owned and operated by a non-profit organization, it is considered to be at low risk of converting to market rate. The City will continue to monitor Section 8 legislation and all units considered at risk of conversion to market rate, and assist property owners in maintaining the affordability of these units. In addition, the City will require the notification of tenants in the event the owners intend to convert the affordable units to market-rate units.

- *Objectives.* To annually monitor the status of the 189 affordable housing units that are at risk of converting to market-rate during the 2014-2021 Housing Element planning period; to monitor Section 8 legislation and provide technical assistance to nonprofit property owners as necessary; and to continue to pursue partnership opportunities with non-profits to preserve and expand affordable housing in the City.
- *Timeframe.* Ongoing.
- *Responsible Agency.* Planning Division.
- *Source of Funds.* Departmental Budget.

PROGRAM 6: DENSITY BONUSES

The City abides by State density bonus law to facilitate the development of affordable and senior housing. Pursuant to State law, the City offers density bonuses of between 20% and 35% for the provision of affordable housing, depending on the amount and type provided. The City will work with developers to discuss potential opportunities related to the use of density bonus incentives as a means to promote the development of affordable housing. Financial incentives or regulatory concessions may also be granted when a developer proposes to construct affordable housing. Due to changes in state density bonus law in the last few years the City will update the density bonus regulations in their zoning.

- *Objectives.* To continue to comply with State law provisions for density bonuses as a means to facilitate affordable housing development; and to include the specific requirements of State Density bonus law into the Zoning Ordinance for reference by developers.
- *Timeframe.* Ongoing and update ordinance by Spring 2021.
- *Responsible Agency.* Planning Division.
- *Funding Sources.* Departmental Budget.

Program 7: Water and Sewer Service Providers

In accordance with Government Code Section 65589.7, immediately following City Council adoption, the City must deliver the Housing Element to all public agencies or private entities that provide water or sewer services to properties within Montebello. Water service for the City is provided by five service providers in five different districts: California Water Service Company, Central Basin/Metropolitan Water District (MWD), Montebello Land and Water, San Gabriel Valley Water Company, and the South Montebello Irrigation District. Water availability and service delivery is a critical element in the planning and review of new residential developments. The local water purveyors consider regional and local growth projections developed by the Southern California Association of Governments (SCAG) for the Regional Transportation Plan (RTP) and the RHNA. These projections are used in the preparation of water master plans that indicate the necessary capital improvements that may be required in future years.

- *Objective.* By the end of the 4th quarter of 2019, the City will formalize notification procedures to SCAG.
- *Timeframe.* Review of the City submittals to SCAG.
- *Responsible Agency.* Planning Division.
- *Funding Sources.* Department Budget.

Program 8: Energy Conservation Program

There are a number of programs that, in addition to providing for new opportunities for housing, also have the added benefit of promoting resource conservation. An important element of any energy conservation measure will be to identify strategies for retrofitting energy conserving devices in both new residential development and in the rehabilitation of existing development. The City of Montebello will continue to implement various conservation initiatives that include the following elements:

- The City will continue to implement a water conservation ordinance that would regulate the time and duration of irrigation. Landscaping installed as part of a new multiple-family development must incorporate sprinklers and timers into the design of the irrigation system.

- Sprinkler systems (with timers) must be installed in existing multiple-family developments. The irrigation systems must also include rain sensing devices to shut irrigation off during rainy periods and soil sensing devices to measure the amount of moisture in the soil.

- State law requires that older bathroom toilet fixtures that consume more water be phased out and replaced with toilets that use only 1.6 gallons per flush. As part of the plan check process, City staff will review development plans to ensure compliance with these requirements.

- The City will continue to implement the landscape design program that encourages the use of plant materials that consist of drought tolerant plants thus further reducing water consumption in landscaping. This landscape design program is being implemented as part of the plan check process.

- The City shall support the installation of photovoltaic/solar and solar water heating systems on new residential construction as a means to promote a reduction in energy consumption. The installation of photo-voltaic equipment is being promoted under the City's Low Impact Development guidelines. The City will not use zoning or other development standards to restrict the use of solar powered equipment.

- The City's website will be expanded to include a discussion of energy conservation measures and devices that, in addition to saving energy, will also save the homeowner or renter money. The City's website will be updated by the end of the fourth quarter, 2014.

The implementation strategy is summarized below:

- *Responsible Agency.* Housing Division.
- *Funding.* General Fund (for review).
- *Implementation Schedule.* This program is ongoing and will continue to be implemented throughout the planning period. The City's website will be updated by the end of the 4th quarter of 2019
- *Quantified Objectives.* 100 referrals.

PROGRAM 9: EXTREMELY LOW INCOME, VERY LOW INCOME, AND LOW INCOME HOUSING PROGRAM.

Both for-profit and non-profit developers play a significant role in providing affordable housing in Montebello. The City provides land, regulatory incentives, and financial assistance to developers to complete both ownership and rental housing for very low-, low-, and moderate-income households. Under this program, the City intends to maximize the density potential of limited land resources by promoting residential densities that achieve the highest allowable density for specific properties; to maintain, on an ongoing basis, a vacant and underutilized residential sites inventory, and provide sites information to interested developers; and to provide technical assistance and information on available vacant and underutilized parcels in the City.

In addition to promoting new housing for very low income, low income, and moderate income households, the City is committed to identifying strategies that promote housing opportunities for *extremely low income* households. This income group represents those individuals and/or households that have annual incomes of less than 30% of the County median. These individuals are essentially working at minimum wage levels. Individuals in this group are typically forced to live with family members or others (if that is an option), or to share housing (often resulting in overcrowding). Programs that have been identified in this Housing Element that will be effective in addressing the need for those households with extremely low incomes, very low incomes, and low incomes include the following:

- *Program 6: Density Bonuses.* The City abides by State density bonus law to facilitate the development of affordable and senior housing. Pursuant to State law, the City offers density bonuses of between 20% and 35% for the provision of affordable housing, depending on the amount and type provided. The City will work with developers to discuss potential opportunities related to the use of density bonus incentives as a means to promote the development of affordable housing.

- *Program 18: Single-Room Occupancy Housing Program.* A single-room occupancy (SRO) development may serve as an important source of affordable housing for lower-income individuals, seniors, and persons with disabilities. A SRO unit usually is small ranging in size from 200 square feet to 350 square feet. Many of the older SROs have been lost due to deterioration, hotel conversions, and demolition. The purpose of this program is to establish appropriate regulations in the City's Zoning Ordinance that would permit SRO development in the City's commercial zones as well as in those areas where future mixed use development is contemplated.

- *Accessory Dwelling Units.* The City will continue to promote the development of Second Units as a means to provide housing for extremely low income individuals or households. An Urgency Ordinance for the Accessory Dwelling Unit (ADU) Ordinance was adopted at a City Council public hearing on May 19, 2019. The minimum lot size was changes from 7,500 square feet to 5,000 square feet in the area; the restriction against garage conversions including those located on substandard streets, was eliminated; the minimum 8 foot separation requirement between the primary unit and the ADU was reduced to 5 feet; and the off-street parking requirement of one space per ADU was eliminated. Off-street parking for an ADU is no longer required.

- *Inclusionary Housing Ordinance.* The purpose of this new ordinance would be to require that residential and mixed use projects include a share of housing that is affordable to extremely low, very low, and low income households. It is intended to supplement other programs, including those listed above, to assist and encourage affordable housing in the Montebello. The requirements would apply to projects of ten or more units. This ordinance would require that 10 percent of newly constructed units be affordable. The ordinance provides alternatives to constructing the required units on the primary development site. The three alternatives are: construct the units on another site, donate another site, or pay a fee in lieu of building the units. To accommodate projects that have begun the review and approval process, the ordinance would establish an interim requirement that six percent of units be affordable. The interim requirement would be in effect for one year, after which the full 10 percent share is required. b In addition, the ordinance provides certain exemptions for projects that have received discretionary approvals or are subject to the requirements of certain specified agreements.

The implementation of this program element is outlined below: • *Objectives.* To maximize the density potential of limited land resources by promoting residential densities that achieve the highest allowable density to facilitate the development of housing for extremely low income households that have a developmental disability through the measures identified above.

- *Timeframe.* The 4th Quarter of 2019 and then ongoing. The Inclusionary Housing Ordinance will be adopted by the end of the 4th Quarter of 2019.
- *Responsible Agency.* Planning Division.
- *Funding Sources.* HOME funds, Section 8 vouchers, and Departmental funds for outreach and exploring funding sources.

PROGRAM 10: FIRST TIME HOMEBUYER PROGRAM

The City is committed to expanding homeownership opportunities for lower income households through the First-Time Homebuyer Program. The goal of this program is to increase the percentage of homeowners in the community and assist with the stabilization of residential neighborhoods. The program is coordinated by the Montebello Housing Development Corporation. It provides second mortgage loans to first time homebuyers of low- to moderate-income means. These loans are provided for acquisition of homes on the City of Montebello open market. The loans provide the bridge between sales purchase price of homes and the available buying power of the first time homebuyers of low to moderate-income means, and are funded through a CalHome grant.

- *Objectives.* To provide information on the First Time Homebuyer Program at City Hall and on the City's website; to provide homeownership assistance to 5 low- and 5 moderate-income households, annually for a total of 60 households during the 2014-2021 planning period.
- *Timeframe.* Ongoing.
- *Responsible Agency.* Montebello Housing Development Corporation and Economic Development Department.
- *Funding Sources.* CalHome; HOME.

PROGRAM 11: SECTION 8 RENTAL SUBSIDIES

Both tenant- and project-based Section 8 subsidies relieve housing costs to households that spend more than 30% of their income on rent. Tenant based Section 8 Housing Choice Voucher program is funded by HUD. Under the project-based Section 8 program, subsidies are distributed to apartments that house very-low-income households. The County of Los Angeles Housing Authority distributes tenant-based Section 8 Housing vouchers to renters who wish to apply the voucher to landowners who accept such vouchers. Montebello participates in the Section 8 program by advertising the program and referring potential recipients to appropriate authorities.

- *Objectives.* To support the County's efforts to maintain the current level of Section 8 rental assistance, and direct eligible households to the program; to provide information and referrals to landlords regarding participation in the Section 8 Rental Assistance Program; and to advertise Section 8 rental assistance programs at community centers, City Hall, the City website, and at other public locations.
- *Timeframe.* Ongoing.
- *Responsible Agency.* County of Los Angeles Community Development; Commission; Community and Economic Development Department.
- *Source of Funds.* HUD; Departmental Budget.

PROGRAM 12: FAIR HOUSING SERVICES/HOUSING RIGHTS SERVICES

The City contracts with the Housing Rights Center to provide fair housing services in Montebello. Services include housing discrimination response, landlord-tenant relations, and housing information counseling. The City will continue to use the Housing Rights Center for referral assistance and education programs. As part of this program, the City will place brochures and flyers prepared by the Housing Rights Center Council at a kiosk in the City Hall lobby, the Planning Division Lobby, and at the local libraries in the City. In addition, the City will continue to maintain fair housing referral information on its public website.

- *Objectives.* To continue to assist households through the Housing Rights Center and to continue to comply with all State and federal fair housing requirements when implementing housing programs or delivering housing-related services. The City will sponsor an outreach event in 2018 and on an annual basis thereafter.
- *Timeframe.* The City will continue to work with the Long Beach Fair Housing Council is maintaining the existing program.
- *Responsible Agency.* Economic Development Department.
- *Funding Sources.* Department; Housing Rights Center CDBG Funds; Departmental Budget.

PROGRAM 13: HOUSING MEDIATION BOARD (HMB)

The City will continue to encourage a resolution of owner/tenant disputes through the Housing Mediation Board. The Housing Mediation Board is designed to provide an atmosphere in which disputing parties of rental housing are able to reach a mutual workable solution to excessive rent increases, claims of wrongful notices to quit, and clarification of general rights and responsibilities of property owners and tenants.

- *Objectives.* To provide assistance to property owners and renters and regularly update the Analysis of Impediments to Fair Housing Choice, consistent with HUD guidelines; and to offer workshops and trainings to property owners and managers of rental properties.
- *Timeframe.* Ongoing.
- *Responsible Agency.* Planning Division and Economic Development Division.
- *Funding Sources.* Department CDBG Funds; Departmental Budget.

PROGRAM 14: REASONABLE ACCOMMODATION AND DEVELOPMENTALLY DISABLED PROGRAM

This program is a new program that will be implemented during the current planning period. As indicated in Section 2, there are a large number of households in the City that include at least one member that has a disability. Not all of the disability categories require physical alterations to the housing unit to better accommodate the disabled resident. However, many residents will benefit from specific improvements that would better accommodate a disabled person. Under this program, the City will adopt a *reasonable accommodation ordinance* to provide exception in zoning and land-use regulations for housing for persons with disabilities including those individuals that are classified as having developmental disabilities. The procedures related to the program's implementation will be ministerial in nature with minimal or no processing fee. Improvements may be approved by the Community Development Director as long as a number of findings may be made. First, the request for reasonable accommodation must be used by an individual with a disability protected under fair housing laws. Second, the requested accommodation is necessary to make housing available to an individual with a disability protected under fair housing laws. Third, the requested accommodation would not impose an undue financial or administrative burden on the City. Finally, the requested accommodation would not require a fundamental alteration in the nature of the City's General Plan and Zoning Ordinance.

An additional component of this housing program is geared towards those individuals that have special housing needs related to a developmental disability. There are approximately 451 persons residing in Montebello that have a developmental disability. The State Department of Developmental Services (DDS) administers developmental disabilities programs through regional centers. The Eastern LA Regions Center serves the City of Montebello. This program element consists of the following components:

- The City will encourage the development of Second Units as a means to provide housing for developmentally disabled individuals in need of affordable housing.

- The City will work with the Eastern LA Regions Center to implement an outreach program that informs families in Montebello regarding housing and services that are available for persons with developmental disabilities. The program could include the development of an informational brochure, including information on services on the City's website, and providing housing-related training for individuals/families through workshops.

- The City will work with the Eastern LA Regions Center to identify funding sources that can address the housing needs of developmentally disabled persons.

- The City will also implement the Supportive Housing Program (refer to Program 19) that will facilitate the development of such housing in Montebello.

The implementation strategy is summarized below:

- *Objectives*. To create a process for making requests for reasonable accommodation to land use and zoning decisions and procedures regulating the sitting, funding, development and use of housing for people with disabilities; and to provide information to residents on reasonable accommodation procedures via public counters and the City website.
- *Timeframe*. Completed by the end of the 4th Quarter of 2019.
- *Responsible Agency*. Planning Division.
- *Funding Sources*. Departmental Budget.

Program 15: Zoning Ordinance Revisions

The Montebello Zoning Ordinance will be amended to accommodate a number of new provisions that are now required under State housing law. This section provides a comprehensive description of the specific actions that will be implemented as part of the Zoning Ordinance Revision described previously. Upon adoption of the General Plan, the City will undertake a comprehensive update to the Zoning Ordinance. These revisions are identified in this section.

Under the current Zoning Code, Montebello requires conditional use permits (CUP) for senior housing development in the R-3, R-4, C-R, C-1, and C-2 zones. Because CUP approvals are discretionary in nature, CUP approvals are potential constraints to development of senior housing and handicapped housing projects since no such requirement exists for conventional multiple-family development. For this reason, the current CUP requirements for senior housing and handicapped housing projects may be seen as a fair housing impediment. The City will revise the Zoning Code to remove the requirement of a CUP for senior housing and handicapped housing projects that essentially function as a multi-family development. In addition, the Zoning Ordinance currently requires a CUP for congregate care and support services that are ancillary to a senior housing development. The CUP requirement will be eliminated. Finally, the definition of "Senior Housing" will be updated so that it conforms to current state law.

The California Legislature enacted the *Employee Housing Act* (EHA) to provide protection for persons living in privately owned and operated employee housing. The EHA is specifically designed to ensure the health, safety, and general welfare of these residents and to provide them a decent living environment. The EHA also provides protection for the general public that may be impacted by conditions in and around employee housing. Any employee housing providing accommodations for six or fewer employees shall be deemed a *single-family structure* with a residential land use designation. Employee housing *shall not* be included within the definition of a boarding house, rooming house, hotel, dormitory, or other similar term that implies that the employee housing is a business run for profit, or differs in any other way from a family dwelling. No conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that serves six or fewer employees that is not required of a family dwelling of the same type in the same zone. According to the State Housing law, employee housing for six or fewer persons must be treated as regular housing. The use of a single family unit for purposes of employee housing serving six or fewer persons, shall not constitute a change of occupancy pursuant to any local building codes. The key provisions of the EHA shall be integrated into the Zoning Ordinance. The implementation strategy is summarized below:

- *Responsible Agency.* Planning Division.
- *Timing for Implementation.* Completed by the end of the 4th Quarter of 2020.
- *Objectives.* The rezoning will occur within 12 months following the adoption of the Housing Element to remove the CUP requirement for Senior Housing and Handicapped Housing projects and to conform to the EHA requirements.
- *Funding Sources.* Department Budget (for the text amendment to the Zoning Ordinance).

PROGRAM 16: EMERGENCY SHELTER/HOUSING PROGRAM

Emergency shelters provide short-term shelter (usually for up to six months of stay) for homeless persons or persons facing other difficulties, such as domestic violence. The Zoning Code currently allows emergency shelter by-right in the M-1 zone with some restrictions. This program proposes to amend the Zoning Code to permit emergency shelters by-right in the Heavy Commercial-Limited Industrial (CM) zone. The zone, encompassing over 30 acres, has sufficient capacity for at least one year-round shelter. Conditions for approval will be clearly specified in the Zoning Code, and will be similar to conditions required for similar uses. The CM zone has sufficient capacity to accommodate the need for emergency shelters since there are approximately 30 acres of land included in this zoning designation. The minimum lot size for the CM zoned parcels is 7,500 square feet. The estimate of the last homeless count in Montebello was 9 persons. Based on the number of vacant and/or underutilized properties in the CM zone, it is a possible for an emergency zone to be constructed in this zone, or existing buildings could be rehabilitate and refurbishes for such uses.

This CM zone is well suited for the development of emergency shelters since the CM zones properties are located near commercial and employment-related uses services and other service providers located south of Whittier Boulevard. These CM-zoned properties are also located near public transit routes. The C-M zone allows for all commercial activities and some limited industrial uses. Permitted land uses within this zone district include wholesaling uses and the sale of and the sale of non-consumer products such as large medical equipment and other manufacturing supplies.

This zone is also intended to provide for various types of workshop-oriented uses such as auto repair and smaller manufacturing uses. Uses permitted in the zone shall generally include research and development, industrial services, laboratories, kennels and veterinarians, wholesale greenhouses, equipment repair and servicing including automobile. Emergency shelters shall now be considered a permitted use allowed by-right, without requiring a conditional use permit or other discretionary action, in the C-M zoning district. Emergency shelters shall be subject to the same development and management standards as other permitted uses in the C-M zones. In addition, the City will revise the zoning for the M-1 zone to remove the requirement that emergency shelters approved in conjunction with religious facilities only occupy 50 percent of the floor area of the religious facility. The implementation strategy is summarized below:

- *Responsible Agency.* Planning Division.
- *Timing for Implementation.* Amend M-1 zone regulations before or at the same time as housing element adoption. Amend C-M zone regulations by December 2020.
- *Objectives.* The Zoning and GPA will be changed to accommodate the emergency shelter use within the CM Zone.
- *Funding Sources.* Department Budget (for the text amendment to the Zoning Ordinance).

PROGRAM 17: TRANSITIONAL HOUSING PROGRAM

Transitional housing is a type of supportive housing used to facilitate the movement of homeless individuals and families to permanent housing. A person may live in a transitional housing unit for up to two years while receiving supportive services that enable independent living. The City intends to comply with State law regarding the provision of transitional housing. The definition of transitional housing will be changed in order to consider transitional housing as a residential use in all zones that allow residential uses subject to those restrictions that are applicable to the other residential uses of the same type in the same zone. The following will be applicable to transitional housing:

- Transitional housing will be subject to the same permitting procedures as that required for other permitted uses for the zone without undue special regulatory requirements.

- Parking requirements, fire regulations, and design standards for transitional housing will be the same as that required for the corresponding residential zone districts. As a result, the applicable development standards will not impede the efficient use of the site as transitional housing.

Definitions of "transitional housing" will be added to the zoning ordinance as follows:

> "Transitional housing and transitional housing development means rental housing operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months."

The City adopopted its *Transitional Housing Ordinance in May 2019*. The implementation will focus on information outreach efforts which are summarized below:

- *Responsible Agency*. Planning Division.
- *Timing for Implementation*. Zoning Revision has been completed.
- *Objectives*. Rezoning has been completed Handouts will be prepared and information will be posted on the City's website.
- *Funding Sources*. Department Budget (for the text amendment to the Zoning Ordinance).

Program 18: Single-Room Occupancy Housing Program

Single-room occupancy (SRO) developments house people in single rooms, with tenants often sharing bathrooms and kitchens. SROs are not specifically addressed in the Zoning Code. To facilitate the development of SROs, the Zoning Code will be amended to specify sitting, development standards, and conditions for approval. A single-room occupancy (SRO) development may serve as an important source of affordable housing for lower-income individuals, seniors, and persons with disabilities. A SRO unit usually is small ranging in size from 200 square feet to 350 square feet. Many of the older SROs have been lost due to deterioration, hotel conversions, and demolition. The purpose of this program is to establish appropriate regulations in the City's Zoning Ordinance that would permit SRO development in the City's commercial zones as well as in those areas where future mixed use development is contemplated. This program is new and will be initiated during this planning period. The implementation strategy is summarized below:

- *Responsible Agency*. Planning Division.
- *Timing for Implementation*. Completed by the end of the 4th Quarter 2019.
- *Objectives*. Rezoning within 12 months.
- *Funding Sources*. Department Budget (for the text amendment to the Zoning Ordinance).

Program 19: Supportive Housing Program

Supportive housing refers to permanent rental housing that also provides a wide array of support services that are designed to enable residents to maintain stable housing and lead more productive lives. Supportive housing is most often targeted to persons that have greater risk factors such as mental illness or drug dependence that could ultimately lead to prolonged homelessness. The types of support services that may be provided include medical and mental health care, vocational and employment training, substance abuse counseling, childcare, and independent living skills training. Most supportive housing is constructed and managed by non-profit housing developers in partnership with non-profit service providers. However, the State requires that local governments take a proactive role in facilitating the review and approval process.

The State requires this Housing Element to identify zones that allow supportive housing development and demonstrate that zoning, local regulations (standards and the permit process) encourage and facilitate supportive housing.. Supportive housing may include a single-family detached unit or an apartment building. The City of Montebello will permit supportive housing within all the zones that permit residential uses subject to the same requirements of residential uses of the same type in the same zone. The City will comply with all State requirements governing supportive housing. Definitions of "supportive housing" will be added to the zoning ordinance as follows:

> "Housing with no limit on length of stay, that is occupied by the target population and that is linked to onsite or offsite services that assist 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 (Health and Safety Code 50675.14)." The implementation strategy is summarized below:

- *Responsible Agency.* Planning Division.
- *Timing for Implementation.* Completed by the 4th Quarter of 2019
- *Objectives.* Rezoning within 12 months.
- *Funding Sources.* Department Budget (for the text amendment to the Zoning Ordinance).

PROGRAM 20: MANUFACTURED HOUSING UNITS/MOBILE HOME PARKS PROGRAM

Manufactured homes compliant with national standards and installed on a foundation system pursuant to the California Health and Safety Code on individual lots are treated as a standard single-family residential development. Manufactured homes are permitted in R-1, R-2, R-3, and R-4 zones, but are subject to a site plan review to ensure architectural compatibility with the neighborhood. Pursuant to Section 17.14.020(A)(2) of the Zoning Code, a site plan review will consist of the planning commission's review and approval of the plans and elevations of the proposed mobile homes. Denied applications may be appealed to the City Council. The site plan review process will be reviewed to ensure it is consistent with State law and not a constraint. Under State law, the review and entitlements required for manufactured homes cannot be any different from those conventional residential units located in the same zone. The City will review the current code sections that apply to manufactured housing to ensure the existing code requirements do not conflict with State law. The implementation strategy is summarized below:

- *Responsible Agency.* Planning Division.
- *Timing for Implementation.* The rezoning will occur within 12 months following the adoption of the Housing Element (Completed by the 4th Quarter of 2020).

- *Objectives.* The Zoning Ordinance, with respect to the review and approval of manufactured housing units, will be amended to comply with State law.
- *Funding Sources.* Department Budget (for the text amendment to the Zoning Ordinance).

Mobile home parks are conditionally permitted in residential zones R-3 and R-4. There are currently five mobile home parks in the City: Maple Estates Trailer Park (710 S. Maple Avenue), Montebello Mobile Home Park (525 S. Greenwood Avenue), Villa Capri Trailer Park (1428 Beach Street), Welcome Gardens Mobile Home Park (630 S. Maple Avenue), and Woodley Trailer Lodge (7936 Woodley Avenue). The City will review the current code sections that apply to mobile home parks to ensure the existing code requirements do not conflict with State law. The implementation strategy is summarized below:

- *Responsible Agency.* Planning Division.
- *Timing for Implementation.* Completed by the end of 4th Quarter of 2019.
- *Objectives.* To review the Zoning Ordinance to ensure it is not a constraint or impediment to the development or maintenance of mobile home parks.
- *Funding Sources.* Department Budget (for the text amendment to the Zoning Ordinance).

PROGRAM 21: ZONING ORDINANCE REVISION FOR REMOVING ZONING CONSTRAINS

In the current Zoning Ordinance, residential structures in R-2, R-3, and R-4 zones are limited to a maximum of one bedroom per 1,000 square feet. As part of the comprehensive Zoning Ordinance revision, the City will remove the number of bedroom requirements and square footage requirements to allow more flexible design and higher density residential developments. The City will also review the existing off-street parking requirements (including the guest parking requirements, for the R-2, R-3, and R-4 zone districts. The implementation strategy is summarized below:

- *Responsible Agency.* Planning Division.
- *Timing for Implementation.* Completed by the 4th Quarter 2019
- *Objectives.* To review the Zoning Ordinance to ensure it is not a constraint or impediment to the development of units that will be effective in providing housing for larger families.
- *Funding Sources.* Department Budget (for the text amendment to the Zoning Ordinance).

PROGRAM 22: ADOPT HOUSING OPPORTUNITY OVERLAY TO ADDRESS REMAINING REGIONAL HOUSING NEED

In order to meet state law requirements (Government Code Sections 65583(c)(1)(A) and 65583(c)(1)(B)) to address the 2006–2013 and 2014-2021 RHNAs, the City shall amend the General Plan and the Zoning Codes, as needed, and as detailed in Section 4 provide adequate site(s) for 577 (147 for the 2006-2013 cycle and 430 for the 2014-2021 cycle) very low- and low-income units at a minimum of 20 dwelling units per acre on certain sites or in certain zones. The 20 unit per acre density for owner-occupied or rental multifamily housing must be allowed "by right" without discretionary review if 20 percent or more of the units in a project proposed on the site are affordable to those with lower incomes. The rezoned site(s) must be able to accommodate a minimum of 16 units per site. At least half (50 percent) of these sites shall be zoned for residential uses only, except that all of the very low and low-income housing need may be accommodated on sites designated for mixed uses if those sites allow 100 percent residential use and require that residential uses occupy 50 percent of the total floor area of a mixed-use project. The applications can be subject to design review as long as the project does not trigger the CEQA review process. The City intends to create a Housing Opportunity Overlay to address these requirements and apply it to sites in the City. The overlay will have a maximum density of 80 units per acre.

- *Responsible Agency.* Planning Division.
- *Timing for Implementation.* Overlay adopted before or at the time of housing element adoption.
- *Objectives.* Create zoning overlay to address at least 577 units of lower income RHNA.
- *Funding Sources.* General Fund

PROGRAM 23: AFFIRMATIVELY FURTHERING FAIR HOUSING

Montebello will develop a plan to Affirmatively Further Fair Housing (AFFH). The AFFH Plan shall take actions to address significant disparities in housing needs and in access to opportunity for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. Specific actions will include:

- Provide dedicated staff that investigates fair housing complaints and enforces fair housing laws.
- Facilitate public education and outreach by creating informational flyers on fair housing that will be made available at public counters, libraries, and on the City's website. City Council meetings will include a fair housing presentation at least once per year.
- Actively recruit residents from neighborhoods of concentrated poverty to serve or participate on boards, committees, and other local government bodies.
- Ensure environmental hazards are not disproportionately concentrated in low-income communities and low-income communities of color.
- Develop a proactive code enforcement program that holds property owners accountable and proactively plans for resident relocation, when necessary.
- Provide education to the community on the importance of completing Census questionnaires.

- *Responsible Agency.* Planning Division
- *Timing for Implementation.* Create Plan by December 2020 and implement on an ongoing basis
- *Funding Sources.* Funding source to be determined

SUMMARY OF QUANTIFIED OBJECTIVES

Table 4-4 summarizes the City's quantified objectives for the 2014-2021 planning period and the previous RHNA by income group.

Table 4-6
Summary of Quantified Objectives (prior RHNA/current RHNA)

	Income Level					Total
	Extremely Low[15]	Very Low	Low	Moderate	Above Moderate	
Construction Objective (remaining RHNA)	254/269		24/161	69/175	104/461	451/1,066
Single-Family Units to Be Rehabilitated	60		30	30	--	120
Multi-Family Units to Be Rehabilitated	--	--	12	--	--	12
Homebuying Assistance Objective	--	--	30	30	--	60
At-Risk Housing Units to Be Conserved	94	95	--	--	--	189

Section 5 – Review of Accomplishments

5.1 Programs Included in the Previous Housing Element

The previous Housing Element included a number of housing programs geared for new housing development, housing rehabilitation, and the provision of affordable housing. Those programs that were included in the previous element are identified in Table 5-1. The program is described in the left-hand column and the effectiveness of the housing program is described in the right-hand column.

Table 5-1
Montebello Review and Revise

Previous Housing Element Program	Description of Change
Sanitary and Safe Housing; Code enforcement and housing rehab programs.	Continue outreach as funding opportunities arise. The City has recently hired three full-time code enforcement officers who are actively addressing concerns raised in the community and ensuring that the quality of life and residential housing is maintained to the higher standards.
Range of housing type, location, price and tenure. Designation of specific sites suitable for affordable housing.	Colegrove Affordable Housing Project On July 8, 2015, the City of Montebello executed a HOME Program Commitment and Development Agreement with Partnership Housing to make a loan in the amount of $734,320 from the City's HOME Program allocation. This loan was used by Partnership Housing to construct two (2) new affordable housing units at each of the two (2) Colegrove properties (1304-1306 and 1316-1318 Colegrove Avenue) totaling four affordable housing units. The project benefitted the City through revitalization of previously run-down properties after the existing structures were demolished and replaced with new affordable housing. Since the original properties were occupied, relocation consultant Overland, Pacific and Cutler was retained by the City to relocate the tenants in accordance with the Uniform Relocation Act. Approximately $235,000 of HOME funds were used to fund relocation expenses as they are an eligible project expense. Upon completion of relocation activities, title of the property was transferred to Partnership Housing for development of the affordable housing units. Construction of the project began in March 2016 and was completed in April 2017. Partnership Housing contributed $514,598 of its own funds in addition to in-kind work provided through their "sweat equity" program. Escrow closed in October 2017 and the homeowners moved in shortly thereafter. Carob Way Affordable Housing Project On July 23, 2014, the City entered into a HOME Program Loan Agreement with Montebello Housing Development Corporation (MHDC). The City agreed to provide funding in the amount of $145,000 from the City's available HOME funds for the acquisition of 924 Carob Way for the purpose of replacing the existing home with four (4)

	single-family detached homes. The balance of the anticipated $290,000 property purchase, and all development costs associated with the Property, was funded by MHDC and its funding partners. To make the housing units affordable, a portion of the City's loan was to be assumed by each buyer in an equally divided amount and secured on the property to reduce the private mortgages obtained by the buyers. The previously existing property was demolished, and the site was subdivided into four (4) separate lots to develop sustainable, community-style housing. Construction of the new affordable housing began in March 2015 and was completed in September 2018. Escrow closed in July 2019. MHDC requested an amendment to their Agreement with the City to allow the reduction of HOME subsidized units from four to three and to allow a portion of the non-participating unit's loan be reassigned to one of the three participating units while MHDC would repay the remaining balance back to the City.
Housing for special needs	Continue, monitor funding opportunities. Expand outreach to non-profit developers and service providers in the region.
Preservation of existing affordable housing units.	Continue. Beverly Towers was purchased in 2006 and affordability was extended to 2061. Add tenant notification to existing program, as required by state law.
Housing free of discrimination	Continue. Review current funding opportunities and identify timing. In program.
Remove Constraints which add to the cost of housing or prevent production	Continue and expand program to include review of Conditional Use Permit, 2 car garage for multifamily housing.

5.2 Conformity with New 2018 Housing Requirements

This section addresses recent legislative changes that were made to housing and land use regulations that must now be incorporated into local housing elements. First the pertinent legislation is described in italics followed by its applicability to the City of Montebello and how the City intends to address the new requirements.

SB-35 (Wiener) Streamlined Approval Process

This new law creates a streamlined approval process for developments in localities that have not yet met their housing targets, provided that the development is located on an infill site and complies with existing residential and mixed-use zoning. If a city has not constructed enough housing to meet its housing requirements, developers can bring forth a project without undergoing the process. This new law also mandates higher construction worker pay and benefits on projects with ten units or more. SB-35 applies in cities that are not meeting their Regional Housing Need Allocation (RHNA) goal for construction of above-moderate income housing and/or housing for households below 80% area median income (AMI). SB-35 amends Government Code Section 65913.4 to require local entities to streamline the approval of certain *housing projects by providing a ministerial approval process, removing the requirement for CEQA analysis, and removing the requirement for Conditional Use Authorization or other similar discretionary entitlements granted by a Planning Commission.*

If a development adheres to all pertinent development requirements and standards, no discretionary review would be required. The City also intends to continue to use the Class 32 CEQA Infill Exemptions. As a result, new residential will be ministerial as long as the application does not require Zone Variances/Changes or General Plan Amendments.

AB 73 (Chiu) Streamline and Incentivize Housing Production

This new law provides State financial incentives to cities and counties that create a zoning overlay district with streamlined zoning. Development projects must use prevailing wage and include a minimum amount of affordable housing.

The City of Montebello will continue to seek sources of financial assistance regarding new affordable housing development.

SB 540 (Roth) Workforce Housing Opportunity Zones

This new law allows cities and counties to create pre-planned zones for affordable housing, helping to speed development in city centers close to jobs and public transit. Proposals that come forward must provide the following: 30% of all units sold or rented to moderate-income households, 15% sold or rented to low-income households, 5% sold or rented to very low-income households, and 10% of market-rate projects set aside for low-income people.

The California Legislature enacted the *Employee Housing Act* (EHA) to provide protection for persons living in privately owned and operated employee housing. The EHA is specifically designed to ensure the health, safety, and general welfare of these residents and to provide them a decent living environment. The EHA also provides protection for the general public that may be impacted by conditions in and around employee housing. Any employee housing providing accommodations for six or fewer employees shall be deemed a *single-family structure* with a residential land use designation. Employee housing *shall not* be included within the definition of a boarding house, rooming house, hotel, dormitory, or other similar term that implies that the employee housing is a business run for profit, or differs in any other way from a family dwelling. No conditional use permit, zoning variance, or other zoning clearance shall be required of employee housing that serves six or fewer employees that is not required of a family dwelling of the same type in the same zone. According to the State Housing law, employee housing for six or fewer persons must be treated as regular housing. The use of a single family unit for purposes of employee housing serving six or fewer persons, shall not constitute a change of occupancy pursuant to any local building codes. The key provisions of the EHA shall be integrated into the Zoning Ordinance.

AB 678 (Bocanegra)/SB 167 (Skinner) Strengthening of the Housing Accountability Act

This bill strengthens the Housing Accountability Act by increasing the documentation necessary and the standard of proof required for a local agency to legally defend its denial of low and moderate-income housing development projects. This bill requires courts to impose a fine of $10,000 or more per unit on local agencies that fail to legally defend their rejection of an affordable housing development project.

If a development adheres to all pertinent development requirements and standards, no discretionary review would be required. The City also intends to continue to use the Class 32 CEQA Infill Exemptions. As a result, new residential will be ministerial as long as the application does not require Zone Variances/Changes or General Plan Amendments.

AB 72 (Santiago) Enforce Housing Element Law

The new law gives State housing officials new authority to report violations to the attorney general if jurisdictions are not complying with their own housing plans or violate State law. This bill authorizes the State Department of Housing and Community Development (HCD) to find a jurisdiction out of compliance with State housing law at any time (instead of the current eight-year time period), and refer any violations of State housing law to the Attorney General if it (HCD) determines the action is inconsistent with the locality's adopted housing element.

The City of Montebello is diligently working with HCD to obtain certification of this Housing Element. The City is also committed to the annual review of its Housing Element. Under Program No. 16, the Montebello Zoning Ordinance will be amended to accommodate a number of new provisions that are now required under State housing law. This Program provides a comprehensive description of the specific actions that will be implemented as part of the Zoning Ordinance Revision. Upon adoption of the General Plan, the City will undertake a comprehensive update to the Zoning Ordinance.

AB 73 (Chiu) Streamlining Development (Pg 100, AB 73 CHIU)

This law allows cities and counties to designate so-called "housing sustainability districts," which streamline the development process for new housing near transit. The new law seeks to speed any lawsuit challenging an environmental review through the courts and mandates at least 20% of housing within a district to be affordable to low-income people.

The City of Montebello will comply with this new requirement as part of the review of new development. The streamlined review process is applicable to all new residential development in the City of Montebello.

AB 1397 (Low) Adequate Housing Element Sites

This law requires cities to zone more appropriately for their share of regional housing needs and in certain circumstances require by-right development on identified sites. The bill requires stronger justification when non-vacant sites are used to meet housing needs, particularly for lower income housing, and requires cities and counties to zone land that can realistically support housing development. The bill also requires the adequate sites to have access to sufficient infrastructure for water, sewer, and other public utilities.

The current adopted Montebello General Plan (Land Use Element, 1973) allows residential densities of up to 29 units per acre in the very high-density residential areas. The City's existing Zoning Code lists densities based on the number of dwelling units allowed per a set square-footage. For example, the R-2 and R-3 zones allow one unit per 3,000 square feet of lot area (14.5 units per acre). The R-4 zone allows one unit per 2,000 square feet of lot area (21.0 units per acre). In the existing Zoning Code, lower residential densities also depend on location. For example, areas zoned R-A or R-1 near Beverly Boulevard, have smaller minimum lot area requirements to the south of Beverly Boulevard than areas to the north of Beverly Boulevard. To provide more housing, the Draft Community Development Element that has yet to be adopted includes three mixed use categories, the Whittier Corridor: Downtown Mixed Use area (55 units per acre), the Whittier Corridor Mixed Use area (32 units per acre), and the Beverly Corridor Mixed Use area (32 units per acre). Following adoption of the General Plan, the Zoning Code will be updated to reflect the density changes and mixed use categories described in the General Plan.

SB 166 (Skinner) No Net Loss

This bill law requires a city or county to identify additional low-income housing sites in their housing element when market-rate housing is developed on a site currently identified for low-income housing. It also seeks to strengthen State housing law that in most cases prevents cities and counties from reducing zoning densities to ensure there is "no net loss" of building capacity.

The City has committed in ensuring that those areas zones for new housing development identified in this Housing Element will be implemented. The City will monitor the Housing Element's implementation as part of the required annual review. Consistent with State Law, the City undertakes an annual review that will enable the Housing Element along with the General Plan and the Zoning Ordinance, to reflect any new legislation as it relates to housing policy. This annual review will also be used to monitor the effectiveness of the Housing Element's implementation.

Senate Bill 167/168 (Skinner and Bocanegra) Housing Accountability

These two bills sought to prevent communities from disapproving proposed housing projects or homeless shelters. The new law aims to make it more difficult for cities and counties to vote down proposals and requires courts to impose fines on them if they do not comply with what is commonly called the "anti-NIMBY law." These new laws seek to limit the "Not-In-My-Back-Yard" backlash from neighbors and anti-development activists that often stalls new development or reduces the size of a project.

The zoning that is required to implement a number of new housing programs that include supportive housing, transitional housing, single-room occupancy (SRO), and emergency housing has been completed. These programs have been identified in this Housing Element and will be adopted by the City Council. Future residential development contemplated as part of these programs' implementation will be permitted by right.

AB 879 (Grayson) Housing Element Reporting Requirements

This new law makes various updates to housing element and annual report requirements to provide data on local implementation including number of project application and approvals, processing times, and approval processes. Charter cities would no longer be exempt from housing reporting. This bill requires HCD to deliver a report to the Legislature on how local fees impact the cost of housing development. This bill requires cities and counties to address and, where legally possible, remove hurdles to housing production. For example, it seeks to reduce the amount of time between receiving approval for a housing development and pulling permits to begin construction.

The City is currently undertaking the annual reporting requirements to HCD.

SB 2 (Atkins) Building Jobs and Homes Act

This bill imposes a fee on recording of real estate documents excluding sales for the purposes of funding affordable housing. The bill provides that first year proceeds will be split evenly between local planning grants and HCD's programs that address homelessness. Thereafter, 70% of the proceeds will be allocated to local governments in either an over-the-counter or competitive process.

The City will work with Los Angeles County to collect the appropriate fees from developers. The first step will be to identify the applicable fee. The City will cooperate with HCD and Los Angeles County in identifying how this program will be implemented.

AB 1505 (Bloom) Inclusionary Ordinances

This bill authorizes the legislative body of a city or county to require a certain amount of low-income housing on-site or off-site as a condition of the development of residential rental units.

As part of Program No. 16, the Montebello Zoning Ordinance will be amended to accommodate a number of new provisions that are now required under State housing law. This section provides a comprehensive description of the specific actions that will be implemented as part of the Zoning Ordinance Revision described previously. Upon adoption of the General Plan, the City will undertake a comprehensive update to the Zoning Ordinance. These revisions are identified in this section. Under the current Zoning Code, Montebello requires conditional use permits (CUP) for senior housing development in the R-3, R-4, C-R, C-1, and C-2 zones. Because CUP approvals are discretionary in nature, CUP approvals are potential constraints to development of senior housing and handicapped housing projects since no such requirement exists for conventional multiple-family development. For this reason, the current CUP requirements for senior housing and handicapped housing projects may be seen as a fair housing impediment. The City will revise the Zoning Code to remove the requirement of a CUP for senior housing and handicapped housing projects that essentially function as a multi-family development. In addition, the Zoning Ordinance currently requires a CUP for congregate care and support services that are ancillary to a senior housing development. The CUP requirement will be eliminated. Finally, the definition of "Senior Housing" will be updated so that it conforms to current state law.

Assembly Bill 1515 (Daly) Housing Accountability

This law makes it harder for cities and counties to vote down housing projects or emergency shelters that meet existing zoning and other land-use regulations by strengthening the Housing Accountability Act. In addition, this bill makes it harder for community groups to kill projects.

The City has programs that permit sustainable, transitional, low income housing, and emergency shelters by right.

AB 1521 (Bloom) Preservation of Affordable Housing

This bill requires the seller of a subsidized housing development to accept a bonafide offer to purchase from a qualified purchaser, if specified requirements are met. This bill gives HCD additional tracking and enforcement responsibilities to ensure compliance.

The City is committed to guarding against the loss of housing units reserved for lower income households with the implementation of Program No. 5. One assisted project in Montebello, Beverly Towers, which provides 189 affordable units, has an expiring Section 8 contract and is at risk of converting to market rate. However, because the project is owned and operated by a non-profit organization, it is considered to be at low risk of converting to market rate. The City will continue to monitor Section 8 legislation and all units considered at risk of conversion to market rate, and assist property owners in maintaining the affordability of these units. In addition, the City will require the notification of tenants in the event the owners intend to convert the affordable units to market-rate units. AB 1521 requires the seller of a subsidized housing development to accept a bonafide offer from a qualified purchaser, if specified requirements are met. AB 1521 also gives HCD additional tracking and enforcement responsibilities to ensure compliance.

APPENDIX
DRAFT HOUSING ELEMENT UPDATE

CITY OF MONTEBELLO
2014-2021 HOUSING ELEMENT

CITY OF MONTEBELLO
DEPARTMENT OF COMMUNITY DEVELOPMENT
1600 WEST BEVERLY BLVD.
MONTEBELLO, CALIFORNIA 90640

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APPENDIX A
PARTICIPANTS IN CALIFORNIA'S FIRST RIGHT OF REFUSAL PROGRAM

Organization	Address	City	Phone Number
Bank of America, N.A.	555 California St., 6th Floor	San Francisco	(415) 953-2631
3R Real Estate	3605 Long Beach Blvd.	Long Beach	(562) 989-3730
A. F. Evans Development, Inc.	1000 Broadway #300	Oakland	(510) 891-9400
Affordable Community Housing Trust	7901 La Riviera Drive	Sacramento	(916) 381-2001
Alpha Property Management, Inc.	1755 East Martin Luther King Blvd.	Los Angeles	(323) 231-4174
American Baptist Homes of the West	6120 Stoneridge Mall Road, 3rd Flr.	Pleasanton	(925) 924-7100
American Communities, LLC.	250 N. Harbor Drive, No. 319	Redondo Beach	(310) 798-5656
Amerland Communities, LLC	2878 Camino Del Rio S., Ste. 100	San Diego	(619) 497-3075
Bentall Residential LLC	8105 Irvine Center Drive, Suite 830	Irvine	(949) 753-0555
Beyond Shelter Housing Develop. Corp.	3255 Wilshire Blvd. Ste. 815	Los Angeles	(213) 251-2111
Brian L. Fitterer, Inc.	4770 Campus Drive, No. 200	Newport Beach	(949) 862-1500
Bridge Partners	2950 Buskirk Ave., Ste. 312	Walnut Creek	(925) 457-256
BUILD Leadership Development, Inc.	P.O. Box 9414	Newport Beach	(877) 644-9422
Cabouchon Properties, LLC	Pier 9, Suite 114	San Francisco	(415) 433-2000
California Coalition for Rural Housing	717 K Street, Suite 400	Sacramento	(916) 443-4448
California Community Reinvestment Corp.	225 West Broadway, Ste. 120	Glendale	(818) 550-9800
California Housing Finance Agency	100 Corporate Point, No. 250	Culver City	(310) 342-1256
California Housing Finance Agency	1121 L Street, Room 207	Sacramento	(916) 327-2731
California Housing Partnership Corp.	369 Pine Street, Suite 300	San Francisco	(415) 433-6804
California Human Development Corp.	3315 Airway Drive	Santa Rosa	(707) 523-1155
Chelsea Investment Corp.	725 South Coast Highway 101	Encinitas	(760)456-6000
Citizens Housing Corp	26 O'Farrell St. #506	San Francisco	(415) 421-8605
Community Develop. & Preservation, LLC	1925 Century Park East, Ste. 1900	Los Angeles	(310) 208-1888
Community Housing Assistance Program	3803 E. Casselle Ave	Orange	(714) 744-6252
Corporation for Better Housing	15303 Ventura Blvd., Suite 1100	Sherman Oaks	(818) 905-2430
Creative Housing Coalition	4612 Alta Canyada Road	La Canada	(805) 736-9342
DML & Associates Foundation	6043 Tampa Ave, Ste. 101A	Tarzana	(818) 708-2710
Domus Development, LLC	594 Howard St., Ste 204	San Francisco	(415) 856-0010
EAH, Inc.	2169 E. Francisco Blvd., Ste. B	San Rafael	(415) 258-1800
Episodes International, LLC	3480 Torrance Blvd., Suite 100	Torrance	(310) 971-8046
Fairfied Residential LLC	5510 Morehouse Drive, Suite 200	San Diego	(858) 824-6406

APPENDIX A
PARTICIPANTS IN CALIFORNIA'S FIRST RIGHT OF REFUSAL PROGRAM (CONTINUED)

Organization	Address	City	Phone Number
Fallbrook Capital Corporation	6700 Fallbrook Avenue, #111	West Hills	(818) 712-6931
Foundation for Affordable Housing III, Inc.	2600 Michelson Dr, Ste. 1050	Irvine	(949) 440-8277
Goldrich & Kest Industries, LLC	5150 Overland Avenue	Culver City	(310) 204-2050
GWR Homes, Inc.	1445 Huntington Drive, #200	South Pasadena	(626) 441-5900
Hampstead Development Group, Inc.	4250 Lousiana Street	San Diego	(619) 543-4200
Hampstead Partners, Inc.	1205 Prospect Street	La Jolla	(858) 456-6500
HELP Development Corp.	30 East 33rd St	New York City	(212) 779-3350
Hendricks & Partners	3100 Zinfindel Drive, Suite 100	Rancho Cordova	(916) 638-5000
Highland Pacific Development Co.	3230 Eastlake Avenue, Ste. B	Seattle	(206) 568-6566
Joshua's House	24111 NE Halsey St., Ste. 203	Troutdale	(503) 661-1999
KDF Communities, LLC	1301 Dove St., Suite 720	Newport Beach	(949) 622-1888
Linc Housing Corp.	100 Pine Avenue, # 525	Long Beach	(562) 435-2124
Maximus Properties, LLC	23586 Calabasas Road, Ste. 103	Calabasas	(818)449-4004
MBK Management Corp.	23586 Calabasas Road, Ste. 100	Los Angeles	(818) 222-2800
Mercy Housing California	1360 Mission St., Suite 300	San Francisco	415-355-7160
Mercy Housing, Inc.	601 18th Avenue, Ste. 150	Denver	(303) 830-3374
National Housing Development Corp.	10621 Civic Center Drive, First Floor	Rancho Cucamonga	(909) 291-1400
National Housing Trust	P.O. Box 3458	Walnut Creek	(925) 945-1774
Newport Development, LLC	9 Cushing, Ste. 200	Irvine	(949) 923-7812
OSM Investment Co.	5155 Rosecrans Avenue, Ste. 120	Hawthorne	(310) 676-0451
Pangaea Real Estate, Inc.	P.O. Box 9415	Newport Beach	(775) 854-4332
Paramount Financial Group, Inc.	1655 North Main Street, Suite 220	Walnut Creek	(800) 850-0694
Petaluma Ecumenical Properties Inc.	1400 Caulfield Lane	Petaluma	(707) 762-2336
Related Companies of California	18201 Von Karman Ave. , Ste. 400	Irvine	(949)660-7272
Resources for Community Development	2730 Telegraph Ave.	Berkeley	(510). 841.4410
Shelem, Inc	24111 NE Halsey St., Ste. 202	Troutdale	(503) 661-1999
Skyline Real Estate Develop. & Acquisitions	P.O. Box 7613	Newport Beach	(949) 293-4705
SLSM, LLC	651 29th St.	San Francisco	(415) 826-0301
Solari Enterprises, Inc.	1544 W. Yale Ave	Orange	(714) 282-2520
Squier Properties, LLC	1157 Lake Street	Venice	(310) 418-6389
Survivors of Assault Recovery	6333 College Grove Way F3	San Diego	(619) 582-4914

APPENDIX A
PARTICIPANTS IN CALIFORNIA'S FIRST RIGHT OF REFUSAL PROGRAM (CONTINUED)

Organization	Address	City	Phone Number
The John Stewert Co.	1388 Sutter St., 11th Floor	San Francisco	(415) 345-4400
The Trinity Housing Foundation	1399 Ygnacio Valley Rd. #21	Walnut Creek	(925) 939-5421
Townspeople, Inc.	3960 Park Blvd	San Diego	(916) 327-2643
Treadstone Housing , LLC	1010 2nd Avenue, Suite 1040	San Diego	(619) 794-2200
USA Properties Fund	2440 Professional Drive	Roseville	(916) 773-5866
Wakeland Housing & Community Develop.	625 Broadway, Ste. 1000	San Diego	(619) 235-2296
William G. Ayyad, Inc.	9252 Chesepeake Dr., Suite 100	San Diego	(858) 244-0900
A Community of Friends	3345 Wilshire Blvd., Ste. 1000	Los Angeles	(213) 480-0809
Access Community Housing, Inc.	2250 E. Imperial Highway, #200	El Sequndo	(310) 648-6648
Affordable Homes	P.O. Box 900	Avilla Beach	(805)
Affordable Housing People	7720 B El Camino Real, Ste. 159	Carlsbad	(760) 436-5979
BRIDGE Housing Corp.	One Hawthorne, Ste. 400	San Francisco	(415)
Century Housing Corp.	300 Corporate Pointe, Ste. 500	Culver City	(310) 642-2007
Century Pacific Equity Corp.	1925 Century Park East, Ste. 1900	Los Angeles	(310) 208-1888
City Housing Real Estate Services	PO Box 561574	Los Angeles	(562)
City of Pomona Housing Authority	505 South Garey Ave	Pomona	(909) 620-2120
Coalition for Economic Survival	514 Shatto Place, Suite 270	Los Angeles	(213) 252-4411
Community Partnership Dev. Corp	7225 Cartwright Ave	Sun Valley	(818) 503-1548
Community Rehabilitation Services, Inc.	4716 Cesar E. Chavez Ave.	Los Angeles	(323) 266-0453
DML & Associates Foundation	6043 Tampa Ave., Ste. 101A	Tarzana	(818) 708-2710
Doty-Burton Associates	1224 East Wardlow Road	Long Beach	(562) 5957567
East Los Angeles Community Corporation	530 South Boyle Avenue	Los Angeles	(323) 269-4214
Eden Housing, Inc.	409 Jackson St	Hayward	(510) 582-1460
FAME Housing Corporation	2248 S. Hobart Blvd.	Los Angeles	(323) 737-0897
Foundation for Affordable Housing, Inc.	2847 Story Rd.	San Jose	(408) 923-8260
Foundation for Quality Housing Oppor.	4640 Lankershim Blvd., #204	North Hollywood	(818) 763-0810
Francis R. Hardy, Jr.	2735 W. 94th Street	Inglewood	(323) 756-6533
Hart Community Homes	2807 E. Lincoln Ave.	Anaheim	(714) 630-1007
Hollywood Community Housing Corp.	1726 N. Whitley Ave.	Hollywood	(323) 469-0710
Home and Community	2425 Riverside Place	Los Angeles	(213) 910-9738
Housing Authority of the City of L.A.	P.O. Box 17157, Foy Station	Los Angeles	(213)

APPENDIX A
PARTICIPANTS IN CALIFORNIA'S FIRST RIGHT OF REFUSAL PROGRAM (CONTINUED)

Organization	Address	City	Phone Number
Keller & Company	4309 Argos Drive	San Diego	
Korean Youth & Community Center, Inc.	680 S. Wilton Place	Los Angeles	(213) 365-7400
Latin American Civic Assoc.	340 Parkside Dr.	San Fernando	(818) 361-8641
Long Beach Affordable Housing Coalition	110 West Ocean Blvd., # 350	Long Beach	(562) 983-8880
L. A. Center for Affordable Tenant Housing	1296 N. Fairfax Avenue	Los Angeles	(323) 656-4410
Los Angeles Community Design Center	701 E. Third St., Ste. 400	Los Angeles	(213) 629-2702
L. A. Housing Dept/Policy Planning Unit	1200 W.7th Street, 9th Floor	Los Angeles	(213) 808-8654
Los Angeles Housing Partnership, Inc.	515 S Figueroa St. Ste. #940	Los Angeles	(213) 629-9172
Los Angeles Low Income Housing Corp.	1041 South Crenshaw	Los Angeles	(323) 954-7575
LTSC Community Development Corp.	231 East Third Street, Ste. G 106	Los Angeles	(213) 473-1680
Many Mansions, Inc.	1459 E. Thousand Oaks Blvd.,Ste.C	Thousand Oaks	(805) 496-4948
Matinah Salaam	3740 Barrington Drive	Concord	(925) 671-0725
Menorah Housing Foundation	1618 Cotner avenue	Los Angeles	(310) 477-4942
Nehemiah Progressive Housing Dev. Corp.	1851 Heritage Lane, Ste. 201	Sacramento	(916) 231-1999
Nexus for Affordable Housing	1544 W. Yale Avenue	Orange	(714) 282-2520
Orange Housing Development Corporation	414 E. Chapman Avenue	Orange	(714) 288-7600
Pico Union Housing Corp.	1345 S. Toberman	Los Angeles	(213)
Poker Flats LLC	1726 Webster	Los Angeles	
Shelter For The Homeless	15161 Jackson St.	Midway City	(714) 897-3221
Skid Row Housing Trust	1317 E. 7th St	Los Angeles	(213) 683-0522
Southern California Housing Develop. Corp.	8265 Aspen St., Ste. 100	Rancho Cucamonga	(909) 483-2444
Southern California Presbyterian Homes	516 Burchett Street	Glendale	(818) 247-0420
The East Los Angeles Community Union	5400 East Olympic Blvd., Ste. 300	Los Angeles	(323)721-1655
The Long Beach Housing Development Co.	333 W. Ocean Blvd., 2nd Flr.	Long Beach	(562) 570-6926
West Hollywood Community Housing Corp.	8285 Sunset Blvd, Ste. 3	West Hollywood	(323) 650-8771
Winnetka King, LLC	23586 Calabasas Road, Ste. 100	Los Angeles	(818) 222-2800
Clifford Beers Housing, Inc.	1200 Wilshire Blvd. Ste. 205	Los Angeles	

APPENDIX B
AVAILABLE SITES INVENTORY

B-1 VACANT AND UNDERUTILIZED SITES TO RECEIVE HOUSING OPPORTUNITY OVERLAY

The available vacant and underutilized sites that are candidates to receive the Housing Opportunity Overlay to accommodate the 4th and 5th Cycle RHNA are detailed below:

<table>
<tr><th colspan="6">Site #1</th></tr>
<tr><td colspan="3">Address: 101/111 E. Whittier Blvd.</td><td colspan="3">Parcel No.: 6348-001-014/015</td></tr>
<tr><td colspan="2">Land Area: 3.9-acres</td><td colspan="2">Zoning: C2</td><td colspan="2">General Plan: General Commercial</td></tr>
<tr><td colspan="3">Maximum Density: 80 units/acre</td><td colspan="3">Maximum Unit Potential: 52 residential units</td></tr>
<tr><td colspan="3">Realistic Development Capacity: 41 residential units</td><td colspan="3">Income Category Available to: Extremely low, very low, low</td></tr>
<tr><td colspan="6">Existing Land Use: One lot is occupied with a vacant office building and another is unoccupied with a partially paved vacant lot. City is in discussion with owners to construct residential units on the subject properties using a lot-tie covenant to combine the lots.</td></tr>
<tr><td colspan="6">Surrounding Land Uses: General Commercial/Retail to the east and west, and Multifamily Residential to the south.</td></tr>
<tr><td colspan="3">Water: Water lines in street</td><td colspan="3">Sewer: Lines in street</td></tr>
</table>

Site #2		
Address: 113 N. Garfield		**Parcel No.:** 6343-014-031
Land Area: 0.69-acres	**Zoning:** C2	**General Plan:** Boulevard Commercial
Maximum Density: 80 units/acre		**Maximum Unit Potential:** 55 units
Realistic Development Capacity: 44 units		**Income Category Affordable to:** Extremely low, very low, low
Existing Land Use: This site is currently improved with a carwash facility and surface parking. The property owner is motivated to have this site redeveloped as housing.		
Surrounding Land Uses: Commercial, residential and a nearby park.		
Water: Water lines in street.		**Sewer:** Water lines in street.

Site #3		
Address: 501 S. Montebello Blvd..	**Parcel No.:** 6350-022-020	
Land Area: 2.12 acres	**Zoning:** R3/M1	**General Plan:** High Density Residential
Maximum Density: 80 units/acre	**Maximum Unit Potential:** 96 residential units	
Realistic Development Capacity: 77 residential units	**Income Category Available to:** Extremely low, very low, low	
Existing Land Use: The site is currently occupied by a manufacturing use and outdoor storage area. The site is very underutilized and similar sites have been developed in the past in the city.		
Surrounding Land Uses: Multi-family development on the west and south sides. Montebello Way extends along the site's northern and western sides.		
Water: Water lines in street.	**Sewer:** Lines in street.	

Site #4		
Address: 140 E. Whittier Blvd.		**Parcel No.:** 1. 6347-012-009
Land Area: 2.36-acres	**Zoning:** R3	**General Plan:** High Density Res.
Maximum Density: 80 units/acre		**Maximum Unit Potential:** 188 units
Realistic Development Capacity: 150 units		**Income Category Affordable to:** Extremely low, very low, low
Existing Land Use: Vacant		
Surrounding Land Uses: General Commercial and Residential near a thoroughfare and the L.A. River basin.		
Water: Water lines in street.		**Sewer:** Water lines in street.

Site #5		
Address: 244/236 George Hensel Dr., 1100 W Olympic Blvd., and 1112 W. Olympic Blvd.	**Parcel No.:** 6343-014-031	
Land Area: 5.68-acres	**Zoning:** C2 and R3	**General Plan:** High Density Residential
Maximum Density: 80 units/acre	**Maximum Unit Potential:** 448 units	
Realistic Development Capacity: 363 units	**Income Category Affordable to:** Extremely low, very low, low	
Existing Land Use: This site is currently improved with warehouse buildings that are used periodically. The property owners are interested in redeveloping and there is opportunity for consolidation for these publicly owned sites including state surplus properties.		
Surrounding Land Uses: Residential adjacent to a recreation center and park, and commercial.		
Water: Water lines in street.	**Sewer:** Lines in street.	

B-3 Opportunity Areas for Mixed Use Development

This Housing Element identifies specific opportunity areas where development is most likely to occur during the planning period (refer to Table B-1). The sites chosen as opportunity areas are located in high-visibility areas and intersections, and are significantly underutilized given their size and location. In these areas, development projects underway or planned (with significant residential components) will serve as a catalyst for additional mixed use development. Some recent examples of mixed use development in the City are provided on the following page.

Table B-1

Mixed Use Opportunity Sites

Area	Acreage	Parcels	Maximum Residential Density	Potential Dwelling Units(a)
Beverly 2	16.90	2	32 du/ac	130
Beverly 3	3.47	3	32 du/ac	27
Beverly 4	3.61	3	32 du/ac	28
Whittier 2	1.54	4	32 du/ac	20
Whittier 5	6.38	4	32 du/ac	82
Whittier 6	2.35	11	32 du/ac	30
Whittier 11	3.28	5	32 du/ac	42
Downtown 2	1.11	5	55 du/ac	20
Downtown 5	1.34	2	55 du/ac	24
Downtown 8	1.15	9	55 du/ac	20
Total	41.131	48		423

Source: Hogle-Ireland, Inc., 2008. Blodgett/Baylosis Associates 2014

Beverly Corridor Mixed Use

The Beverly Corridor currently consists of one- to two-story commercial and retail buildings. There is already infrastructure in place to accommodate housing. The Beverly Corridor Mixed Use District will accommodate both vertical and horizontal mixed uses in a pedestrian-friendly environment in certain locations along Beverly Boulevard. Multi-family housing units at a density of 32 units per acre with a maximum 1.0 FAR are allowed. The opportunity sites identified here are located at highly visible intersections, with acutely underutilized existing uses and densities. Combined, the four areas identified as opportunity sites in the Beverly Corridor Mixed use area have the potential for at least 194 residential units developed at a density of up to 32 units per acre (Table 4-7). For Example, Site *Beverly 2* totals nearly 17 acres on two parcels, which could conservatively yield 130 residential units. Both lots are owned by a single entity, with existing uses consisting of retail and large surface parking lots.

EXAMPLES OF MIXED USE DEVELOPMENT IN MONTEBELLO

WHITTIER CORRIDOR MIXED USE

The Whittier Corridor Mixed Use area is a predominantly retail corridor with one- to two-story buildings. As a previously developed area, the identified sites already have necessary infrastructure to accommodate housing. Housing in this area is envisioned to be in a mixed use or urban housing format. Mixed uses and/or urban housing that run along the entire Whittier Boulevard Corridor will provide a walkable mixed use environment. This mixed use will allow housing developments at up to 32 units per acre with a maximum 1.0 FAR. The high density land use designation that is applicable to this area is a key indicator that this area is likely to experience mixed use development during the planning period. The potential buildout of the fifteen areas identified as opportunity sites in the Whittier Corridor Mixed use area, have the potential for at least 256 residential units developed at a density of up to 32 units per acre (Table 4-7).

Opportunity sites *Whittier 4, Whittier 5,* and *Whittier 6* are located west of S. Tenth Street on Whittier Boulevard, with all parcels owned by one entity. The owner has expressed interest in redevelopment possibilities, and may explore options of vacating alleys to increase available square-footage. These combined opportunity sites have the capacity to yield 118 housing units.

WHITTIER CORRIDOR MIXED USE: DOWNTOWN

The Whittier Mixed Use: Downtown District extends along Whittier Boulevard from 4th to 10th Street. Existing uses include one- to two- story commercial and retail uses. Proposed housing on this district will consist of residential units above ground-floor commercial uses. Proximity to public transit and residential amenities makes this site ideal for residents such as the elderly who rely on alternative modes of transportation. As a previously developed area, the corridor already has necessary infrastructure to accommodate additional housing in the area. The identified sites along the corridor will accommodate higher-density development of up to 55 units per acre and a 1.5 FAR. Given the sites' high-density potential (higher than any other part of the City), housing in this area could accommodate very low, low, moderate, as well as above-moderate income housing. Combined, the nine areas identified as opportunity sites in the Whittier Downtown Mixed use area have the potential for at least 142 residential units developed at a density of up to 55 units per acre (refer to Table 4-7).

The City of Montebello is actively engaged to revitalize the downtown area. The City is a property-owner of multiple parcels in Site *Downtown 8*. Site *Downtown 8* has nine total parcels, of which the City owns three. The City is in negotiations with nearby property owners, with the goal of creating a mixed use development at this location. *Downtown 6* and *Downtown 7* are located adjacent to *Downtown 8*. The City is interested in mixed use product at these locations as well, and is in discussions and negotiations with property owners regarding possible options. These three sites are likely to develop in the early part of this planning period, with the potential to yield at least 48 new units.

Table B-2
Mixed-Use Opportunity Sites Inventory

Site Number	Parcel Number (APN)	General Plan Land Use	Zoning	Density	Acres	Lot Consoli-dation	Current Use	Capacity	Infrastr. Capacity	On-Site Con-straints
B2	5294019008	MU-BVRLY	C2	32	14.95	yes	commercial retail and parking	130	yes	none
	5294019009	MU-BVRLY	C2		1.95		bank, restaurant, and parking			
B3	6345001031	MU-BVRLY	C2	32	0.62	yes	medical office	27	yes	none
	6345001032	MU-BVRLY	C2		0.26		commercial retail			
	6345001030	MU-BVRLY	C2		2.59		commercial retail and parking			
B4	6344001907	MU-BVRLY	Cl	32	2.67	yes	DMV	28	yes	none
	6344001908	MU-BVRLY	C2		0.69		parking			
	6344001908	MU-BVRLY	Cl		0.26		parking			
W2	6347012011	MU-CRDR	C2	32	0.44	yes	flooring store	20	yes	none
	6347012010	MU-CRDR	C2		0.43		motel			
	6347012012	MU-CRDR	C2		0.53		Laundromat			
	6347012012	MU-CRDR	RA		0.14		parking			
W5	6350003042	MU-CRDR	C2	32	0.12	yes	medical office	82	yes	none
	6350003039	MU-CRDR	C2		0.12		pharmacy, medical supplies			
	6350003041	MU-CRDR	C2		5.82		big box, restaurant, video			
	6350003041	MU-CRDR	C2		0.31		strip shops			
W6	6345022015	MU-CRDR	C2	32	0.12	yes	used car lot	30	yes	none
	6345023012	MU-CRDR	C2		0.12		auto body shop			
	6345023024	MU-CRDR	C2		0.24		auto body shop			
	6345024028	MU-CRDR	C2		0.43		auto service			
	6345023025	MU-CRDR	C2		0.37		auto body shop			
	6345023010	MU-CRDR	R3		0.15		parking			
	6345023013	MU-CRDR	R3		0.16		parking			
	6345022013	MU-CRDR	R3		0.16		residential (1 unit)			
	6345022026	MU-CRDR	C2		0.24		used car lot			
	6345022001	MU-CRDR	C2		0.12		used car lot			
	6345024012	MU-CRDR	R3		0.22		parking			
W7	6337004036	MU-CRDR	C2	32	0.38	yes	auto body shop	7	yes	none
	6337004018	MU-CRDR	C2		0.17		auto body shop			

Table B-2 Mixed-Use Opportunity Sites Inventory (continued)										
Site Number	**Parcel Number (APN)**	**General Plan Land Use**	**Zoning**	**Density**	**Acres**	**Lot Consoli-dation**	**Current Use**	**Capacity**	**Infrastr. Capacity**	**On-Site Con-straints**
D2	6349006002	MU-DWTN	C2	55	0.08	yes	commercial	20	yes	none
	6349006003	MU-DWTN	C2		0.10		commercial			
	6349006021	MU-DWTN	C2		0.13		commercial			
	6349006025	MU-DWTN	C2		0.19		commercial			
	6349006023	MU-DWTN	C2		0.61		commercial and parking			
05	6350006019	MU-DWTN	C2	55	0.43	yes	gym/commercial and parking	24	yes	none
	6350006018	MU-DWTN	C2		0.91		commercial retail			
D8	6349005011	MU-DWTN	C2	55	0.17	yes	retail commercial	20	yes	none
	6349005012	MU-DWTN	C2		0.12		retail commercial			
	6349005013	MU-DWTN	C2		0.10		retail commercial			
	6349005014	MU-DWTN	C2		0.11		retail commercial			
	6349005015	MU-DWTN	C2		0.09		retail commercial			
	6349005036	MU-DWTN	C2		0.02		retail commercial			
	6349005016	MU-DWTN	C2		0.17		retail commercial			
	6349005901	MU-DWTN	C2		0.10		retail commercial			
	6349005900	MU-DWTN	C2		0.29		retail commercial			
Total Units								381		

ATTACHMENT F

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY GAVIN NEWSOM, *Governor*
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

April 7, 2020

Joseph Palombi, Director
Planning and Community Development Department
City of Montebello
1600 W. Beverly Boulevard
Montebello, CA 90640

Dear Joseph Palombi:

RE: Review of Montebello's Draft Four-year Housing Element Update (2013-2021)

Thank you for submitting the City of Montebello's draft four-year housing element update received for review on March 27, 2020, along with revisions received on April 2 and 6, 2020. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD has expedited this review to facilitate meeting funding requirements.

The draft element, incorporating the revisions submitted, meets the statutory requirements of State Housing Element Law (Article 10.6 of Gov. Code). This finding was based on, among other reasons, Program 22, which commits to rezone suitable sites with appropriate densities to accommodate the regional housing need for lower income households. The Program accommodates the housing needs of lower income households for the 4th and 5th cycle planning periods, 147 and 430 units, respectively, pursuant to the requirements of Government Code section 65583, subdivision (c)(1), and section 65583.2, subdivisions (h) and (i).

However, pursuant to Government Code section 65584.09, as more than one year has lapsed since the beginning of the current planning period, the element cannot be found in compliance with housing element law until the required rezoning is adopted, which is currently scheduled to be before or concurrent with housing element adoption. The housing element will comply with State Housing Element Law when the element, along with evidence of required zoning adoption, is adopted, submitted to and approved by HCD, in accordance with Government Code section 65585.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the city must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available, while considering and incorporating comments where appropriate.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and the ongoing SB 2 funding consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, Montebello meets housing element requirements for these funding sources.

Government Code section 65588, subdivision (e)(4), requires a jurisdiction that did not adopt its housing element within 120 calendar days from the statutory due date (October 15, 2013) to revise its element every four years. Montebello is subject to the four-year revision requirement which was due October 15, 2018. The City of Montebello must revise the element on time for at least two consecutive due dates to regain the eight-year planning period. Since the element did not meet the four-year due date, the next opportunity to adopt on time will be the 6th cycle housing element update.

HCD appreciates the hard work and dedication provided in preparation of the housing element and looks forward to receiving Montebello's adopted housing element. If you have any questions or need additional technical assistance, please contact Paul McDougall, of our staff, at paul.mcdougall@hcd.ca.gov.

Sincerely,

Shannan West
Land Use & Planning Manager

ATTACHMENT G

NOTICE OF PUBLIC HEARING
CITY OF MONTEBELLO CITY COUNCIL

NOTICE TO CONSIDER THE HOUSING ELEMENT UPDATE (2016-2021) AND ZONE CODE AMENDMENT FOR THE RELATED HOUSING OPPORTUNITY OVERLAY ZONE

NOTICE IS HEREBY GIVEN that the City of Montebello City Council (the "City Council") will conduct a public hearing regarding the Housing Element Update (2016-2021) and related Housing Opportunity Overlay Zone.

PUBLIC HEARING INFORMATION:

Date: Wednesday, May 13, 2020
Time: 6:30 p.m.
Place: City Hall Council Chambers
1600 W. Beverly Blvd.
Montebello, CA 90640

PROJECT DESCRIPTION AND LOCATION: The Housing Element Update applies citywide to the land area included within the City's corporate boundaries and the unincorporated areas designated in its sphere of influence. The related Housing Opportunity Overlay Zone is comprised of Site Nos. 1 through 5 described in Exhibit A. The proposed Housing Element Update and related Housing Opportunity Overlay Zone is intended to establish goals and policies to conserve, rehabilitate, and provide housing to meet the existing and future needs of the community. The proposed Housing Element Update is consistent with State law and has been reviewed and approved by the California Department of Housing and Community Development.

APPLICANT: City of Montebello

ENVIRONMENTAL: In accordance with the State California Environmental Quality Act (CEQA), an Addendum to the Negative Declaration (SCH No. 2014011084) prepared for the Housing Element (2014-2021) dated January 16, 2014, was prepared in accordance with CEQA Guidelines § 15164.

GENERAL INFORMATION: As authorized by the Governor's Executive Order No. N- 29-20, those interested in making public comments, may call on Wednesday, May 13, 2020 between 9:00 a.m. – 3:00 p.m. at (323) 887-1437. Staff will complete public comment cards in the order received. The public will be called during the City Council meeting. The exact call back time is not predictable due to the nature of the City Council agenda. As a result, you must be available until the end of the meeting to receive a live call from staff during the meeting. In addition, the City has created the following email address where the public can submit public comments from 4:30 p.m. – 5:30 p.m. on Wednesday, May 13, 2020: ccpubliccomment@cityofmontebello.com. These questions will be read out loud and submitted for the record.

Written comments may also be mailed or delivered to the City Clerk's office address identified below. If you challenge the matter in court, you may be limited to raising those issues you or someone else raised at the public hearing, or in written correspondence delivered to the City of Montebello at, or prior to, the public hearing. This notice is provided in accordance with Government Code Sections 65867, 65090 and 65091. Public comments or questions about the subject matter may be submitted to the City Clerk's Office by mail, at 1600 W. Beverly Blvd., City of Montebello, or email at: lguzman@cityofmontebello.com. All communications to the City Clerk or the City Council regarding this matter are public records and will become part of the City's files and records.

Published: April 30, 2020

EXHIBIT A

HOUSING ELEMENT UPDATE – HOUSING OPPORTUNITY OVERLAY ZONE

SITE	ADDRESS	PARCEL NO.	ZONING	TOTAL LOT AREA
1	101 E. Whittier Blvd.	6348-001-014	C2	16,716 square feet (0.38 Acres)
1	111 E. Whittier Blvd.	6348-001-015	C2	12,192 square feet (0.28 Acres)
2	113 N. Garfield Ave.	6343-014-031	C2	30,224 square feet (0.69 Acres)
3	501 S. Montebello Blvd.	6350-022-020	R3/M-1	92,227 square feet (2.12 Acres)
4	140 E Whittier Blvd.	6347-012-009	R3	102,823 square feet (2.36 Acres)
5	244 George Hensel Drive	6350-011-901	R3	160,546 square feet (3.69 Acres)
5	236 George Hensel Drive	6350-011-900	R3	33,039 square feet (0.76 Acres)
5	1100 W. Olympic Blvd.	6350-011-021	C2	9,339 square feet (0.21 Acres)
5	1112 W. Olympic Blvd.	6350-011-023	R3	44,503 square feet (1.02 Acres)

ITEM #15

CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Michael Solorza, Director of Finance

SUBJECT: **Approval of Preliminary Official Statement, Bond Purchase Agreement and Continuing Disclosure Agreement in connection with the sale of Pension Obligation Bonds and Form of Pension Funding Policy**

DATE: May 13, 2020

RECOMMENDATION

It is recommended that the City Council Adopt a Resolution approving a Preliminary Official Statement, a Continuing Disclosure Agreement, a Bond Purchase Agreement, a Pension Funding Police and authorize the taking of certain other actions in connection therewith.

BACKGROUND

Addressing long-term, unfunded liabilities is an important step to take on the path towards long-term fiscal sustainability and financial stability. The largest unfunded liability of the City of Montebello is related to its pension contract with the California Public Employee Retirement System (PERS). The City provides a defined benefit retirement program for its safety and non-safety (miscellaneous) employees. Due to annual gains and losses in the PERS investment portfolio, changes to demographic and economic assumptions made by PERS, changes to benefit levels, and myriad other impacts, the City's combined unfunded actuarial liability (UAL) has grown in excess of $150 million (per the latest PERS actuarial valuation dated June 30, 2018).

In an effort to provide stability and predictability when budgeting for and making annual payments towards the City's annual share of UAL, the issuance of Pension Obligation Bonds (POBs) has been explored. Issuing POBs would eliminate the existing UAL (as of the last actuarial valuation by PERS) and swap annual, variable UAL payments with a stable debt service payment for the next seventeen fiscal years (with declining debt service for another eight fiscal years after). A stable debt service amount allows for improved budget planning and forecasting. The elimination of the current UAL improves the City's financial stability and assists with long-term financial planning.

The City Council, on August 31, 2019, directed Staff to evaluate the option of issuing POBs. On October 9, 2019, the City Council approved the authorization to issue

Pension Obligation Bonds and the Judicial Validation Proceedings necessary to issue such bonds (Attachment 6, Resolution No. 19-120). Since that time, Staff has worked with their bond financing team (i.e., Hilltop Securities, Cabrera Capital, Quint & Thimmig, Norton Rose Fulbright, etc.) to analyze the municipal bond market, review different funding scenarios, gain an understanding of the City's ability to make debt service payments, finalize the judicial validation proceedings, and have a credit rating presentation with Standard and Poor's (S&P).

As discussed in the staff report for the October meeting, an actuarial analysis was required to determine the portion of the UAL and debt service on the POB that could be paid from the Pension Tax Override. The City engaged Bartel & Associates to perform this actuarial analysis (also known as a "Carman Calculation"). Based on information as of June 30, 2018, the Bartel analysis calculated that a maximum of 94.1% of the UAL is payable from the PTO, with the remainder payable from the General Fund and/or Transit. With respect to the POB, the Bartel report concluded the PTO is available to pay 94.1% of debt service (Attachment 7, Actuarial Analysis of December 2019).

The judicial validation action has now been successfully concluded, allowing the issuance of the Pension Obligation Bonds to move forward to conclusion. Consequently, approval and authorization of certain documents (attached) related to the sale of the Pension Bonds, a Preliminary Official Statement, Bond Purchase Agreement and Continuing Disclosure Agreement (collectively the "Documents"), is sought from the City Council, as well as approval of the form of a Pension Funding Policy.

The Documents are used for the following purposes:

- **Preliminary Official** Statement (POS) – A document distributed to potential investors describing the plan of finance, terms of the Pension Obligation Bonds, repayment provisions, security, investment risks, and information with respect to the demographic and financial position of the City.

- **Bond Purchase Agreement** – An agreement between the City and Cabrera Capital Markets LLC ("Cabrera") setting forth the price and terms pursuant to which Cabrera will purchase the Pension Obligation Bonds from the City.

- **Continuing Disclosure Agreement** – A document setting forth the on-going responsibility of the City to disclose certain identified information while the Pension Obligation Bonds remain outstanding, which commitment is required pursuant to Federal Securities laws for an underwriter, such as Cabrera, to purchase municipal bonds.

With approval of the Documents, and receipt of a credit rating from Standard & Poor's on the Pension Obligation Bonds (anticipated by May 15, 2020) the financing team will move forward with the bond sale with the objective of (i) obtaining financial savings relative to payments due to CalPERS, and (ii) eliminating the forecast peak in pension expenditures absent issuance of the Pension Obligation Bonds.

Representatives of the City and Standard & Poor's met virtually on May 1,' 2020 for a Credit Rating Presentation (Attachment 8). City Staff and the Financing Team presented an overview of the City, including its finances, recent passage of Measure H Transaction Tax initiative, and the impacts of the coronavirus on the local economy and Montebello's revenue receipts. The Standard & Poor's representatives asked numerous clarifying questions in an effort to gain a greater understanding of overall risk, with the ultimate goal of providing a credit rating by May 15, 2020.

In November 2019, prior to approval of Measure H and COVID-19 concerns, S&P assigned debt payable from the City's General Fund a credit rating of "A" with a Negative Outlook. This "A" rating relates to the General Fund debt, which includes the 2019 refunding of the Hilton Garden Inn bonds. There was also the issuance of bonds for the City's "Paving the Way" program, utilizing Local Return Funds (i.e., Proposition C, Measure M, Measure R) for debt service. These received a rating of "A+" and did not have the "Negative Outlook."

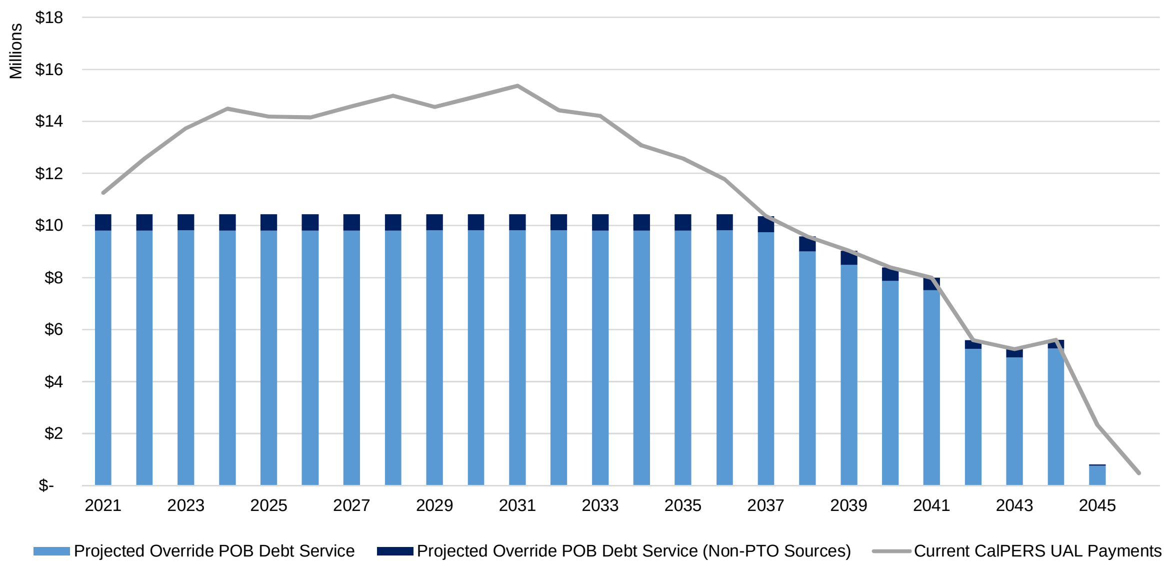
The current market for taxable POBs is such that the borrowing costs will afford the City the opportunity to generate savings when compared to the PERS discount rate (currently at 7.0%). Even with the impacts of the coronavirus, the current market is still advantageous, providing a total borrowing cost under four percent (4.0%). Historically, even during recessionary periods, PERS has typically earned returns in excess of POB borrowing costs. The City's financing team has provided management with regular market and strategy updates and Staff is confident that the issuance of POBs would be beneficial to Montebello's long-term fiscal health and stability.

FISCAL IMPACT

The City's payments to CalPERS, absent issuance of the Pension Obligation Bonds, are forecast to increase from $11.3 to $15.4 million based on information as of June 30, 2018. Based on interest rates as of April 20, 2020, debt service on the Pension Obligation Bonds is estimated at approximately $10.433 million between FY 2020-21 and 2036-37, and lower thereafter.

The Pension Obligation Bonds are structured such that annual debt service will not exceed payments due to CalPERS during that period of time. As a result of the Pension Obligation Bonds, the City will realize estimated savings of $54.1 million, representing a net present value savings of approximately $39.2 million, or 20.2% of the present value of the payments to CalPERS. These savings estimates are based on interest rates as of April 20, 2020 and assumed costs of issuance. In addition, the level debt service payments provide predictability and will assist with future budget planning and financial forecasting.

The graph below shows the difference between projected PERS UAL payments and assumed debt service on the POBs:



The City is in a unique position to leverage its Pension Tax Override (PTO) property tax revenue to fund the debt service. The PTO, approved in 1946, has been utilized to pay the City's ongoing pension obligations – both unfunded liability and normal cost expenditures. PTO revenue has risen steadily along with assessed property values in Montebello. However, with recent and various changes made by PERS to strengthen the pension system and ultimately achieve 100% funded status, the cost to public agencies has risen.

These rising pension costs could outpace the growth in PTO revenue, causing the General Fund to pick up costs above what annual PTO revenue can cover. Utilizing available PTO to pay level debt service removes this uncertainty. In addition, the City's Transit operations pay a share of PERS related costs, and would similarly pay a pro-rata share of the annual debt service. Sufficient PTO revenue would be available to pay Normal Costs – which are the costs of current, active employees.

Pay off of the Unfunded Actuarial Liability, based on information as of June 30, 2018, will assist the City in achieving the following additional objectives:

- **Fiscal Sustainability:** The ability to "re-shape" the City's annual pension payment in a manner that creates enhanced long-term fiscal sustainability and budget predictability

- **Budget Savings:** By revising the current near term "peak" in scheduled pension payments into approximately level payments provides cash flow savings to the City

- **Reduction in Interest Rate:** The interest rate on the Pension Obligation Bonds is currently less than 4% while CalPERS charges an interest rate of 7% on the unfunded actuarial determined pension liability of the City

- **Increased Funding Ratio:** The City's current funded pension ratios are 64.3% for Safety and 71.9% for Miscellaneous based on the June 30, 2018 actuarial study. Based on current interest rates, the funded ratios will improve to 100% subsequent to issuance of the Pension Obligation Bonds.

The plan, as presented to S&P, is to issue approximately $152.295 million in Pension Obligation Bonds. These bonds would have a final maturity of June 2045, with a level debt service between FY 2020-21 and 2036-37, and declining debt service after that. The City's financing team is using an "all-in-cost" of 3.973%, based on current market conditions. This translates to a maximum annual debt service (MADS) of $10.433 million. The actual borrowing rate and MADS will be determined once the bonds are sold. But the Financing Team believes these are good estimates and should hold, absent any shocks or trauma to the municipal bond market in the near future.

The table below presents historical, actual PTO revenue, and the current year (FY 2019-20) budget amount:

	FY 15-16 ACTUALS	FY 16-17 ACTUALS	FY 17-18 ACTUALS	FY 18-19 ACTUALS	FY 19-20 ADOPTED BUDGET
Property Tax Override	7,757,614	8,104,010	8,476,868	8,969,216	9,545,028
Property Tax Override - RPTTF	3,304,081	3,309,195	3,275,195	3,739,997	3,739,997
Interest Revenue	6,909	32,839	75,299	221,929	177,737
	11,068,605	**11,446,044**	**11,827,362**	**12,931,143**	**13,462,763**

Pension Tax Override revenue has risen steadily, and is sufficient to cover the debt service and the City's annual normal cost expenses.

RECOMMENDED ACTION

It is recommended that the City Council Adopt a Resolution approving a Preliminary Official Statement, a Continuing Disclosure Agreement, a Bond Purchase Agreement, and authorize the taking of certain other actions in connection therewith. This action – along with receipt of a credit rating from Standard & Poor's on the Pension Obligation Bonds – will allow the financing team to move forward with the bond sale with the objective of (i) obtaining financial savings relative to payments due to CalPERS, and (ii) eliminating the forecast peak in pension expenditures absent issuance of the Pension Obligation Bonds.

The current schedule projects a bond sale the week of May 25 and a bond closing the week of June 8. However, given current market conditions impacted by the coronavirus pandemic, this schedule could change. The City's financing team will monitor market conditions and recommend the most advantageous time effect a bond sale. Staff will provide updates to the City Council as the bond sale approaches.

The availability of Pension Tax Override revenue to pay debt service provides a dedicated source of revenue. Eliminating the current UAL will provide budget savings, improve long-term financial sustainability, and make budget planning and financial forecasting easier with a level debt service replacing fluctuating UAL payments. Issuance of Pension Obligation Bonds is a prudent step that will eliminate an unfunded liability and provide more financial certainty for Montebello.

ATTACHMENTS

1. Resolution No.
2. Bond Purchase Agreement
3. Preliminary Official Statement
4. Continuing Disclosure Agreement
5. Pension Funding Policy
6. Resolution No. 19-120, October 9, 2019
7. Actuarial Analysis, Bartel, December, 2019
8. S&P Credit Rating Presentation, May 1, 2020

RESOLUTION NO. 2020-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF PENSION OBLIGATION BONDS AND APPROVING THE FORM OF A PENSION FUNDING POLICY

WHEREAS, on October 9, 2019, the City Council of the City of Montebello (the "City Council") passed and adopted Resolution No. 19-120 (the "Authorizing Resolution"), authorizing the issuance of pension obligation bonds (the "Bonds") for the purpose of refunding certain obligations under the City of Montebello's (the "City's") contracts with California Public Employees' Retirement System with respect to public safety employees and miscellaneous employees of the City; and

WHEREAS, the City filed a complaint in the Superior Court of the State of California under section 860 *et seq.* of the California Code of Civil Procedure seeking judicial validation of the Bonds and certain matters relating thereto (the "Validation"); and

WHEREAS, on April 7, 2020 the Superior Court of the State of California entered a default judgment relating to the Validation; and

WHEREAS, the City Council has determined to proceed with the issuance of the Bonds; and

WHEREAS, in connection with the issuance of such Bonds, the City Council desires to approve the forms of the Preliminary Official Statement, the Bond Purchase Agreement and the Continuing Disclosure Agreement, each as defined herein;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTEBELLO AS FOLLOWS:

Section 1. The proposed form of preliminary official statement with respect to the issuance of the Bonds (the "Preliminary Official Statement"), substantially in the form on file with the City Clerk, is hereby approved, with such revisions, amendments and completions as shall be approved by the Mayor, the City Manager or the Assistant City Manager or their respective designees (each an "Authorized Representative"), in order to make the Preliminary Official Statement final as of its date, except for the omission of certain information, as permitted by Section 240.15c2-12(b)(1) of Title 17 of the Code of Federal Regulations ("Rule 15c2-12"), and any certificate relating to the finality of the Preliminary Official Statement under Rule 15c2-12. Any Authorized Representative is hereby authorized and directed to execute and deliver a final official statement in the form of the Preliminary Official Statement, with such additions and changes as may be approved or recommended by Disclosure Counsel and any Authorized Representative executing the same, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. The proposed form of bond purchase agreement between the City and the underwriter named therein (the "Bond Purchase Agreement"), on file with the City Clerk, is hereby approved. Any Authorized Representative is hereby authorized and directed, for and on behalf of the City with the advice of Bond Counsel, to execute and deliver the Bond Purchase Agreement, substantially in the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto (including, but not limited to changes, deletions and additions as may be required) as such Authorized Representative shall approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. The parameters for issuance of the Bonds shall remain as approved by the City Council in its Authorizing Resolution.

Section 3. The proposed form of continuing disclosure agreement between the City and the dissemination agent named therein (the "Continuing Disclosure Agreement"), on file with the City Clerk, is hereby approved. Any Authorized Representative is hereby authorized and directed for and on behalf of the City, to execute and deliver the Continuing Disclosure Agreement, substantially in the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto as may be approved or recommended by Disclosure Counsel and any Authorized Representative executing the same, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of pension funding policy of the City (the "Pension Funding Policy"), on file with the City Clerk, is hereby approved and adopted. The City Manager is hereby authorized to make necessary or desirable additions, modifications and clarifications to the Pension Funding Policy from time to time, with the advice of the City Attorney.

Section 5. The Authorized Representatives of the City are, and each of them hereby is, authorized and directed to do any and all things and to take any and all actions and execute and deliver any and all documents which they or any of them deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution, including the securing of municipal bond insurance for the Bonds. All actions heretofore taken by any Authorized Representative or any officer, employee or agent of the City with respect to the issuance, delivery and sale of the Bonds or in connection with or related to any of the agreements referred to herein, are hereby approved, confirmed and ratified.

Section 6. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this ___ day of May 2020.

____
Salvador Melendez
Mayor

ATTEST:

____
Irma-Bernal Barajas
City Clerk

APPROVED AS TO FORM:

____
Arnold M. Alvarez-Glasman
City Attorney

RESOLUTION CERTIFICATION

STATE OF CALIFORNIA)
) ss
COUNTY OF LOS ANGELES)

I, Irma-Bernal Barajas, City Clerk of the City of Montebello, DO HEREBY CERTIFY that the foregoing Resolution was duly adopted at a regular meeting of the City Council held on the ___ day of May 2020, by the following vote to wit:

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

____
CITY CLERK

$_________
CITY OF MONTEBELLO
TAXABLE PENSION OBLIGATION BONDS, SERIES 2020

BOND PURCHASE AGREEMENT

__________, 2020

City of Montebello
1600 W. Beverly Boulevard
Montebello California 90640

Ladies and Gentlemen:

Cabrera Capital Markets, LLC (the "Underwriter") offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with you, the City of Montebello, California (the "City"), which, upon acceptance will be binding upon the City and the Underwriter.

This offer is made subject to written acceptance by the City at or prior to 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to the acceptance hereof by the City. Upon such acceptance the Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the City and the Underwriter.

1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the City's $___________ Taxable Pension Obligation Bonds, Series 2020 ("2020 Bonds").

The proceeds of the 2020 Bonds will be used by the City to (a) finance all or a portion of the City's unfunded accrued actuarial liability to the California Public Employees' Retirement System for the benefit of the City's employees, and (b) pay the costs of issuance of the 2020 Bonds.

The payment of principal of and interest on the 2020 Bonds, when due, will be insured by a municipal bond insurance policy (the "Municipal Bond Insurance Policy") to be issued by ___________ (the "Municipal Bond Insurer") concurrently with the delivery of the 2020 Bonds.

The purchase price for the 2020 Bonds shall be $___________ (representing the $___________ aggregate principal amount of the 2020 Bonds and less $__________ of Underwriter's discount). As an accommodation to the City, the Underwriter will pay, from the purchase price of the 2020 Bonds, the sum of $__________ to the Municipal Bond Insurer as the premium for the Municipal Bond Insurance Policy. The remaining sum of $__________ will be paid to the Trustee. [Include reference to Underwriter paying CalPERS directly if applicable.]

The 2020 Bonds shall be described in the Preliminary Official Statement (as defined below), except for information permitted to be excluded by the Rule (as defined below), and the Official Statement (as defined below). The 2020 Bonds will mature, bear interest at the rates per annum, and be subject to redemption as shown on Exhibit A hereto. The 2020 Bonds are being issued pursuant to

Article 10 (commencing with section 53570) and Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of title 5 of the California Government Code and a Trust Agreement, dated as of June 1, 2020 (the "Trust Agreement"), between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The execution and delivery of the Trust Agreement and the issuance and sale of the 2020 Bonds have been approved by a resolution of the City dated October 9, 2019 the delivery of the Preliminary Official Statement and the Official Statement has been approved by a resolution of the City dated _______, 2020 (the "Resolutions"), and the 2020 Bonds shall be as described in, and shall be secured under and pursuant to, the Trust Agreement. The 2020 Bonds shall be payable as provided in the Trust Agreement.

The Trust Agreement, the 2020 Bonds, the Continuing Disclosure Agreement, dated as of the June 1, 2020 (the "Continuing Disclosure Agreement"), between the City and Hilltop Securities Inc., as dissemination agent, and this Purchase Agreement are referred to collectively herein as the "Legal Documents," and all capitalized terms not otherwise defined herein shall have the meanings as defined in the Trust Agreement.

2. Delivery of the Official Statement and Other Documents.

(a) The City agrees to deliver to the Underwriter, at such address as the Underwriter shall specify, as many copies of the Official Statement dated the date hereof relating to the 2020 Bonds (as supplemented and amended from time to time, the "Official Statement") as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule") and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The City agrees to deliver such Official Statement within the earlier of (i) seven (7) business days after the execution hereof or (ii) two (2) business days prior to the Closing Date, provided, that failure by the City to so deliver such Official Statement due to any action or failure to act of the Underwriter or its counsel shall not constitute a breach hereunder.

(b) The City hereby authorizes the approval of the Official Statement, by execution thereof by a duly authorized officer of the City. By execution of this Purchase Agreement, the City confirms that the Preliminary Official Statement, dated __________, 2020, with respect to the 2020 Bonds (the "Preliminary Official Statement") was deemed final by the City for purposes of the Rule on the date thereof.

(c) The Underwriter shall give notice to the City on the Closing Date if any participating underwriter, as such term is defined in the Rule, remains obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule after the Closing. If such notice is given, then the Underwriter shall provide a subsequent notice of the date on which no participating underwriter, as such term is defined in the Rule, remains obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule.

(d) If the Underwriter provides notice pursuant to Section 2(c) hereof that Official Statements are required under the Rule after the Closing, then, until the earlier to occur of the date on which no participating underwriter (as such term is defined in the Rule) remains obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule or ninety (90) days after the Closing (as hereinafter defined), the City shall (i) apprise the Underwriter of all material developments, if any, occurring with respect to the City after delivery of the 2020 Bonds to the Underwriter, and (ii) provide the Underwriter with such information regarding the City, its current financial condition and ongoing operations as the Underwriter may reasonably request.

3. The Closing. At 8:00 a.m., California Time, on __________, 2020, or at such other time or on such earlier or later date as the City and the Underwriter mutually agree, the City and the Trustee will deliver or cause to be delivered to the Underwriter the 2020 Bonds in book-entry form through the facilities of The Depository Trust Company, New York, New York ("DTC"), duly executed and the other documents hereinafter mentioned shall be delivered at the offices of Norton Rose Fulbright US LLP ("Bonds Counsel") or at such other location as shall have been mutually agreed upon by the City and the Underwriter. Subject to the terms and conditions hereof, the Underwriter will accept delivery of the 2020 Bonds and pay the net purchase price thereof by federal funds to the order of the Trustee in an amount equal to the Purchase Price as set forth in Section 1 hereof (which such delivery of and payment for the 2020 Bonds is herein called the "Closing," and which such date is herein called the "Closing Date").

The 2020 Bonds shall be issued in fully registered form and shall be prepared and delivered as one bond per maturity registered in the name of Cede & Co., as nominee of DTC. It is anticipated that CUSIP identification numbers will be inserted on the 2020 Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the 2020 Bonds in accordance with the terms of this Purchase Agreement.

4. Public Offering. The Underwriter agrees to make a *bona fide* public offering of all of the 2020 Bonds at the offering prices set forth in Exhibit A. The Underwriter reserves the right to change such initial public offering prices or yields as the Underwriter deems necessary following the initial public offering period in connection with the marketing of the 2020 Bonds. The City hereby authorizes the Underwriter to use the forms or copies of the Resolutions, the Legal Documents and the Preliminary Official Statement and the information contained therein in connection with the public offering and sale of the 2020 Bonds. The City hereby ratifies and confirms its authorization of the distribution and use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering and sale of the 2020 Bonds.

5. City Representations, Warranties and Agreements. The City represents, warrants to and agrees with the Underwriter that, as of the date hereof and as of the date of the Closing:

(a) Due Organization and Operation; Legal, Valid and Binding Obligations. The City is a general law city duly organized and operating pursuant to the Constitution and laws of the State of California and has all necessary power and authority to adopt the Resolution, and to enter into and perform its duties under the Legal Documents, the Resolution has been adopted and have not been rescinded, and the Legal Documents, when executed and delivered by the respective parties thereto, will constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles.

(b) No Conflict. The adoption of the Resolution and the execution and delivery of the Legal Documents, and compliance with the provisions thereof, will not in any material respect conflict with, or constitute a breach of or default under, the City's duties under the Legal Documents, the Resolution or any law, administrative regulation, court decree, resolution, by-laws, loan agreement, trust agreement, indenture, bond, note or other agreement to which the City is subject or by which it or any of its property is bound which such conflict, breach or default would have a material adverse effect on the financial condition of the City or the ability of the City to perform its obligations under the Legal Documents.

(c) No Consents Required. After due inquiry, except as may be required under blue sky or other securities laws of any state, or with respect to any permits or approvals heretofore received which are in full force and effect or the requirement for which is otherwise disclosed in the Official Statement, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the City, other than the approval and authorization of the City Council of the City, required for the adoption of the Resolution and execution and delivery of the Legal Documents or the consummation by the City of the other transactions contemplated by the Official Statement, the Resolution or the Legal Documents, including this Purchase Agreement.

(d) No Litigation. There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the knowledge of the City, threatened against the City to restrain or enjoin the delivery of the 2020 Bonds, or in any way contesting or affecting the validity of the Legal Documents, the Resolution or the 2020 Bonds, or contesting the powers of the City to enter into or perform its obligations under any of the foregoing, or contesting the accuracy or completeness of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto.

(e) Preliminary Official Statement Correct and Complete. The Preliminary Official Statement, as of its date and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit (except as permitted by the Rule) to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading except that no representation and warranty is made concerning statements and information relating to DTC or the Book-Entry System, the Municipal Bond Insurer or the Municipal Bond Insurance Policy.

(f) Official Statement Correct and Complete. The Official Statement (excluding the statements and information relating to DTC and the Book-Entry System) does not and (unless amended or supplemented pursuant to Section 5(j) hereof) at all times subsequent hereto to and including the Closing Date will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) Blue Sky Cooperation. The City agrees to cooperate with the Underwriter in endeavoring to qualify the 2020 Bonds for offering and sale under the securities or Blue Sky laws of such jurisdictions of the United States of America as the Underwriter may request; *provided,* that the City shall not be required to take any action which, in the opinion of the

City Attorney, would subject the City to jurisdiction, personal or otherwise, in any jurisdiction in which it is not now so subject or to qualify to do business in any jurisdiction where it is not now so qualified.

(h) Due Approval of Official Statement Distribution. By official action of the City prior to the execution hereof, the City has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement, has duly adopted the Resolution and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the Legal Documents and the consummation by it of all other transactions contemplated by the Official Statement and the Legal Documents, including this Purchase Agreement.

(i) No Breach or Default. Except as described in the Preliminary Official Statement and the Official Statement, the City is not in breach of or in default under any applicable law or administrative regulation of the State of California or the United States of America or any applicable judgment or decree or any loan agreement, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject which breach or default would have a material and adverse impact upon the financial condition of the City or on the City's ability to perform its obligations under the Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument. The City is not in default as to the payment of principal or interest with respect to any debt obligation issued by the City or with respect to any debt obligation guaranteed by the City as guarantor.

(j) Agreement to Notify Underwriter Regarding Official Statement. The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not affect any such amendment or supplement without the consent of the Underwriter. The City will advise the Underwriter promptly of the institution of any proceedings known to it seeking to prohibit or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the 2020 Bonds.

(k) Agreement to Amend Official Statement. If, at any time from the date hereof to and including twenty-five (25) days after the end of the underwriting period, in the reasonable opinion of the Underwriter, the Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City will prepare an amendment or supplement to the Official Statement; provided, that all expenses thereby incurred (including printing expenses) will be paid for by the City.

Unless otherwise notified in writing by the Underwriter on or prior to the date of the Closing, the City may assume that the "end of the underwriting period" for the 2020 Bonds for all purposes of the Rule is the date of the Closing. If such notice is given in writing by the Underwriter, the Underwriter agrees to notify the City in writing following the occurrence of the "end of the underwriting period" as defined in the Rule for the 2020 Bonds. The "end of the underwriting period" as used in the Purchase Agreement shall mean the Closing Date or such later date as to which notice is given by the Underwriter in accordance with the preceding sentence.

(l) Amendments to Official Statement Correct and Complete. If the information contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date twenty-five (25) days after the end of the underwriting period, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will be true and correct in all material respects and such information will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the information therein, in the light of the circumstances under which it was made, not misleading except that no representation and warranty is made concerning statements and information relating to DTC or the Book-Entry System. If at any time prior to the earlier of (i) receipt of notice from the Underwriter pursuant to Section 2(c) hereof that Official Statements are no longer required to be delivered; and (ii) twenty-five (25) days after the end of the underwriting period, any event occurs with respect to the City as a result of which the Official Statement as then amended or supplemented might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter in writing of such event. Any information supplied by the City for inclusion in any amendment or supplement to the Official Statement will not contain any untrue statement of a material fact relating to the City or omit to state any material fact relating to the City necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that no representation and warranty is made concerning statements and information relating to DTC or the Book-Entry System.

(m) City Financial Statements. The financial statements of, and other financial information regarding, the City in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of the operations of the City as of the dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied. Except as disclosed in the Preliminary Official Statement and the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any material adverse change in the financial condition of the City since June 30, 2019 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(n) Compliance with Continuing Disclosure. Except as disclosed in the Preliminary Official Statement, the City is, and at all times during the previous five years has been, in material compliance with all of its prior continuing disclosure undertakings under the Rule, and at or prior to the Closing Date, the City will undertake pursuant to the Continuing Disclosure Agreement to provide certain annual financial information and notices of the occurrence of certain events. The form of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

(o) Limitation on Issuance. Except as disclosed in the Official Statement, or in the ordinary course of business, the City will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money payable from the General Fund of the City.

6. [Reserved].

7. Conditions to the Obligations of the Underwriter. The Underwriter has entered into the Purchase Agreement in reliance upon the representations, warranties and agreements of the City contained herein, the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing, the performance by the City of its obligations hereunder and the opinions of Bond Counsel, counsel to the Trustee, counsel to the City and counsel to the Underwriter described hereafter. Accordingly, the Underwriter's obligations under the Purchase Agreement to purchase, to accept delivery of and to pay for the 2020 Bonds shall be conditioned upon and subject to (i) the performance by the City and the Trustee of their obligations to be performed hereunder and under such documents and instruments as shall reasonably be requested by the Underwriter or its counsel at or prior to the Closing and (ii) the accuracy in all material respects, in the reasonable judgment of the Underwriter, of the representations and warranties of the City herein as of the date hereof and as of the time of the Closing Date, and shall also be subject to the following additional conditions:

(a) Bring-down of Representations. The representations, warranties and agreements of the City contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date.

(b) Default Judgment. The Underwriter shall have received a copy of the default judgment, dated April 7, 2020 entered in favor of the City in connection with the 2020 Bonds, filed in the Superior Court of California for the County of Los Angeles.

(c) Authorization, Execution and Delivery of Documents. At the Closing, the Legal Documents, the 2020 Bonds and the Official Statement shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and said agreements shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and each shall be in full force and effect.

(d) No Amendment of Official Statement. At the Closing, the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter.

(e) Marketability Adversely Affected. In the reasonable judgment of the Underwriter, between the date hereof and the Closing, the marketability of the 2020 Bonds at the initial offering prices set forth in the Official Statement shall not have been materially adversely affected by reason of any of the following:

(1) Legislation, Judicial Decisions or Rulings. An amendment to the Constitution of the United States of America or the Constitution of the State of California shall have been passed or legislation enacted, introduced in the Congress or in the legislature of the State of California or recommended for passage by the President of the United States of America, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) Regarding State Tax Exemption – by or on behalf of the State of California or the California Franchise Tax Board, with the purpose or effect, directly or indirectly, of imposing California personal income taxation upon payments of the general character of the interest as would be received by the owners of the 2020 Bonds; or

(ii) Regarding Securities Registration Exemption – by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter, to the effect that obligations of the general character of the 2020 Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under the Trust Agreement Act of 1939, as amended;

(2) War; National Emergency. The declaration of war or engagement in or escalation of major military hostilities by the United States of America or the occurrence of an act of terrorism or any other national emergency or calamity, or escalation thereof, relating to the effective operation of the government or the financial community in the United States of America;

(3) Banking Moratorium. The declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange or a material disruption in commercial banking or securities settlement or clearance services;

(4) Securities Exchange Restrictions. Trading generally shall have been suspended or materially limited on or by the New York Stock Exchange or other national securities exchange, or the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the 2020 Bonds or obligations of the general character of the 2020 Bonds, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(5) Regarding Federal Securities Laws. An order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the execution, delivery, offering or sale of obligations of the general character of the 2020 Bonds, or the execution, delivery, offering or sale of the 2020 Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of any federal securities law as amended and then in effect;

(6) Official Statement Untrue or Incomplete. Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue

statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (regardless of whether or not a supplement to the Official Statement is prepared pursuant to Sections 5(k) or 5(l)); or

(7) Negative Rating Action. Any nationally recognized statistical rating agency shall downgrade, suspend or withdraw (or announce their intent to downgrade, suspend or withdraw) any rating of the 2020 Bonds or the Municipal Bond Insurer, or shall issue (or announce their intent to issue) any negative qualification with respect to the 2020 Bonds or the Municipal Bond Insurer) (such as being placed on "credit watch" with negative implications or "negative outlook" or any similar qualification).

(f) At or prior to the Closing, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter and its counsel:

(1) Opinion of Bond Counsel. The approving opinion of Bond Counsel in substantially the form included as Appendix G to the Official Statement, dated the date of Closing, addressed to the City and the Underwriter (or a reliance letter to the Underwriter);

(2) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel in substantially the form attached hereto as Exhibit B;

(3) Opinion of City Attorney. An opinion of the City Attorney, dated the date of Closing, in form and substance satisfactory to the Underwriter, addressed to the City, the Trustee and the Underwriter, to the effect that:

(i) Due Organization and Existence – the City is a general law city duly organized and validly existing under the Constitution and the laws of the State of California;

(ii) Due Adoption – the Resolutions approving the issuance and sale of the 2020 Bonds and authorizing the execution and delivery of the Legal Documents and approving the Official Statement were duly adopted at meetings of the City Council of the City which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and have not been modified, amended or rescinded;

(iii) No Litigation – except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the City, which would materially and adversely impact the City's ability to complete the transactions described in and contemplated by the Official Statement or in any way contesting or affecting the validity of the Legal Documents or the 2020 Bonds;

(iv) No Conflict – the execution and delivery of the Legal Documents, the approval of the Official Statement, and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject;

(v) Due Authorization, Execution and Delivery; Legal, Valid and Binding Agreements – the Legal Documents have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally and by the application of equitable principles and by the limitations on legal remedies imposed on actions against cities in the State of California; and

(vi) No Consents Required – Official Statement, Legal Documents – no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California, other than the City Council, is required for the valid authorization, execution and delivery of the Legal Documents and the approval of the Official Statement.

(4) Opinion of Trustee's Counsel. The opinion of counsel to the Trustee, dated the date of Closing, addressed to the Underwriter, to the effect that:

(i) Due Organization and Existence – the Trustee has been duly organized and is validly existing in good standing as a national banking association duly organized and existing under the laws of the United States of America and the Trustee has full corporate power to undertake the trust of the Trust Agreement;

(ii) Corporate Action – the Trustee has duly authorized, executed and delivered the Trust Agreement and has duly authenticated and delivered the 2020 Bonds, and by all proper corporate action has authorized the acceptance of the duties and obligations of the Trustee under the Trust Agreement, and has authorized in its capacity as Trustee the authentication and delivery of the 2020 Bonds; and

(iii) Due Authorization, Execution and Delivery – assuming due authorization, execution and delivery by the City, the Trust Agreement is a valid, legal and binding agreement of the Trustee enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(5) Negative Assurance Letter of Disclosure Counsel. The negative assurance letter of Quint & Thimmig LLP, Disclosure Counsel to the City ("Disclosure Counsel"), dated the Closing Date and addressed to the City and the Underwriter, to the effect that based upon their participation in the preparation of the Official Statement as Disclosure Counsel, without assuming any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement nor making any representation regarding independent verification of the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement, such counsel advises that during the course of such representation of the City as disclosure counsel on this matter, no information has come to their attention which would lead them to believe that the Preliminary Official Statement, as of its date and as of the date of pricing, or the Official Statement, as of its date or as of the date of Closing, (except for any financial, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, the information in Appendices C, D and F, the information about book-entry or DTC or the book entry system and the information relating to the Municipal Bond Insurer and the Municipal Bond Insurance Policy included therein, as to which no opinion or view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(6) Opinion of Underwriter's Counsel. The opinion of Nixon Peabody LLP ("Underwriter's Counsel"), dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter.

(7) City No Litigation Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of the City satisfactory in form and substance to the Underwriter and counsel to the Underwriter, to the effect that no action, suit or proceeding is pending or threatened against the City (a) to restrain or enjoin the execution or delivery of any of the 2020 Bonds or the Legal Documents, (b) in any way contesting or affecting the validity of the 2020 Bonds, the Legal Documents, or the authority of the City to enter into the Legal Documents, (c) in any way contesting or affecting the powers of the City in connection with any action contemplated by the Official Statement or the Purchase Agreement, (d) in anyway contesting the accuracy or completeness of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (e) in any way materially affecting the ability of the City to perform its obligations under the Legal Documents.

(8) Legal Documents. A copy of each of the Legal Documents.

(9) Official Statement. A copy of the Official Statement.

(10) Trustee Resolution. A copy of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the

Trustee, which resolution authorizes the execution and delivery of the 2020 Bonds and the Trust Agreement.

(11) Trustee's Representations, Warranties and Agreements. At the time of and as a condition to Closing, the Trustee, subject to the limitations provided herein, will represent, warrant to and agree with the Underwriter pursuant to a certificate, dated the date of Closing, that as of the date of Closing:

(i) Due Organization and Existence – the Trustee is duly organized and existing as a national banking association duly organized and existing under the laws of the United States of America having the full power and authority to enter into and perform its duties under the Trust Agreement and to execute and deliver the 2020 Bonds to the Underwriter pursuant to the terms of the Trust Agreement;

(ii) Due Authorization; Valid and Binding Obligations – the Trustee is duly authorized to enter into the Trust Agreement;

(iii) No Conflict – the execution and delivery by the Trustee of the Trust Agreement, and compliance with the terms thereof, will not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, trust agreement or indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties, which conflict breach or default would materially adversely affect the ability of the Trustee to perform its obligations under the Trust Agreement or (except with respect to the lien of the Trust Agreement) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee;

(iv) Consents – exclusive of federal or state securities laws and regulations, other than routine filings required to be made with governmental agencies in order to preserve the Trustee's authority to perform a trust business (all of which routine filing, to the best of the Trustee's knowledge, have been made), no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee is or will be required for the execution and delivery by the Trustee of the Trust Agreement or the execution and delivery of the 2020 Bonds; and

(v) No Litigation – there is no litigation pending or threatened against or affecting the Trustee to restrain or enjoin the Trustee's participation in, or in any way contesting the powers of the Trustee with respect to, the transactions contemplated by the 2020 Bonds and the Trust Agreement;

(12) Resolutions. Copies of the Resolutions adopted by the City and certified by the Clerk of the City Clerk;

(13) City Bring-Down Certificate. A certificate of an authorized officer of the City, dated the date of Closing, confirming as of such date the representations and warranties of the City contained in the Purchase Agreement;

(14) Rating. Evidence from S&P Global Ratings that the 2020 Bonds have been rated "___" by such agency and evidence from such agency that the 2020 Bonds have been rated "____" by such agency based on the delivery of the Municipal Bond Insurance Policy;

(15) DTC Blanket Letter of Representations. Confirmation that an executed Blanket Letter of Representations by and between the City and DTC, relating to the book-entry system for the 2020 Bonds is on file with DTC;

(16) CDIAC Notices. Evidence of required filings with the California Debt and Investment Advisory Commission; and

(17) Bond Insurance. A copy of the Municipal Bond Insurance Policy, together with an opinion of counsel to the Municipal Bond Insurer, addressed to the City and the Underwriter and a certificate of the Municipal Bond Insurer, each in form and substance acceptable to the City, the Underwriter, Disclosure Counsel and Underwriter's Counsel.

(18) Miscellaneous. Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel, Disclosure Counsel and Underwriter's Counsel may reasonably request to evidence compliance with legal requirements, the truth and accuracy, as of the time of Closing, of the representations and warranties contained herein and in the Official Statement and the due performance or satisfaction by the Trustee and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(g) All matters relating to the Purchase Agreement, the 2020 Bonds and the sale thereof, the Official Statement, the Legal Documents and the consummation of the transactions contemplated by the Purchase Agreement shall have been approved by the Underwriter and counsel for the Underwriter, such approval not to be unreasonably withheld.

If the conditions to the Underwriter's obligations contained in the Purchase Agreement are not satisfied or if the Underwriter's obligations shall be terminated for any reason permitted by the Purchase Contract, the Purchase Agreement shall terminate and neither the Underwriter nor the City shall have any further obligations hereunder, except that the respective obligations of the City and the Underwriter set forth in Paragraph 8 hereof (relating to expenses) hereof shall continue in full force and effect.

8. Expenses. (a) The City shall pay or cause to be paid from the proceeds of the 2020 Bonds or other funds available to it the expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of posting, printing and distribution of the Official Statement in reasonable quantities and all other documents (other than as set forth in the next succeeding paragraph) prepared in connection with the transactions contemplated hereby, including distribution costs and all mailing, including overnight and express delivery, costs; (ii) the fees and disbursements of the Trustee in connection with the execution and delivery of the 2020 Bonds; (iii)

the fees and disbursements of Bond Counsel, Disclosure Counsel, Hilltop Securities Inc., as Municipal Advisor to the City, and any other experts or consultants retained by the City in connection with the transactions contemplated hereby; and (vi) expenses incurred on behalf of the City's employees which are incidental to the issuance of the 2020 Bonds, including, but not limited to, meals, transportation, and lodging.

(b) The Underwriter shall pay, which shall be included in the expense component of the Underwriter's discount: (i) all advertising expenses in connection with the public offering of the 2020 Bonds; (ii) the fees and expenses of Underwriter's Counsel, including, if applicable, their fees in connection with the qualification of the 2020 Bonds for sale under the Blue Sky or other securities laws and regulations of various jurisdictions; (iii) California Debt and Investment Advisory Commission fees; and (iv) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the 2020 Bonds, including CUSIP fees.

9. Notices.

(a) Underwriter. Any such notice or other communication to be given to the Underwriter may be given by delivering the same to the Underwriter, Cabrera Capital Markets, LLC, 10 S. LaSalle Street, #1050, Chicago, Illinois 60603 Attention: Brian Corley.

(b) City. Any notice or communication to be given the City under the Purchase Agreement may be given by delivering the same to the City of Montebello, 1600 W. Beverly Boulevard, Montebello, California 90640, Attention: City Manager.

All notices or communications hereunder by any party shall be given and served upon each other party.

10. Parties in Interest; Force and Effect. The Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the City or the Underwriter pursuant to the Purchase Agreement, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the 2020 Bonds pursuant to the Purchase Agreement; or (iii) termination of the Purchase Agreement but only to the extent provided by the last paragraph of Paragraph 7 hereof, regarding preconditions of Closing.

11. Counterparts. The Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

12. Governing Law. The Purchase Agreement shall be governed by the laws of the State of California.

13. Entire Agreement. The Purchase Agreement when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the City and the Underwriter (including the successors or assigns thereof). No other person shall acquire or have any right hereunder or by virtue hereof.

14. Headings. The headings of the paragraphs of the Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

15. Unenforceable Provisions. If any provision of the Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperable or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of the Purchase Agreement invalid, inoperative or unenforceable to any extent whatsoever.

16. Other Matters. The City acknowledges and agrees that: (i) the purchase and sale of the 2020 Bonds (as hereinafter defined) pursuant to this Purchase Agreement is an arm's-length commercial transaction between the City and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), and has not assumed a fiduciary responsibility in favor of the City with respect to the offering of the 2020 Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the City on other matters); (iii) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate; (v) the Underwriter has financial interests that may differ from and be adverse to those of the City; and (vi) the Underwriter has provided the City with certain disclosures described in the second succeeding paragraph required under the rules of the Municipal Securities Rulemaking Board.

No official, officer, or employee of the City has any financial interest, direct or indirect, in this Purchase Agreement, nor shall any official, officer, or employee of the City participate in any decision relating to this Purchase Agreement that may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which she or he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which she or he is directly or indirectly interested, or in violation of any State of California or municipal statute or regulation. The determination of "financial interest" shall be consistent with the State law and shall not include any interest found to be "remote" or "non interest" pursuant to California Government Code Sections 1091 and 1091.5. The Underwriter warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Purchase Agreement. The Underwriter further warrants and represents that it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. The Underwriter is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Purchase Agreement void and of no force or effect.

The City hereby acknowledges receipt from the Underwriter of disclosures required by MSRB Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

17. Effectiveness. The Purchase Agreement shall become effective upon the execution of the acceptance hereof by the City Manager of the City or his or her designee and shall be valid and enforceable at the time of such acceptance and acknowledgment.

CABRERA CAPITAL MARKETS, LLC

By:_________________________________
Authorized Signatory

Accepted:

CITY OF MONTEBELLO

By:___________________________
Authorized Signatory

Time of Execution: ___:___

[Signature page to Bond Purchase Agreement – City of Montebello Taxable Pension Obligation Bonds, Series 2020]

EXHIBIT A

MATURITY SCHEDULE

Maturity (June 1)	Principal Amount	Interest Rate	Yield	Price

Redemption

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

_________, 2020

City of Montebello
1600 W. Beverly Boulevard
Montebello California 90640

Cabrera Capital Markets, LLC
10 S. LaSalle Street, #1050
Chicago, IL 60603

Re: $__________ City of Montebello Taxable Pension Obligation Bonds, Series 2020

Ladies and Gentlemen:

We have acted as bond counsel to the City of Montebello (the "City") in connection with the issuance by the City of its $_________ City of Montebello Taxable Pension Obligation Bonds, Series 2020 (the "Bonds"), pursuant to the provisions of Article 10 (commencing with section 53570) and Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of title 5 of the California Government Code (the "Law"), that certain Trust Agreement, dated as of June 1, 2020 (the "Trust Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and a resolution of the City Council of the City adopted on October 9, 2019 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

Capitalized terms used in this letter and not otherwise defined herein have the meanings given to them in the Bond Purchase Agreement, dated ________, 2020 (the "Purchase Agreement"), by and between Cabrera Capital Markets, LLC, as underwriter (the "Underwriter"), and as agreed to and accepted by the City.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The Purchase Agreement and the Continuing Disclosure Agreement have been duly executed and delivered by the City and, assuming due authorization, execution and delivery by and validity against the other parties thereto, are valid and binding agreements of the City, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance and other laws relating to or affecting creditors' rights, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases.

2. The statements contained in the Official Statement under the captions "INTRODUCTION," "THE BONDS," "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" and "TAX MATTERS," insofar as such statements purport to summarize certain provisions of the Bonds and the Trust Agreement and our opinion concerning certain tax matters related to the Bonds are accurate in all material respects.

3. The Bonds are not subject to the registration requirements of the Securities Act and the Trust Agreement are exempt from qualification under the Trust Indenture Act.

Respectfully submitted,

PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2020

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

NEW ISSUE
BOOK-ENTRY ONLY

RATING:
S&P "____"
(See "RATING" herein)

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the City ("Bond Counsel"), interest on the Bonds is exempt from personal income taxes imposed by the State of California. Interest on the Bonds is includable in the gross income of the owners of the Bonds for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$__________*
CITY OF MONTEBELLO
Taxable Pension Obligation Bonds, Series 2020

Dated: Date of Delivery **Due: June 1, as shown on the inside cover**

The Bonds. The bonds captioned above (the "Bonds") will be issued as fully registered bonds in book-entry form only, initially registered in the name of Cede & Co., New York, New York, as nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Bonds will be in principal amounts of $5,000 or in any integral multiples thereof. Interest on the Bonds will be payable on June 1 and December 1 of each year, commencing June 1, 2020, and principal payable on the Bonds will be paid on September 1 in the years set forth on the maturity schedule on the inside cover of this Official Statement. Payments of principal of and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS."

Purpose. The Bonds are being issued pursuant to the provisions of a Trust Agreement, dated as of March 1, 2020 (the "Trust Agreement"), between the City of Montebello (the "City") and the Trustee, to (i) refinance the City's outstanding obligations to the California Public Employees' Retirement System with respect to certain of the City's defined benefit retirement plans for its employees, and (ii) pay the costs of issuing the Bonds. See "FINANCING PLAN."

Redemption. The Bonds are subject to redemption prior to maturity as more fully described herein. See "THE - Redemption of Bonds."

Security. Payment of the principal of and interest on the Bonds is not limited to any special source of funds and is payable from any legally available moneys or funds of the City. In addition, the City has pledged certain Retirement Tax Revenues (defined herein) for the payment of debt service on the Bonds. The City is not otherwise empowered nor obligated to levy or pledge taxes to make payments on the Bonds. See "SECURITY FOR THE BONDS" and "RISK FACTORS." **The City has not established a debt service reserve fund for the Bonds.**

Judicial Validation. The City filed a complaint in the Superior Court of the State of California for Los Angeles County pursuant to the procedures available to it under section 860 *et seq.* of the California Code of Civil Procedure seeking judicial validation of the transactions relating to the issuance of the Bonds. On April 7, 2020, the court entered a default judgment to the effect, among other things, that the PERS Contract (as defined in this Official Statement) and the Bonds are valid and binding obligations of the City under the Constitution and laws of the State. Pursuant to section 870 *et seq.* of the California Code of Civil Procedure and Rule 2(a) of the California Rules of Court, the period during which a notice of appeal of this judgment could be timely filed expired on May 7, 2020. As no challenge to the judgment was filed by the time of such expiration, the judgment has become final, binding, and conclusive in accordance with State of California law. See "VALIDATION PROCEEDINGS" in this Official Statement.

MATURITY SCHEDULE
(See inside cover)

THE OBLIGATIONS OF THE CITY UNDER THE BONDS, INCLUDING THE OBLIGATION TO MAKE ALL PAYMENTS OF INTEREST AND PRINCIPAL WHEN DUE, ARE OBLIGATIONS OF THE CITY IMPOSED BY LAW AND ARE ABSOLUTE AND UNCONDITIONAL, WITHOUT ANY RIGHT OF SET-OFF OR COUNTERCLAIM. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE PAYMENTS ON THE BONDS CONSTITUTE AN INDEBTEDNESS OF THE CITY, THE STATE, OR ANY OF ITS POLITICAL SUBDIVISIONS IN CONTRAVENTION OF OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

This cover page contains information for general reference only. It is not a summary of the security or terms of this issue. Investors must read the entire official statement, including the section entitled "RISK FACTORS," for a discussion of special factors which should be considered, in addition to the other matters set forth in this official statement, in considering the investment quality of the bonds. Capitalized terms used on this cover page and not otherwise defined shall have the meanings set forth in this official statement.

The Bonds are offered when, as and if sold and issued, subject to the approval as to their legality by Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the City. Quint & Thimmig LLP, Larkspur, California, is serving as Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriter by Nixon Peabody LLP, Los Angeles, California. It is anticipated that the Bonds in book-entry form, will be available for delivery through the facilities of DTC on or about June__, 2020.

CABRERA

CABRERA CAPITAL MARKETS, LLC

Dated: June __, 2020

*Preliminary, subject to change.

$_________*
CITY OF MONTEBELLO
Taxable Pension Obligation Bonds,
Series 2020

$_________ Serial Bonds

CUSIP† Prefix: ______

Maturity (June 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix

$_________ _____% Term Bonds Maturing June 1, _____; Price: ______ to Yield ___%—CUSIP†: ______ ___

$_________ _____% Term Bonds Maturing June 1, _____; Price: ______ to Yield ___%—CUSIP†: ______ ___

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the City with respect to the Bonds that has been deemed "final" by the City as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond or note owner and the City or the Underwriter indicated in this Official Statement.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. Certain of the information set forth in this Official Statement has been furnished by sources which are believed to be reliable.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document Summaries. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Forward Looking Statements. When used in this Official Statement and in any continuing disclosure by the City, in any press release and in any oral statement made with the approval of an authorized officer of the City, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the City, the County, the other parties described in this Official Statement, or the condition of the property within the City since the date of this Official Statement.

Website. The City maintains a website. Unless specifically indicated otherwise, the information presented on such website is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

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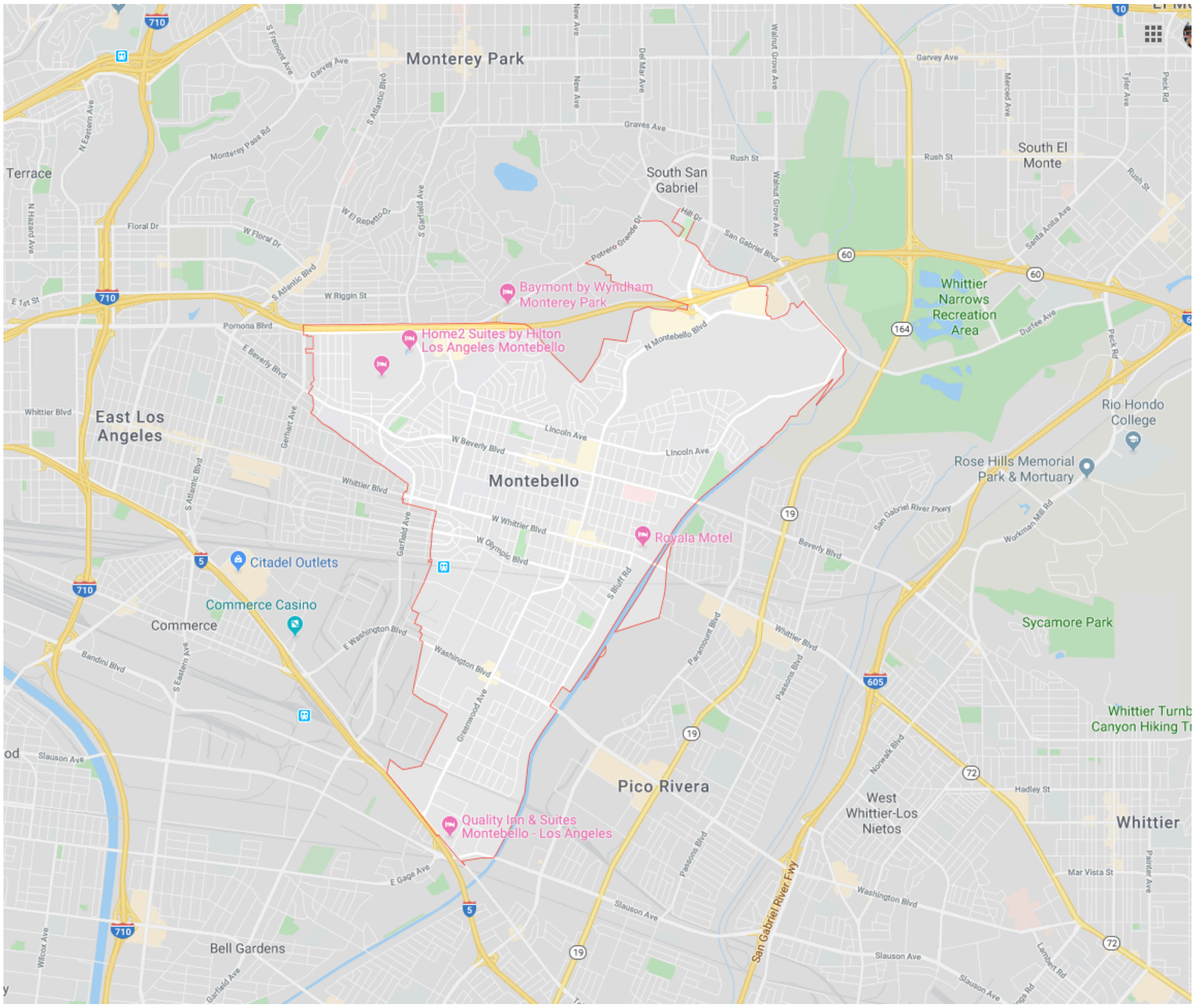
CITY OF MONTEBELLO LOCATION MAP



CITY OF MONTEBELLO

1600 West Beverly Boulevard
Montebello, California 90640
(323) 887-1200
https://cityofmontebello.com

CITY COUNCIL MEMBERS

Salvador Melendez, *Mayor*
Kimberly Ann Cobos-Cawthorne, *Mayor Pro Tem*
Jack Hadjinian, *Councilmember*
David N. Torres, *Councilmember*
Angie M. Jimenez, *Councilmember*

CITY OFFICIALS

Rene Bobadilla, *City Manager*
Rafael Gutierrez, *Treasurer*
Michael Solorza, *Finance Director*
Arnold M. Alvarez-Glasman, Esq., *City Attorney*
Irma-Bernal Barajas, *City Clerk*

PROFESSIONAL SERVICES

Bond Counsel
Norton Rose Fulbright US LLP
Los Angeles, California

Disclosure Counsel
Quint & Thimmig LLP
Larkspur, California

Municipal Advisor
Hilltop Securities Inc.
Encino, California

Trustee
The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

$__________*
CITY OF MONTEBELLO
(Los Angeles County, California)
Taxable Pension Obligation Bonds, Series 2020

INTRODUCTION

General

This Official Statement, including the cover page and the appendices hereto, is provided to furnish information in connection with the offering by the City of Montebello (the "City") of its $__________* City of Montebello Taxable Pension Obligation Bonds, Series 2020 (the "Bonds").

Definitions of certain capitalized terms used in this Official Statement are set forth in APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT. This Official Statement contains brief descriptions of the Bonds and the City. Such descriptions do not purport to be comprehensive or definitive. All references in this Official Statement to specific documents are qualified in their entirety by reference to such documents and references to the Bonds are qualified in their entirety by reference to the form of the Bonds included in the Trust Agreement (hereinafter defined). Copies of the Trust Agreement and other documents described in this Official Statement may be obtained from the City as described under the subheading "Other Information" below.

The City

The City is situated in eastern Los Angeles County (the "County"), in the state of California (the "State"). The City encompasses 8.2 square miles and is located 9 miles east of downtown Los Angeles. The City has access to three freeways: the San Gabriel River Freeway (State Highway 605) to the east, the Santa Ana Freeway (Interstate 5) to the south and the Pomona Freeway (State Highway 60) to the north. The City is a balanced community with light industry, residential areas and commercial centers. The City is bordered to the north by the cities of Monterey Park and Rosemead, to the east by the City of Pico Rivera and to the west by the City of Commerce. Other surrounding cities include the cities of Bell Gardens, Whittier, South El Monte and Los Angeles.

The City was incorporated as a general law city in 1920. The City operates under the Council-Manager form of government. The five City Council members, including the Mayor, are elected on alternate slates every two years to four-year terms. The Mayor and the Mayor Pro Tem are selected by the City Council to serve two-year terms. The City Council appoints a City Manager. The population of the City was estimated to be 64,247 as of January 1, 2019. See "THE CITY," "CITY FINANCIAL INFORMATION" and APPENDIX B—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY.

Authority for Issuance

The City is authorized under the provisions of Articles 10 and 11 (commencing with 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), to issue its

---
* Preliminary, subject to change.

bonds for the purpose of refunding certain outstanding obligations of the City. The Bonds are being issued pursuant to the Act, Resolution No. 19-120 of the City Council of the City adopted on October 9,2019, and the provisions of a Trust Agreement, dated as of June 1, 2020 (the "Trust Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

Purpose

The proceeds of the sale of the Bonds will be used to (a) refinance the City's outstanding obligation to the California Public Employees' Retirement System ("CalPERS") with respect to certain of the City's defined benefit pension plans for its employees, which obligation is due pursuant to contracts between the City Council of the City and CalPERS, as amended (collectively, the "CalPERS Contract"), pursuant to the Public Employees' Retirement Law, commencing with section 20000 of the California Government Code, as amended (the "Retirement Law"). and (b) pay the costs of issuing the Bonds. See "FINANCING PLAN." The City will not established a debt service reserve fund for the Bonds.

Security and Source of Payment for the Bonds

General. The obligations of the City under the Bonds, including the obligation to make all payments of the principal of and interest on the Bonds when due, are obligations of the City imposed by law payable from legally available funds to be appropriated by the City. Under the Trust Agreement, the City will take all action to levy, or cause to be levied, the Retirement Tax (discussed below) in accordance with applicable law, including the Constitution of the State, in an amount sufficient to pay debt service on all Outstanding Bonds and will irrevocably assign and pledge to the Trustee, in trust for the security of the Owners on the terms set forth in the Trust Agreement the Retirement Tax Revenues and all the City's rights, title and interest in and to all money and securities for deposit in, or deposited in, the Bond Fund and any investment earnings thereon, and any collateral security for, and all proceeds of, any of the foregoing. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein

Retirement Tax. In 1946, the voters of the City approved an initiative to pay for the obligation of the City to participate in the State's retirement system, now CalPERS. The City first approved a contract with such system on July 20, 1946, pursuant to City Council Ordiance 398. Since that year, the City Council has annully set an *ad valorem* property tax rate for the purpose of providing revenue to pay all or a portion of the City's pension obligations under the CalPERS Contract. Once the property tax rate is established for each fiscal year, the City reports the rate to the Los Angeles County Auditor-Controller to place the tax (the "Retirement Tax") on the property tax roll of the County.

Limited Obligation

The obligations of the City under the Bonds, including the obligation to make all payments of interest and principal when due, are obligations of the City imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. Neither the Bonds nor the obligation of the City to make payments on the Bonds constitute an indebtedness of the City, the State, or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction.

Additional Bonds

The City may at any time issue additional bonds on a parity with the Bonds ("Additional Bonds") by Supplemental Trust Agreement pursuant to the terms of the Trust Agreement, solely for the purpose of (i) satisfying any obligation to make payments to CalPERS pursuant to the Retirement Law relating to pension benefits accruing to the CalPERS' members, and/or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and/or (ii) refunding any Bonds or Additional Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding, subject to certain conditions that are specified in the Trust Agreement. See APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT—Conditions for the Issuance of Additional Bonds and Procedure for the Issuance of Additional Bonds. The City has the capacity to enter into other obligations payable from the City's General Fund without the consent of or prior notice to the Owners of the Bonds.

Judicial Validation

The City filed a complaint in the Superior Court of the State for the County pursuant to the procedures available to it under section 860 *et seq.* of the California Code of Civil Procedure seeking judicial validation of the transactions relating to the issuance of the Bonds. On April 7, 2020, the court entered a default judgment to the effect, among other things, that the CalPERS Contract, the Trust Agreement and the Bonds are valid and binding obligations of the City and exempt from and not subject to the debt limitation set forth in Article XVI, Section 18 of the California Constitution. Pursuant to section 870 *et seq.* of the California Code of Civil Procedure and Rule 2(a) of the California Rules of Court, the period during which a notice of appeal of this judgment could be timely filed expired on May 7, 2020. As no challenge to the judgment was filed by the time of such expiration, the judgment has become final, binding, and conclusive in accordance with California law. See "VALIDATION."

Continuing Disclosure

The City has covenanted for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the City and to provide notices of the occurrence of certain enumerated events in compliance with U.S. Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). These covenants have been made to assist the Underwriter in complying with the Rule. The specific nature of the information to be made available and of the notices of enumerated events is summarized below under the caption "CONTINUING DISCLOSURE." Also, see APPENDIX E—FORM OF CONTINUING DISCLOSURE AGREEMENT.

Tax Matters

In the opinion of Norton Rose Fulbright US LLP, Bond Counsel, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California. The City has taken no action to cause, and does not intend, interest on the Bonds to be excluded pursuant to Section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS" and APPENDIX G— FORM OF OPINION OF BOND COUNSEL.

Risk Factors

Prospective investors must review this Official Statement and the appendices hereto in their entirety and should consider certain risk factors associated with the purchase of the Bonds, some of which have been summarized in the section herein entitled "RISK FACTORS."

Other Information

This Official Statement speaks only as of its date and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available for inspection at the office of the City Clerk, City of Montebello, 1600 West Beverly Boulevard, Montebello, CA 90640, telephone (323) 887-1200. The City may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

The information set forth herein has been obtained from sources which are believed to be reliable. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

FINANCING PLAN

The proceeds of the sale of the Bonds will be used to (a) refinance the City's outstanding obligation to CalPERS with respect to certain of the City's defined benefit pension plans for its employees, which obligation is due pursuant to the CalPERS Contract, and (b) pay the costs of issuing the Bonds.

The City is a member of CalPERS and, as such, is obligated by the the Retirment Law to make contributions to CalPERS to (a) fund pension benefits with respect to certain public safety employees and miscellaneous employees of the City, (b) amortize the unfunded accrued actuarial liability with respect to such pension benefits, and (c) appropriate funds for the purposes described in (a) and (b). In June 30, 2018, CalPERS calculated the amount of the UAAL as of June 30, 2020, for the City's Miscellaneous Plans at $56,106,495 and Safety Plans at $95,153,379, the most recent actuarial valuation performed by CalPERS. CalPERS recalculates the amount of the UAAL as of the proposed payment date and for bond proceeds received before June 30, 2020, CalPERS acceots a lower amount which is calculated at a 7% annualized discount rate.

ESTIMATED SOURCES AND USES OF FUNDS

The following are the expected sources and uses of funds in connection with the Bonds:

SOURCES	
Principal Amount of Bonds	
Total Sources of Funds	
USES	
Transfer to CalPERS	
Costs of Issuance(1)	
Total Uses of Funds	

(1) Includes the Underwriter's discount, fees for services of bond counsel, disclosure counsel, the rating agency, the municipal advisor, the Trustee and other costs.

THE BONDS

General

The Bonds will be issued in the form of fully registered bonds, without coupons, in denominations of $5,000 or any integral multiple of thereof and will be dated the date of issuance to the original purchaser. The Bonds will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement.

The Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). So long as DTC, or Cede & Co. as its nominee, is the registered owner of all Bonds, all payments on the Bonds will be made directly to DTC, and disbursement of such payments to the DTC "Participants" (as defined in APPENDIX F— BOOK–ENTRY ONLY SYSTEM) will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners (as defined in APPENDIX F— BOOK–ENTRY ONLY SYSTEM) will be the responsibility of the Participants, as more fully described in "- Book-Entry Only System" below.

Principal represented by the Bonds is payable on June 1 in each of the years and in the amounts set forth on the inside front cover of this Official Statement. Interest on the Bonds is payable on June 1 and December 1 of each year (each, an "Interest Payment Date"), commencing December 1, 2020, and continuing to and including the date of maturity or redemption, whichever is earlier. Payment of interest on the Bonds due on or before the maturity or prior redemption thereof shall be made to the person whose name appears in the Bonds registration books kept by the Trustee as the registered owner thereof as of the close of business on the Record Date for an Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on the Interest Payment Date by first-class mail to such registered owner at the address as it appears in such books; provided that upon the written request of an Owner of $1,000,000 or more in aggregate principal amount of Bonds received by the Trustee prior to the applicable Record Date, interest shall be paid by wire transfer in immediately available funds. As defined in the Trust Agreement, the term "Record Date" means the close of business on the 15th day of the month preceding any Interest Payment date, whether or not such day is a Business Day.

Redemption

Optional Redemption. The Bonds maturing on or before June 1, 20__ shall not be subject to optional redemption prior to maturity. The Bonds maturing on or after June 1, 20__ shall be subject to redemption prior to their maturity date, at the option of the City, randomly within a maturity on any date on or after June 1, 20__, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium. In the event of an optional redemption, the City shall provide the Trustee with a revised sinking fund schedule, described below, giving effect to the redemption so completed.

Make-Whole Optional Redemption (Excluding Term Bonds maturing on June 1, _____). With the exception of the Term Bonds maturing on June 1, _____, from the date of issuance of the Bonds to but not including June 1, 20__, the Bonds are subject to redemption prior to their respective stated maturities, at the option of the City, from lawfully available funds, as a whole or in part (in such amount of maturity as shall be selected by the City in a Written Request of the City submitted to the Trustee and by pro rata pass-through distribution of principal within a maturity as described below), on any date, at a redemption price equal to the greater of:

(1) 100% of the principal amount of such Series 2020 Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date or dates of such Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Bonds are to be redeemed, discounted to the date on which such Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, (i) with respect to the Bonds maturing on June 1, 20__ through and including June 1, 20__, at the Treasury Rate, and (ii) with respect to the Bonds maturing on June 1, 20__ through and including June 1, 20__, at the Treasury Rate, plus ____ basis points,

plus, in each case, accrued interest on such Series 2020 Bonds to be redeemed to the redemption date.

Make-Whole Optional Redemption of Term Bonds maturing on June 1, ____. From the date of issuance to but not including June 1, 20__, the Term Bonds maturing on June 1, _____, are subject to redemption prior to their stated maturity, at the option of the City, from lawfully available funds, as a whole or in part (by pro rata pass-through distribution of principal within a maturity as described below), on any date, at a redemption price equal to the greater of:

(1) 100% of the principal amount of such Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Bonds are to be redeemed, discounted to the date on which such Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus __ basis points, date.

plus, in each case, accrued interest on such Bonds to be redeemed to the redemption date. The City shall provide the Trustee with a revised sinking fund schedule giving effect to the redemption so completed.

"Treasury Rate" as such term is used above means, with respect to any redemption date for a particular Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

At the request of the City in a Written Request of the City to the Trustee, the redemption price of the Bonds to be redeemed at the option of the City as described in "—Make- Whole Optional Redemption (Excluding Term Bonds maturing on June 1, _____)" and "—Make-Whole Optional Redemption of Term Bonds maturing on June 1, _____" above will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City's expense to calculate such redemption price. The City and the Trustee may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

Mandatory Sinking Fund Redemption. The Series 2020 Term Bonds maturing on June 1, ____, are subject to mandatory sinking fund redemption on June 1 in each year, commencing June 1, _____, at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest to the date of redemption, in the aggregate principal amounts and on June 1 in the years set forth in the following table.:

Sinking Fund Redemption Date (June 1)	Principal Amount to be Redeemed
†	

†Maturity

The Series 2020 Term Bonds maturing on June 1, ____, are subject to mandatory sinking fund redemption on June 1 in each year, commencing June 1, ____, at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest to the date of redemption, in the aggregate principal amounts and on June 1 in the years set forth in the following table.:

Sinking Fund Redemption Date (June 1)	Principal Amount to be Redeemed
†	

†Maturity

Selection of Bonds for Redemption. If less than all of the outstanding Bonds are to be redeemed prior to maturity, redemption payments will be made on a pro rata basis within a maturity to each Owner in whose name such Bonds are registered at the close of business on the 15th day of the calendar month immediately preceding the redemption date.

So long as the Bonds are held in book-entry form, Bonds equal to $5,000 or any integral multiple thereof will be redeemed on a pro rata pass-through distribution of principal basis in accordance with DTC procedures; and, if the DTC operational arrangements do not allow for redemption on a pro rata pass-through distribution of principal basis, the portions of the Bonds will be selected for redemption, in accordance with DTC procedures, by lot.

It is the City's intent that the redemption allocations described in this Trust Agreement with respect to the Bonds be made on a pro rata pass-through distribution of principal basis. However, the City can provide no assurance that DTC, the Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such basis.

"Pro rata" means, in connection with any optional redemption in part, with respect to the allocation of amounts to be redeemed, the application to such amounts of a fraction, the numerator of which is equal to the amount of the specific maturity of the Bonds held by an Owner of such Bonds, and the denominator of which is equal to the total amount of such maturity of Bonds, then Outstanding.

Notice of Redemption. Notice of redemption will be mailed by first class mail by the Trustee, on behalf and at the expense of the City, not less than 20 nor more than 60 days prior to the redemption date to the respective registered owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Trustee. The Trustee will also provide additional notice of redemption of Bonds at the time and as may be required by the Municipal Securities Rulemaking Board.

Each notice of redemption will state the date of such notice, the Bonds to be redeemed, the Series and date of issue of such Bonds, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity are to be redeemed, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed.

Each notice of optional redemption will also state that such optional redemption may be rescinded by the City and that, unless such redemption is so rescinded, and provided that on said date funds are available for payment in full of the Bonds then called for redemption, on said date the redemption price will become due and payable on each of such Bonds, or in the case of a Bond to be redeemed in part only the specified portion of the principal amount thereof, together with the interest accrued to the redemption date, and that from and after such \redemption date the interest will cease to accrue, and will require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to give notice pursuant to the Trust Agreement to any one or more of the Information Services or Securities Depositories, or the insufficiency of any such notice will not affect the sufficiency of the proceedings for redemption. The failure of any Owner or owner to receive any redemption notice mailed to such Owner and any defect in the notice so mailed will not affect the sufficiency of the proceedings for redemption.

Conditional Notice of Redemption. The City has the right to rescind any optional redemption by providing the Trustee with written notice of such rescission at least two Business Days prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of Default under the Trust Agreement. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Book-Entry System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered certificates registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX F— BOOK–ENTRY ONLY SYSTEM.

The City and the Trustee cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal, interest or premium, if any, with respect to the Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The City and the Trustee are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or an error or delay relating thereto.

Debt Service Schedule

The following table shows the annual debt service schedule with respect to the Bonds (assuming no optional redemptions).

Fiscal Year Ending June 30	Principal (1)	Interest (2)	Total
TOTAL	$___________*		

(1) Includes mandatory sinking fund installments.
(2) Interest on the Bonds is payable semiannually on each June 1 and December 1, commencing December 1, 2020.

* Preliminary, subject to change.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

Sources of Payment for the Bonds

The Bonds are payable from any source of legally available funds of the City, including but not limited to amounts held by the City on deposit in its General Fund.

Pursuant to the Trust Agreement, the City will take all action to levy, or cause to be levied, the Retirement Tax in accordance with applicable law, including the Constitution of the State, in an amount sufficient to pay debt service on all Outstanding Bonds. In addition, the City will in each Fiscal Year include in its budget a provision to provide funds in an amount sufficient to pay the principal, premium, if any, and interest on the Bonds coming due in such Fiscal Year, but only to the extent that such amounts exceed the amount of available funds then on deposit in the Bond Fund (described below), and shall make annual appropriations for all such amounts. If such principal, premium, if any, and interest on the Bonds coming due in any Fiscal Year exceeds the sum of amounts budgeted in respect thereof, together with amounts then on deposit in the Bond Fund, then the City shall amend or supplement the budget to provide for such excess amounts.

The City irrevocably assigns and pledges to the Trustee under the Trust Agreement, in trust for the security of the Owners on the terms set forth in the Trust Agreement the Retirement Tax Revenues and all the City's rights, title and interest in and to all money and securities for deposit in, or deposited in, the Bond Fund and any investment earnings thereon, and any collateral security for, and all proceeds of, any of the foregoing. The City agrees under the Trust Agreement to promptly deposit or cause to be deposited with the Trustee on or before each Record Date an amount sufficient to pay the principal of, if any, and interest coming due on the next Interest Payment Date.

Bond Fund

All amounts payable by the City will be promptly deposited by the Trustee upon receipt in a special fund designated as the "Bond Fund" and will be held in trust by the Trustee.

On or before each Interest Payment Date or date fixed for redemption of Bonds, the Trustee will transfer from the Bond Fund, in immediately available funds, for deposit into the following respective accounts (each of which is created under the Trust Agreement and which the Trustee will maintain in trust separate and distinct from the other funds and accounts established under the Trust Agreement), the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of funds sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any account subsequent in priority. All money in each of such accounts will be held in trust by the Trustee and applied, used and withdrawn only for the purposes described below.

Interest Account: On each Interest Payment Date, the Trustee will set aside from the Bond Fund and deposit into the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. No deposit need be made into the Interest Account if the amount that it contains is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. All money in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

Principal Account: On or before each principal payment date, the Trustee will set aside from the Bond Fund and deposit into the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such principal payment date into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such principal payment date. No deposit need be made into the Principal Account if the amount it contains is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds maturing by their terms on such principal payment date plus the aggregate amount of all sinking fund payments required to be made on such principal payment date for all Outstanding Term Bonds.

All money in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds, as applicable, as they become due and payable, whether at maturity or redemption, except that any money in any sinking fund account will be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such Sinking Account was created.

The Trustee will establish and maintain within the Principal Account a separate subaccount for the Term Bonds of each series and maturity, designated as the "Sinking Account" (if more than one such account is established for such series, inserting the series and maturity designation of such Bonds).

With respect to each Sinking Account, on each mandatory sinking account payment date established for such Sinking Account, the Trustee will apply the mandatory sinking account payment required on that date to the redemption (or payment at maturity, as the case may be) of Term Bonds of the series and maturity for which such Sinking Account was established, upon the notice and in the manner provided in the Trust Agreement; provided that, at any time prior to giving such notice of such redemption, the Trustee may, upon the Written Request of the City, apply moneys in such Sinking Account to the purchase for cancellation of Term Bonds of such series and maturity at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account), as may be directed by the City, except that the purchase price (excluding accrued interest) will not exceed the redemption price that would be payable for such Bonds upon redemption by application of such Mandatory Sinking Account Payment.

If, during the twelve-month period immediately preceding said mandatory sinking account payment date, the Trustee has purchased Term Bonds of such series and maturity with moneys in such Sinking Account, such Bonds so purchased will be applied, to the extent of the full principal amount thereof, as applicable, to reduce said mandatory sinking account payment.

Surplus Account: On the Business Day following the last Interest Payment Date of each Fiscal Year, or on such other date as provided in a Supplemental Trust Agreement, any moneys remaining in the Bond Fund will be deposited by the Trustee in the Surplus Account. So long as no Event of Default has occurred and is continuing, moneys deposited in the Surplus Account will be transferred by the Trustee to or upon the order of the City, as specified in a Written Request of the City.

Retirement Tax

The City has a property tax assessment which is used specifically for pensions. In 1946, voters of the City approved a "tax override" to fund the City's participation in the State Employees' Retirement System (the "1946 Initiative"). As reflected in Ordinance 402 adopted by the City Council on August 24, 1946 (the implementing Ordinance of the voter initiative), the voters approved a tax rate of up to $0.35 per one hundred dollars of assessed property value. Ordinance 402 describes the "indebtedness" approved by the voters in 1946 as follows: "For obligations to the City to the State Employees' Retirement System for the retirement of City employees." In 1976, City voters approved "Proposition A," a measure which, in essence, extended the "indebtedness" approved in the 1946 Initiative to include death benefits and other "retirement features" for public safety members. In accordance with the provisions of the 1946 Initiative and Proposition A, City voters have approved a maximum tax rate of $0.495 per one hundred dollars ($100) assessed valuation to fund the City's contribution to the State Retirement System (now CalPERS), as well as death benefits and "retirement features" for public safety workers (Proposition A). Annually, the City Council approves a resolution to set property tax override rates on voter approved indebtedness for retirement programs (a "Tax Override Resolution") in accordance with the provisions of Article XIIIA of the California Constitution and Section 3, Chapter 112 of the Statues of 1985. The tax rate imposed on property within the City fluctuated in accordance with the rate set in each Tax Override Resolution until 1996 when the City Council adopted Ordinance No. 2148 (the "1996 Ordinance") which codified a tax rate of $0.197875 per one hundred dollars ($100) assessed valuation (as further set forth in Montebello Municipal Code Section 3.28.020). The purpose of the 1996 Ordinance is described as funding "the City's contribution to CalPERS on behalf of its employees which was approved by the voters on July 9, 1946." The $0.197875 rate established in the 1996 Ordinance was consistent with the rate imposed for more than a decade prior to adoption of the 1996 Ordinance and is the rate currently imposed by the City.

California courts have held that Proposition 13, discussed below under the heading "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS," permits additional property taxation to pay for pension plans with special tax authority approved by voters prior to July 1, 1978; provided the imposition of such tax is limited to the funding of employee retirement benefits at a level not in excess of the retirement benefits in existence prior to July 1, 1978 (the "Pre-Proposition 13 Pension Liability").

In December of 2019, Bartel & Associates (the "Actuary") certified that 94.1% of the proceeds of the UAAL funded with the proceeds of the Bonds constitutes Pre-Proposition 13 Pension Liability under the CalPERS Contract and can be payable from the Retirement Tax Revenues. The remaining 5.9% of the UAAL funded with the proceeds of the Bonds will be payable from the City's General Fund.

Retirement Tax Revenues Allocable to the Agency. The City established the Montebello Redevelopment Agency, since succeeeded by the Successor Agency to the Montebello Redevleopment Agency (the "Agency") giving it broad powers to accomplish redevelopment within the City pursuant to the Community Redevelopment Law of the State of California (the "Redevelopment Law"), including the financing of redevelopment projects based upon an allocation of taxes collected within a project area. Under the Redevelopment Law, the taxable valuation of a project area last equalized prior to adoption of a redevelopment plan for that project area is established as the "Base Year Roll," and taxes produced by the levy of the then current rate upon the Base Year Roll is allocated among taxing agencies. Taxes produced by the levy of the then current tax rate upon any increase in assessed value over the Base Year Roll (except such portion generated by rates levied to pay voter-approved bonded indebtedness after January 1, 1989) are allocated to a redevelopment agency. TheAgency established three separate project areas in the City, the Montebello Hills Project Area, the South Montebello Industrial Project Area, and the Montebello Economic Revitalization Project Area. Taxes collected in the three project areas attributable to the levy of the Retirement Tax on the Base Year Roll must be applied to fund Pre-Proposition 13 Pension Liability; however, such taxes attributable to the levy on the increase in assessed value over the Base Year Roll are allocated to the Agency as tax increment revenues.

To the exent Retirement Tax Revenues allocated to the Agency are not needed for enforceable obligations of the Agency, the Retirement Tax Revenues are paid by the County to the City to be used in accordance with the ordinance authorizing the Retirement Tax. Since the tax increment revenues allocable to the have historically exceeded the requirements of its enforceable obligation, all of the Retirement Tax Revenues have been returned to the City and applied for the purposes of the Retirement Tax.

The following table represents the historical Retirement Tax Revenues received for Fiscal Years ending June 30, 2015, through June 30, 2020. Including the amount allocable to the Agency.

CITY OF MONTEBELLO
HISTORICAL RETIREMENT TAX REVENUES

Fiscal Year Ended (June 30)	Secured/Unsecured Retirement Tax Revenues	Redevelopment Retirement Tax Revenues	Total Retirement Tax Revenues	Annual Increase
2016	$7,757,614	$3,304,081	$11,061,696	—
2017	8,104,010	3,309,195	11,413,205	4.9%
2018	8,476,868	3,275,195	11,752,063	3.0%
2019	8,969,216	3,739,997	12,709,214	8.1%
2020(1)	9,545,028	3,739,997	13,285,025	4.5%

Source: City of Montebello
(1) Projected.

For potential impacts of the COVID-19 Pandemic on property tax collections and the Retirement Tax Revenues, see CITY FIANCIAL INFORMATION—Property Taxes and Risk Factors—COVID-19 Pandemic.

City Tranit System. The City's transit system ("Transit") is obligated to pay the retirement expenses equivalent to Transit's share of the City's total payroll, which has been approximately 27% of the City's total payroll. Transit annually makes a payment to the City for such obligation which credits the application of a portion of the Retirement Tax Revenues. Retirement Tax Revenues not used on an annual basis are held in reserve by the City and are applied to satisfy future UAAL

See APPENDIX H—DEBT SERVICE COVERAGE OF RETIREMENT TAX REVENUES AND CITY GENERAL FUND REVENUES.

No Reserve Fund

The City has not established a debt service reserve fund for the Bonds.

Additional Bonds

The City may at any time issue Additional Bonds solely for the purpose of (a) satisfying any obligation to make payments to CalPERS pursuant to the Retirement Law relating to pension benefits accruing to the CalPERS' members, and/or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and/or (b) refunding any Bonds or Additional Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding, subject to certain conditions that are specified in the Trust Agreement APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT—Issuance of Additional Bonds. The City has the capacity to enter into other obligations payable from the City's General Fund without the consent of or prior notice to the Owners or owners of the Bonds.

THE CITY

The City is situated in the eastern portion of the County. The City encompasses 8.2 square miles and is located 9 miles east of downtown Los Angeles. The City has access to three freeways: the San Gabriel River Freeway (State Highway 605) to the east, the Santa Ana Freeway (Interstate 5) to the south and the Pomona Freeway (State Highway 60) to the north. The City is a balanced community with light industry, residential areas, and commercial centers. It is bordered to the north by the cities of Monterey Park and Rosemead to the east by the City of Pico Rivera, and to the west by the City of Commerce. Other surrounding cities include the cities of Bell Gardens, Whittier, South El Monte and Los Angeles.

The City was incorporated as a general law city in 1920. The City operates under the Council-Manager member form of government. The five City Council members, including the Mayor, are elected to four-year terms on alternate slates every two years. The Mayor and the Mayor Pro Tem are selected by the City Council to serve two-year terms. The City Council appoints a City Manager. The population of the City was estimated to be 64,247 as of January 1, 2019.

The current members of the City Council are as follows:

Name and Office	Current Term Expires
Salvador Melendez, *Mayor*	December, 20______
Kimberly Ann Cobos-Cawthorne, *Mayor Pro Tem*	December, 20______
Jack Hadjinian, *Councilmember*	December, 20______
David N. Torres, *Councilmember*	December, 20______
Angie M. Jimenez, *Councilmember*	December, 20______

Members of the Council and key administrative personnel of the City are listed at the front of this Official Statement.

See APPENDIX B—GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY for a additional description of the City as well as certain demographic and statistical information.

CITY FINANCIAL INFORMATION

Financial Statements and Budgetary Process

The City's accounting policies conform to generally accepted accounting principles. The audited financial statements also conform to the principles and standards for public financial reporting established by the Governmental Accounting Standards Board.

Basis of Accounting and Financial Statement Presentation. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Audited Financial Statements. The City retained the firm of Vasques & Company LLP, Glendale, California (the "City's Auditor"), to examine the general purpose financial statements of the City as of and for the year ended June 30, 2019. The audited financial statements for fiscal year ended June 30, 2019, are included in APPENDIX C—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF MONTEBELLO FOR THE FISCAL YEAR ENDED JUNE 30, 2019. The City has not requested, and the City's Auditor has not provided, any review or update of such financial statements in connection with their inclusion in this Official Statement.

Budget Process. The City Council adopts an annual budget with appropriations for all City funds prior to the beginning of the fiscal year, which begins on July 1 of each year. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the City's operating budget is at the fund level. For the operating budget, the City Manager has the authority to move appropriations between accounts (without dollar limitation) within a budget program and within the same fund. All other appropriation changes require the approval of the City Council.

All appropriations lapse at the end of the fiscal year unless specific carryovers are approved by the City Council.

Certain of the City's revenues are collected and dispersed by the State (such as sales tax and motor-vehicle license fees) or allocated in accordance with State law (most importantly, property taxes). Therefore, State budget decisions can have an impact on City finances. See "STATE BUDGET INFORMATION."

The budgeted projections presented in this Official Statement for Fiscal Year 2019-20 do not reflect adjustments in response to the COVID-19 Pandemic. At this time, the City does not plan to amend its budget for Fiscal Year 2019-20 as a result of the COVID-19 Pandemic.

Impact of COVID-19 Pandemic on Future Budgeting. The COVID-19 Pandemic is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the ramifications of the economic and other of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the City's operations and finances is unknown.

The City is currently reviewing the short and long term impacts of the COVID-19 Pandemic and what – if any –expenditure reductions will be needed due to reduced revenue in Fiscal Year 2019-20 and future years. The depth, breadth and length of any economic downturn will directly impact City's planning with regards to reductions in expenditures such as staffing cuts, program elimination, reductions in services.

See the caption "RISK FACTORS—COVID-19 (Coronavirus) Pandemic."

The following table shows the City's audited General Fund balance sheet for fiscal years 2014-15 through 2018-19.

CITY OF MONTEBELLO
GENERAL FUND BALANCE SHEET
Fiscal Years 2014-15 through 2018-19

	Fiscal Year ending June 30,				
	2014-15 Audited	2015-16 Audited	2016-17 Audited	2017-18 Audited	2018-19 Audited
ASSETS					
Cash and investments	$ 7,799,084	$ 3,324,339	$ 6,799,980	$ 12,191,403	$ 17,213,492
Restricted cash and investments	—	—	4,666,731	4,666,731	4,837,801
Interest receivable	17,887	31,940	56,420	132,932	212,495
Accounts receivable	1,089,097	1,104,568	1,142,552	1,389,708	2,551,939
Taxes receivable	1,932,653	4,312,322	2,644,616	2,501,514	2,617,772
Due from other funds	1,377,027	4,198,276	2,503,001	2,794,623	2,000,017
Due from Successor Agency	2,847	-	3,517	34,241	29,243
Prepaid Expenses	52,620	109,099	171,468	174,398	141,044
Inventory	11,418	13,375	—	—	—
Investment in land held for resale	—	—	1,208,814	1,208,814	682,538
Total Assets	12,283,353	13,093,919	19,197,099	25,093,824	30,286,341
LIABILITIES					
Accounts payable and accrued liabilities	2,306,104	2,271,703	3,126,571	2,649,448	3,931,905
Deposits payable	5,000	5,000	5,000	5,000	—
Due to other funds	—	—	—	—	330,700
Due to Successor Agency	3,250	3,517	11,880	—	1,103
Unearned revenue	970,867	1,366,101	2,010,763	5,101,575	5,818,454
Total Liabilities	3,285,221	3,646,321	5,154,214	7,756,023	10,082,162
FUND BALANCES					
Non-spendable	64,038	122,474	1,380,282	1,383,212	823,582
Restricted	—	—	4,666,731	4,666,731	4,837,801
Unassigned	8,934,094	9,325,124	7,995,872	11,287,858	14,542,796
Total Fund Balances	8,998,132	9,447,598	14,042,885	17,337,801	20,204,179
Total Liabilities and Fund Balances	12,283,353	13,093,919	19,197,099	25,093,824	30,286,341

Sources: City of Montebello 2015-19 Comprehensive Annual Financial Reports.

The following table shows the City's audited General Fund revenues, expenditures and changes in fund balances for fiscal years 2015-16 through 2018-19 and budgeted projections for fiscal year 2019-20.

CITY OF MONTEBELLO
GENERAL FUND REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
Fiscal Years 2015-16 through 2019-20

	2015-16 Audited	2016-17 Audited	2017-18 Audited	2018-19 Audited	2019-20 Budget(1)
REVENUES					
Sales taxes(5)	$ 13,992,347	$ 13,267,373	$ 13,118,981	$ 14,031,972	$ 13,146,732
Property taxes	4,927,230	5,094,185	5,208,975	5,676,411	5,967,797
Other taxes	503,173	553,462	585,960	614,485	658,201
Franchise taxes	1,405,229	1,493,956	2,141,450	2,224,087	2,315,184
Licenses and permits	4,733,752	4,374,761	4,452,210	6,220,483	5,137,999
Fines and forfeitures	1,912,729	2,251,384	2,185,022	2,165,922	2,023,693
Investment Income	42,685	29,419	74,742	162,487	179,506
Intergovernmental	5,730,251	5,950,400	6,157,030	6,526,569	6,784,372
Charges for services	6,611,348	6,382,058	6,438,100	6,657,594	6,914,613
Other revenues	2,993,814	959,391	1,153,423	728,696	223,200
Total Revenues	42,852,558	40,356,389	41,515,893	45,008,706	43,351,297
EXPENDITURES					
Current:					
General government	5,415,578	4,869,177	4,976,497	5,873,687	5,422,959
Public safety	32,297,261	31,438,293	31,487,454	29,433,153	30,814,212
Public works	6,824,093	6,812,050	6,778,314	6,639,299	8,946,744
Parks and recreation	3,889,366	3,658,338	3,813,599	3,827,559	4,741,296
Housing and community development	2,212,276	2,058,623	2,006,274	2,209,566	1,784,894
Capital outlay	883,423	183,834	265,903	2,052,865	0
Interfund charges	(641,466)	130,090	(231,650)	(366,046)	(592,135)
Debt service – Principal	-	-	-	-	-
Debt service – Interest	-	-	-	-	-
Total Expenditures	50,880,531	49,150,405	49,096,391	46,670,083	51,117,970
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,027,973)	(8,794,016)	(7,580,498)	(4,661,377)	(7,766,674)
OTHER FINANCING SOURCES/(USES)					
Other Revenues	-	4,666,731(3)	-	1,547,962	-
Transfers in (4)	8,550,134	9,978,439	12,257,329	6,758,437	5,888,806
Transfers out (5)	(72,695)	(1,255,867)	(1,381,915)	(778,644)	(962,613)
Total Other Financing Sources	8,477,439	13,389,303	10,875,414	7,527,755	4,926,193
NET CHANGE IN FUND BALANCES	449,466	4,595,287	3,294,916	2,866,378	(2,840,481)
FUND BALANCES – BEGINNING OF YEAR	8,998,132	9,447,598	14,042,885	17,337,801	20,204,179
FUND BALANCES – END OF YEAR	9,447,598	14,042,885	17,337,801	20,204,179	17,363,698

Source: City of Montebello 2016-19 Comprehensive Annual Financial Reports and City of Montebello Finance Department.

(1) From the City's Fiscal Year 2019-20 Budget, adopted June 26th, 2019. Budgeted projections for Fiscal Year 2019-20 do not include adjustments in response to the COVID-19 Pandemic.

(2) Represents unspent bond proceeds from the City's Successor Agency.

(3) Transfers in are mainly from the Pension Overrides Fund. When compared to prior year, the amount of transfer in from retirement fund for the fiscal years Fiscal Year 2018-2020 is much less primarily due to an accounting change of the unfunded liability payment which was previously charged to each department budget, but is now charged directly to the Retirement Fund, hence reducing the amount of transfer needed.

(4) Transfers out are mainly to the Golf Enterprise Fund (all years) and Detention Fund (until Fiscal Year 2017-18).

(5) On March 3, 2020 the voters of the City approved Measure H, a 0.75% sales tax, the proceeds of which will be general fund revenues in future years.

City Financial Management

The City Council has adopted a comprehensive set of financial management policies to provide for the prudent investment of City funds and management of debt. The City's practice is to incur debt only after deliberation over the effect of such debt on the City's General Fund and other resources of the City, and in those circumstances where the use of debt would be appropriate to the scale and economic life of the asset being financed and the accumulation or availability of reserves to fund the capital requirement.

Investment Policy. The investment of funds of the City (except pension and retirement funds) is made in accordance with the City's Investment Policy, most recently approved in June 2018 (the "Investment Policy"), and section 53601 et seq. of the California Government Code. The Investment Policy is subject to revision at any time and is reviewed at least annually to ensure compliance with the stated objectives of safety, liquidity, yield, and current laws and financial trends. All amounts held under the Trust Agreement are invested at the direction of the City in Investment Securities, as defined in the Trust Agreement, and are subject to certain limitations contained therein.

Debt Management Policy. In accordance with section 8855(i) of the California Government Code the City adopted a debt management policy in September 25, 2019, to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the City's interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the City.

Capital Improvement Program. The City's capital improvement program (the "CIP") is approved by City Council annually and throughout the year as needed. Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of contribution. Generally, capital asset purchases in excess of $5,000 are capitalized if they have an expected useful life of one year or more. The current CIP for fiscal year 2019-20 is $19,706,000, to be funded from available fund balances.

Pension Funding Policy. On May 13, 2020, the City Council adopted a pension funding policy which provides ____________________.

Current Investments

The City's investment portfolio (par value), as of June 30, 2019, included cash and investments equal to $84 million.

State Audit

In October of 2017, the City received a letter from the California State Auditor (the "State Auditor") under the "High-Risk Local Government Agency Audit Program," authorized under section 8546.10 of the Government Code of the State. The Local High-Risk Agency Audit Program authorizes the State Auditor to use publicly available financial information in order to identify and audit local government agencies that are at high risk for potential waste, fraud, abuse, or mismanagement, or that have major challenges associated with their economy, efficiency, or effectiveness. Local agencies identified by the State Auditor as "high-risk" as a result of their audit must submit a corrective action plan and must then provide written updates every six months thereafter regarding its progress in implementing the corrective action plan. Once satisfactory corrective action has been taken the State Auditor will remove the "high-risk" designation. The State Auditor currently identifies the City as a "moderate risk."

The State Auditor released its audit report 2018-802 regarding the City (the "State Audit Report") on December 11, 2018. The full text of the State Audit Report may be found on the City's website at: https://cityofmontebello.com/announcements/hidden/item/696-state-auditors-report.html. The State Audit Report and other information presented on the City's website is not incorporated by reference as part of this Official Statement.

In releasing the State Audit Report, the State Auditor concluded that the City was a high-risk city because of its significant financial and organizational risks. The State Auditor found, for much of the prior decade, the City struggled to generate sufficient revenues to meet its expenses and as a result, suffered from a structural deficit. Further, the City relied on one-time revenues to balance its budget and its plans to increase revenues and decrease expenditures were not adequate to eliminate its structural deficit. Additionally, the City's enterprise activities, including a municipal golf course, water utility, and two hotels, posed a significant financial risk to the city's general fund. Further, the State Auditor found that the City did not competitively bid 10 of 16 agreements it reviewed and did not adequately justify the lack of competitive bidding in most cases. To address these risk factors, the State Auditor developed recommendations for the city to implement, such as exploring alternate uses for its golf course and recommended that the City amend its municipal code to require competitive bidding for most procurements to ensure that Montebello obtains the best value from the services it received. On November 15, 2018, the City responded to the draft State Audit Report. The City's concerns and disagreements with the State Audit Report are discussed therein and should be read together with the State Audit Report. In summary, the City largely agreed with the conclusions reached in the State Audit report and acknowledged that while it has already taken steps towards improving its fiscal and operation efficiencies, there are many areas the City still needs to address. The City has since submitted a corrective action plan as well as quarterly progress updates on April 18 and July 10, 2019. The City's quarterly progress updates can be viewed on the City's website referenced above. The quarterly progress reports and other information presented on the City's website are not incorporated by reference as part of this Official Statement.

Any failure of the City to meet its financial obligations could have a material adverse impact in the value of the Bonds. See also "RISK FACTORS—Limitations on Remedies Available; Bankruptcy" herein.

Principal Sources of General Fund Revenues

Sales and use taxes were the City's largest revenue source in fiscal year 2018-19 and represented approximately 31.2% of fiscal year 2018-19 General Fund revenues. Property taxes were the City's second largest General Fund revenue source in fiscal year 2018-19 and represented approximately 12.6% of General Fund revenues. For a discussion of potential State Budget impacts on General Fund revenues, see "—State Budgets." For a discussion of sales tax revenues and property taxes, see "—Sales and Use Taxes" and "—Property Taxes."

Vehicle license fees are assessed in the amount of 2% of a vehicle's depreciation market value for the privilege of operating a vehicle on California's public highways. A program to offset (or reduce) a portion of the vehicle license fees ("VLF") paid by vehicle owners was established by Chapter 322, Statutes of 1998. Beginning January 1, 1999, a permanent offset of 25% of the VLF paid by vehicle owners became operative. Various pieces of legislation increased the amount of the offset in subsequent years to the existing statutory level of 67.5% of 2% (resulting in the current effective rate of 0.65%).

The following table shows the City's audited General Fund tax revenues by source for the most recent five fiscal years:

CITY OF MONTEBELLO
GENERAL FUND TAX REVENUES BY SOURCE
Fiscal Years 2014-15 through 2018-19

	Fiscal Year ending June 30,				
Source	2014-15 Audited	2015-16 Audited	2016-17 Audited	2017-18 Audited	2018-19 Audited
Property Taxes	$ 6,284,614	$ 4,927,230	$ 5,094,187	$ 5,208,975	$ 5,676,411
Sales Taxes(1)	12,563,805	13,992,347	13,267,373	13,118,981	14,031,972
Transient Occupancy Taxes	357,896	365,290	401,852	414,198	421,412
Franchise Taxes	1,410,918	1,405,229	1,493,956	2,141,450	2,224,087
Other Local Taxes	132,100	137,883	151,611	171,762	193,073
Total	20,749,334	20,827,976	20,408,978	21,055,366	22,546,956

Sources: City of Montebello Finance Department.
(1) On March 3, 2020 the voters of the City approved Measure H, a 0.75% sales tax, effective July 1, 2020, the proceeds of which will be general fund revenues in future years.

The City anticipates that it will experience declines in sales tax, property tax, and transient occupancy tax receipts in the coming months, or longer, as a result of the COVID-19 (coronavirus) Pandemic. See the caption "RISK FACTORS—COVID-19 (Coronavirus) Pandemic."

Sales and Use Taxes

A sales tax is imposed on the privilege of consuming personal property in California. California does not tax services. The tax rate is established by the State Legislature, and is presently 7.25%, statewide (of which 1% is paid to the City). In addition, many of California's cities, counties, Citys and communities have special taxing jurisdiction to impose a transaction (sales) or use tax. These so-called district taxes increase the tax rate in a particular area by adding the local option tax to the statewide tax. These district taxes can vary up to 1%, and more than one district tax may be in effect for a particular location.

Measure H. On March 3, 2020, approximately 61% of the voters of the city approved Measure H, a 0.75% sales tax on retail transactions. The proceeds of Measure H will be available to the general fund once collection begins on July 1, 2020. Prior to the COVID-19 Pandemic, the City had estimated that Measure H would provide an additional $6 million per year to the City's general fund revenues. Measure H does not have a termination date. See "—Effects of COVID-19 Pandemic on Sales Tax Collections" below.

Five seperate district taxes are levied on sales in the City by the Los Angeles County Metropolitan Transportation Authority, each having approved by the voters in Los Angeles County. The applicable sales taxes include Measure H taxes, Measure M taxes, Measure R taxes, Proposition C taxes and Proposition A taxes.

CITY OF MONTEBELLO
CURRENT SALES TAX RATES

Component	Tax Rate
State General Fund	7.25%
Los Angles County	0.25
Measure H(1)	0.75
Measure M	0.50
Measure R	0.50
Proposition C	0.50
Proposition A	0.50
Total	10.25%

Source: City of Montebello.
(1) Measure H tax collection begins July 1, 2020.

The State's Department of Tax and Fee Administration actual administrative costs with respect to the portion of sales taxes allocable to the City are deducted before distribution and are determined on a quarterly basis.

Effects of COVID-19 Pandemic on Sales Tax Collections. The four largest "business groups" in the City (with their relative percentage of total sales tax collections for Fiscal Year 2018-19) were:

1. General Consumer Goods 34%
2. Restaurants and Hotels 13%
3. Autos and Transportation 19%
4. Business and Industry 14%

The City anticipates that sales tax revenues from General Consumer Goods and Restaurants and Hotels will be immediately impacted by the COVID-19 Pandemic. "Stay at home" orders issued by State and County authorities have impacted consumers' ability (and desire) to go out shopping or to dine out. Similar orders closing bars and prohibiting "dine in" service negatively impact local restaurants. With approximately half of the City's sales tax coming from two business groups most negatively impacted by the Pandemic response, the City's sales tax receipts for Fiscal Year 2019-20 are expected to significantly decline from prior levels. The City estimates that sales tax collections for Fiscal Year 2019-20 could be approximately __% of 2018-19 collections.

On March 30, 2020, the Governor signed an executive order allowing the California Department of Tax and Fee Administration to offer a 90-day extension for sales, use and transactions tax returns and tax payment for all businesses filing a return for less than $1 million tax liability. In addition, on April 2, 2020, the Governor announced a one-year sales tax deferral for small businesses limited to $50,000. As a result of these measures, the City estimates delayed cash flows from fiscal year 2019-20.

The City expects the COVID-19 Pandemic related declines in sales tax revenues to be partially offset by new Measure H revenues beginning at the start of its 2020-21 fiscal year. See the caption "RISK FACTORS— COVID-19 (Coronavirus) Pandemic."

Property Taxes

Under Proposition 13, an amendment to the California Constitution adopted in 1978 that added Article XIIIA of the California Constitution, the county assessor's valuation of real property is established as shown on the fiscal year 1975-76 tax bill, or, thereafter, as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Assessed value of property may be increased annually to reflect inflation at a rate not to exceed 2% per year, or reduced to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or in the event of declining property value caused by substantial damage, destruction, market forces or other factors. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than that of similar properties more recently sold, and may be lower than its own market value. Likewise, changes in ownership of property and reassessment of such property to market value commonly will lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership.

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. Real property which changes ownership or is newly constructed is revalued at the time the change in ownership occurs or the new construction is completed. The current year property tax rate will be applied to the reassessment, and the taxes will then be adjusted by a proration factor to reflect the portion of the remaining tax year for which taxes are due.

Local agencies and schools will share the growth of "base" sources from all tax rate areas in the County. Each year's growth allocation becomes part of each local agency's allocation in the following year. The availability of revenue from growth in the tax bases in such tax rate areas may be affected by the existence of redevelopment agencies (including their successor agencies) which, under certain circumstances, may be entitled to sources resulting from the increase in certain property values. State law exempts $7,000 of the assessed valuation of an owner-occupied principal residence. This exemption does not result in any loss of revenue to local agencies since an amount equivalent to the taxes that would have been payable on such exempt values is supplemented by the State.

For assessment and tax collection purposes, property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Secured property assessed by the SBE is commonly identified for taxation purposes as "utility" property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and if unpaid become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to any delinquent payment. Property on the secured roll, with respect to which taxes are delinquent, becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of delinquent taxes and the delinquency penalty, plus costs and prepayment penalty of one and one-half percent per month to the time of prepayment. If taxes are unpaid for a period of five years or more, the property is subject to sale by the county treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of one and one-half percent per month attaches to such taxes beginning the second month after the delinquent date, and on the first day of each month until paid. A county has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and 'County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the delinquent taxpayer.

Assessed Valuation

The assessed valuation of property in the City is established by the County Assessor, except for public utility property which is assessed by the SBE. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution.

Certain classes of property, such as churches, colleges, not-for-profit hospitals and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions. Property taxes allocated to the City are collected by the County at the same time and on the same tax rolls as are county and special district taxes. The valuation of secured property by the County Assessor is established as of January 1 and is subsequently equalized in September of each year.

The table below shows the assessed valuation of taxable property in the City for the most recent fiscal years.

CITY OF MONTEBELLO
ASSESSED VALUATIONS

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2005-06	$ 3,507,904,312	$ 30,385,099	$ 170,932,071	$ 3,709,221,482	n/a
2006-07	3,848,074,530	21,604,627	178,851,068	4,048,530,225	9.15%
2007-08	4,167,160,741	26,377,570	213,754,733	4,407,293,044	8.86
2008-09	4,453,657,847	39,836,244	221,899,005	4,715,393,096	6.99
2009-10	4,443,483,482	32,218,637	226,508,264	4,702,210,383	(0.28)
2010-11	4,378,348,647	56,545,427	232,706,940	4,667,601,014	(0.74)
2011-12	4,463,057,637	56,293,334	235,427,071	4,754,778,042	1.87
2012-13	4,556,675,666	54,142,738	222,865,075	4,833,683,479	1.66
2013-14	4,758,858,156	33,444,025	220,730,634	5,013,032,815	3.71
2014-15	4,928,160,376	41,703,454	228,888,587	5,198,752,417	3.70
2015-16	5,063,402,936	31,557,094	210,915,229	5,305,875,259	2.06
2016-17	5,282,681,403	20,057,286	223,110,011	5,525,848,700	4.15
2017-18	5,468,119,437	20,953,141	221,018,561	5,710,091,139	3.33
2018-19	5,794,732,247	20,402,706	238,293,460	6,053,428,413	6.01
2019-20	6,114,345,136	21,715,493	257,035,933	6,393,096,562	5.61

Source: California Municipal Statistics, Inc.

As indicated above, assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the City's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year.

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application, in the form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must submit an application to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

In addition, Article XIIIA of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis.

Risk of Decline in Property Values; Fire; Earthquake Risk. Property values could be reduced by factors beyond the City's control, including fire, earthquake and a depressed real estate market due to general economic conditions in the County, the region and the State.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, drought, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the City in the future.

Assembly Bill 102. On June 27, 2017, the Governor of the State (the "Governor") signed into law Assembly Bill 102 ("AB 102"). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the City.

State-Assessed Property. Under the Constitution, the SBE assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the City to non-utility companies will increase the assessed value of property in the City, since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the City to a State-assessed utility will have the opposite effect, generally reducing the assessed value in the City as the value is shared among the other jurisdictions in the County. The City is unable to predict future transfers of State-assessed property in the City and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the City.

Assessed Valuation by Land Use. The following table gives a distribution of taxable real property located in the City by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

CITY OF MONTEBELLO
Fiscal Year 2019-20 ASSESSED VALUATION AND PARCELS BY LAND USE

	2019-20 Assessed Valuation(1)	% of Total	No. of Parcels	% of Total
Non Residential:				
Commercial/Office	$ 927,918,379	15.18%	703	5.32%
Vacant Commercial	24,773,617	0.41	70	0.53
Industrial	1,000,471,870	16.36	324	2.45
Vacant Industrial	33,593,953	0.55	46	0.35
Recreational	14,057,443	0.23	16	0.12
Government/Social/Institutional	6,827,842	0.11	196	1.48
Miscellaneous	5,525,870	0.09	75	0.57
Subtotal Non-Residential	2,013,168,974	32.93	1,430	10.83
Residential:				
Single Family Residence	2,741,711,720	44.84	8,888	67.29
Condominium	258,509,220	4.23	1,051	7.96
Mobile Home	548,671	0.01	34	0.26
Mobile Home Park	9,095,033	0.15	4	0.03
2-4 Residential Units	470,436,415	7.69	1,247	9.44
5+ Residential Units/Apartments	613,499,265	10.03	386	2.92
Vacant Residential	7,375,838	0.12	168	1.27
Subtotal Residential	4,101,176,162	67.07	11,778	89.17
Total	$6,114,345,136	100.00	13,208	100.00

Source: California Municipal Statistics, Inc.
(1) Total Secured Assessed Valuation, excluding tax-exempt property.

Principal Taxpayers. Based on fiscal year 2019-20 locally assessed taxable valuations, the top twenty taxable property owners in the City represent approximately 15.14% of the total fiscal year 2019-20 taxable value.

The following table shows the 20 largest owners of taxable property in the City as determined by secured assessed valuation in fiscal year 2019-20.

CITY OF MONTEBELLO
FISCAL YEAR 2019-20 LARGEST LOCAL SECURED PROPERTY TAXPAYERS

	Property Owner	Primary Land Use	Fiscal Year 2019-20 Assessed Valuation	% of Total (1)
1.	Montebello Town Center	Shopping Center	$191,929,050	3.14%
2.	Sentinel Peak Resources CA LLC	Oil & Gas	82,978,621	1.36
3.	Brix or Montebello Plaza LP	Shopping Center	77,049,290	1.26
4.	Bimbo Bakeries USA Inc.	Industrial	58,663,523	0.96
5.	KK 3A Corporation	Apartments	49,592,599	0.81
6.	Somerset Apartments LLC	Apartments	47,180,723	0.77
7.	Comref So CA Industrial	Industrial	45,333,273	0.74
8.	Rreef America REIT II Corp. KKKK	Industrial	40,016,877	0.65
9.	Minson Investments Group LLC	Industrial	38,295,000	0.63
10.	KIR Montebello LP	Shopping Center	35,810,843	0.59
11.	Combined Properties LP, Lessor	Shopping Center	33,406,366	0.55
12.	Prologis California I LLC	Industrial	33,339,391	0.55
13.	Royal Paper Box Company of California	Industrial	29,602,392	0.48
14.	AMB Institutional Alliance Fund III LP	Industrial	24,849,684	0.41
15.	Phillip J. and Phyllis M. Pace, Trustees	Industrial	24,836,102	0.41
16.	Casa La Merced LP	Apartments	24,782,328	0.41
17.	Guardian Life Insurance Company of America	Industrial	23,131,141	0.38
18.	Park Victoria Apartments LLC	Apartments	22,236,440	0.36
19.	Stanley A. Sirott	Apartments	21,651,944	0.35
20.	Kaiser Foundation Health Plan	Medical Offices	20,976,305	0.34
	Total Top 20		$925,661,892	15.14%

Source: California Municipal Statistics, Inc.
(1) Fiscal year 2019-20 Local Secured Assessed Valuation: $6,114,345,136.

Tax Levies and Delinquencies

Beginning in 1978-79, Article XIIIA and its implementing legislation shifted the function of property taxation primarily to the counties, except for levies to support prior-voted debt, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The following tables reflects the historical secured tax levy and year-end delinquencies for property tax levies for property in the City for the most recent fiscal years.

CITY OF MONTEBELLO
SECURED TAX CHARGE AND DELINQUENCY

Fiscal Year	Secured Tax Charge (1)	Amount Delinquent June 30	% Delinquent June 30
2009-10	$ 4,690,733.42	$ 158,300.95	3.37%
2010-11	4,687,921.67	110,694.12	2.36
2011-12	4,801,663.63	98,459.20	2.05
2012-13	4,904,228.68	86,679.85	1.77
2013-14	5,115,059.55	74,214.32	1.45
2014-15	5,314,426.53	75,473.56	1.42
2015-16	5,437,457.99	75,925.48	1.40
2016-17	5,655,763.80	66,173.32	1.17
2017-18	5,872,622.32	71,885.24	1.22
2018-19	6,197,146.22	83,463.94	1.35

Source: California Municipal Statistics, Inc.
(1) 1% General Fund apportionment. Excludes redevelopment agency impounds. Reflects countywide delinquency rate.

Potential Impacts of COVID-19 (Coronavirus) Pandemic on Property Tax Revenues. In response to the COVID-19 outbreak described under the caption "RISK FACTORS—COVID-19 (Coronavirus) Pandemic," counties across the State (including the County) have stated that they will waive penalties for failure to timely pay property taxes on or before April 10, 2020. The County Treasurer Tax Collector has stated that the County will waive late-payment penalties on a case by case basis if a written waiver application is submitted with proven significant economic hardship directly caused by the COVID-19 situation. The City cannot predict whether the County will further relax its position with respect to late payment penalties, which could result in significant property tax delinquencies. The waiver of late payment penalties and resulting property tax delinquencies could have a material adverse impact on the timely payment of property taxes with respect to property in the City. The COVID-19 outbreak may also result in increased property tax assessment appeals which could reduce property tax revenue growth in future years. See the caption "RISK FACTORS— COVID-19 (Coronavirus) Pandemic."

No Teeter Plan

The Los Angeles County Board of Supervisors elected to discontinue the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sales Proceeds (commonly referred to as the "Teeter Plan") on July 1, 2009. Under the terms of the Teeter Plan, the County had remitted to local agencies the amount of uncollected taxes in exchange for retaining any subsequent delinquent payments, penalties and interest that would have been due to the local agency. As the Teeter Plan has been discontinued, the City's property tax revenues reflect both reduced property tax revenue from uncollected taxes and increased revenue from the subsequent receipt of delinquent taxes, interest and penalty payments.

Other Revenue Sources

In addition, the City receives the following General Fund revenues:

Licenses and Permits. The City charges certain permits, licenses and fees for the cost recovery of providing current planning, building inspection, recreation and other municipal services.

Fines, Forfeitures and Penalties. These revenues include parking citations and other fines for municipal code violations.

Charges for Services. The City charges fees for plan checking, building inspection and a variety of other municipal services.

The following table illustrates all non-tax General Fund revenue sources for the most recent four fiscal years and unaudited actuals for fiscal year 2018-19:

CITY OF MONTEBELLO
OTHER GENERAL FUND REVENUE SOURCES
Fiscal Years 2014-15 through 2018-19

	Fiscal Year ending June 30,				
	2014-15 Audited	2015-16 Audited	2016-17 Audited	2017-18 Audited	2018-19 Unaudited
Licenses and permits	$ 4,640,365	$ 4,733,752	$ 4,374,761	$ 4,452,210	$6,220,480
Fines and forfeitures	1,589,536	1,912,729	2,251,384	2,185,022	2,165,922
Investment income	31,302	42,685	29,419	74,742	162,487
Intergovernmental	5,616,198	5,730,251	5,950,400	6,157,030	6,526,570
Charges for services	6,054,033	6,611,348	6,382,058	6,438,100	6,657,595
Proceeds forom sale of property	—	1,968,213	—	—	—
Other revenue	1,469,321	1,025,601	959,391	1,153,423	728,696
TOTAL OTHER REVENUE SOURCES	$19,400,755	$22,024,579	$19,947,413	$20,460,527	$22,461,750

Sources: City of Montebello fiscal years 2014-15 through 2017-18 Comprehensive Annual Financial Reports and City of Montebello Finance Department.

Impact of COVID-19 Pandemic on Other Revenue Sources. Fiscal Year 2019-20 revenues from charges for services, licenses and permits and fines and forfeitures may be delayed or reduced as compared to prior years. The City has canceled recreation classes and programs that will result in reduced revenue from charges for services. Sources of revenues tied to building or planning activities have slowed due to customer's responses to the COVID-19 Pandemic and the closure of Montebello's City Hall to the public that began on March 17, 2020. Planning and building activities are still taking place in the City but are on reduced scale compared to the level of prior years. Fines and forfeitures revenues may be delayed or reduced as the County Court System lacks the capacity to continue its regular collection and remittance of fine and forfeiture payments to local agencies.

Reliance on State Budget

Approximately ______% of the City's General Fund revenues for fiscal year 2018-19 consisted of payments collected by the State and passed-through to local governments or collected by the County and allocated to local governments by State law. Approximately ______% of the City's General Fund revenues for fiscal year 2019-20 are expected to come from such sources.

The economic uncertainty caused by the COVID-19 outbreak will significantly affect the State's fiscal outlook, including lower capital gains-related tax revenue due to the volatility in the financial markets, the likelihood that a recession is forthcoming due to pullback in activity across wide swaths of the economy, and substantially increased expenditures related to fighting the COVID-19 Pandemic. The City cannot predict the short or long-term impacts that Coronavirus will have on global, State-wide and local economies, which may impact City operations and local property values.

There can be no assurance that future State budget difficulties will not adversely affect the City's revenues or its ability to make payments under the Trust Agreement. See "STATE BUDGET INFORMATION."

OTHER FINANCIAL INFORMATION

Labor Relations

Currently 214 permanent City employees are covered by negotiated agreements as detailed in the table below. The City also employs 78 additional employees unrepresented by a collective bargaining unit for a total of 292 employees in total, excluding the Transit Operations.

CITY OF MONTEBELLO
NEGOTIATED EMPLOYEE AGREEMENTS

Bargaining Unit	Contract Expiration Date	Number of Employees
MFFA	12/31/2021	44
MCEA	12/31/2021	90
MSA	12/31/2021	9
MPMA	12/31/2021	7
MFMA	12/31/2021	5
MPOA	12/31/2021	59
UN-REP	12/31/2021	78
Total		292

Source: City of Montebello Finance Department.

Risk Management

The City is partially self-insured for general liability and workers' compensation claims. The City pays up to $1 million per occurrence for general liability claims, and has excess insurance up to $10 million per occurrence. For workers' compensation, the City provides self-insurance up to a $1,000,000 retention level and has acquired excess insurance coverage of $5 million for each claim. The City also purchases commercial insurance for other risks of loss, including property loss and vehicle physical damage.

See APPENDIX C—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF MONTEBELLO FOR THE FISCAL YEAR ENDED JUNE 30, 2019, Note 12.

Employee Retirement Plans

Plan Description. All qualified permanent and probationary employees are eligible to participate in the City's Safety Plan (police and fire) and Miscellaneous Plan (all others), agent multipleemployer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided. CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law..

Employees Covered. At June 30, 2019 (GASB valuation date), the following employees were covered by the benefit terms for each Plan.

CITY OF MONTEBELLO
DEFINED BENEFIT PENSION PLAN
COVERED EMPLOYEES

	Safety Plan	Misc Plan
Inactive employee or beneficiaries currently receiving benefits	275	412
Inactive employees entitled to but not yet receiving benefits	96	415
Active employees	112	315
Total	483	1,142

Source: City of Montebello 2018-19 CAFR.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

According to the most recent CalPERS actuarial study, dated as of June 30, 2018, the Employer Normal Cost Rate will be 11.129% of payroll for Miscellaneous and 21.164% for Safety for fiscal year 2020-

21. The contributions toward the unfunded liability will be $4,771,970 for Miscellaneous and $6,491,262 for Safety.

Net Pension Liability. The City's net pension liability for both Plans is measured as the total pension liability, less the plan's fiduciary net position. Net pension liability as of June 30, 2019, is $50,324,122 for Miscellaneous and $84,202,586 for Safety, for a total of $134,526,708.

For the year ended June 30, 2019, the City recognized pension expense of $13,208,361 and $7,690,060 for the safety and miscellanoues plans, respecitvely. The City's contributions to the Plan recognized as a part of pension expense for the year ended June 30, 2020 were $6,946,105 and $5,050,065 for the safety and miscellaneous plans.

Deferred Outflows/Inflows of Resources Related to Pensions. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF MONTEBELLO
CALPERS DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$11,996,170	—
Changes in assumptions	5,183,983	$(1,224,056)
Δ between actual and expected experiences	326,952	(817,626)
Net Δ between projected/actual earnings on plan investments	1,384,200	—
Total	$18,891,305	$(2,041,682)

Source: City of Montebello 2018-19 CAFR.

For more information, including actuarial assumptions, a discussion of the discount rate used, and schedules of funding progress for the City's various pension plans, see APPENDIX C—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF MONTEBELLO FOR THE FISCAL YEAR ENDED JUNE 30, 2019—Notes to Basic Financial Statements—NOTE 9.

Coronavirus Impacts on Pension Obligations. Recent investment losses in the CalPERS portfolio as a result of the general market downturn caused by the COVID-19 Pandemic will liekly result in increases in the City's required contributions in future years. The City cannot predict the level of such increases, if any.

As of March 31, 2020, CalPERS estimated that the rate of return for its investment portfolio for the fiscal year-to-date was a negative 4%. There is no guarantee that CalPERS will achieve a better rate of return for the full fiscal year and it may be worse. Investment returns below 7% create additional liabilities for public agencies, including the City. Any increase in the UAL created by the Fiscal Year 2019-20 rate of return will begin affecting the City's UAL costs starting in Fiscal Year 2021-22. Pursuant to CalPERS methodology, the amounts payable will increase annually during the first five years and then level out for the remaining 15 years over which to amortize investment losses.

Actions Taken by CalPERS. At its April 17, 2013, meeting, CalPERS' Board of Administration (the "Board of Administration") approved a recommendation to change the CalPERS amortization and smoothing policies. Prior to this change, CalPERS employed an amortization and smoothing policy that spread investment returns over a 15-year period with experience gains and losses paid for over a rolling 30-year period. As a result, CalPERS now employs an amortization and smoothing policy that will pay for all gains and losses over a 20-year period with a five-year ramp-up, and five-year ramp-down, period. The new amortization and smoothing policy was used for the first time in the June 30, 2013 actuarial valuations in setting employer contribution rates for fiscal year 2015-16.

On February 18, 2014, the Board of Administration approved new demographic actuarial assumptions based on a 2013 study of recent experience. The largest impact, applying to all benefit groups, is a new 20-year mortality projection reflecting longer life expectancies and that longevity will continue to increase. Because retirement benefits will be paid out for more years, the cost of those benefits will increase as a result. The Board of Administration also assumed earlier retirements for Police 3%@50, Fire 3%@55, and Miscellaneous 2.7%@55 and 3%@60, which will increase costs for those groups. As a result of these changes, rates increased beginning in fiscal year 2016-17 (based on the June 30, 2014 valuation) with full impact in fiscal year 2020-21.

On November 18, 2015, the Board of Administration adopted a funding risk mitigation policy intended to incrementally lower its discount rate – its assumed rate of investment return – in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. The policy establishes a mechanism to reduce the discount rate by a minimum of 0.05 percentage points to a maximum of 0.25 percentage points in years when investment returns outperform the existing discount rate, which at that time was 7.5%, by at least four percentage points. CalPERS staff modeling anticipates the policy will result in a lowering of the discount rate to 6.5% in about 21 years, improve funding levels gradually over time and cut risk in the pension system by lowering the volatility of investment returns. More information about the funding risk mitigation policy can be accessed through CalPERS' web site at the following website address: https://www.calpers.ca.gov/page/newsroom/calpers-news/2015/adopts-funding-risk-mitigation-policy. *The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the City or the Underwriter and is not incorporated in this Official Statement by reference.*

On December 21, 2016, the Board of Administration voted to lower its discount rate from the current 7.5% to 7.0% over the next three years according to the following schedule.

Fiscal Year of Contribution	Discount Rate
2017-18	7.375%
2018-19	7.250
2019-20	7.000

For public agencies like the City, the 7.0% discount rate took effect on July 1, 2019. Lowering the discount rate means employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Public Employees' Pension Reform Act will also see their contribution rates rise. The three-year reduction of the discount rate will result in average employer rate increases of about 1 percent to 3 percent of normal cost as a percent of payroll for most miscellaneous retirement plans, and a 2 percent to 5 percent increase for most safety plans. Additionally, many CalPERS employers will see a 30 to 40 percent increase in their current unfunded accrued liability payments. These payments are made to amortize unfunded liabilities over 20 years to bring the pension fund to a fully funded status over the long-term.

CalPERS Amortization Period Reform. On February 13, 2018 the CalPERS Board voted to shorten the period over which actuarial gains and losses are amortized from 30 years to 20 years for new pension liabilities. The new 20-year amortization period begins with new gains or losses accrued starting with the June 30, 2019 actuarial valuations. The first payments on the new 20-year amortization schedule will take place in 2021.

A shorter amortization period will increase annual Unfunded Accrued Liability ("UAL") contributions for cities that participate in CalPERS so long as CalPERS remains underfunded. The shortened amortization period will also lead to reductions of periods of negative amortization of the UAL, interest cost savings, and faster recoveries of funded status after market downturns.

Cities that participate in CalPERS will also see additional volatility in their future UAL contributions due to market performance as gains or losses will be amortized faster under the new amortization period.

The City cannot currently estimate the impact the shorter amortization period will have on its required contributions for its Miscellaneous and Safety Plans.

Other Post-Employment Benefits

Plan Description. The City provides postemployment healthcare benefits to eligible employees at retirement through a single-employer defined benefit other postemployment benefits plan administered by the City. Benefit provisions are established through agreements and memorandums of agreement between the City, its management employees, and undions representing the City's employees.

Employees Covered. As of the June 30, 2019, actuarial valuation, the plan consists of 360 active employees and 192 inactive employees or beneficiaries currently receiving benefits.

Funding Policy. Future contribution requirements of plan members, if any, and the City will be established and amended as needed by the City Council. The required contribution will be based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the Council.

Annual OPEB Expense and Net OPEB Liability. For the year ended June 30, 2019, the City recognized OPEB expense of $1,916,879 The City currently finances these benefits on a pay-as-you-go basis. The following table shows the amount contributed to the plan, and changes in the City's net OPEB Liability calculated at a discount rate of 3.50%:

CITY OF MONTEBELLO
OPEB LIABILITY
Fiscal Year 2018-19

Service cost	$ 1,115,729
Interest on net OPEB obligation	970,7766
Diff. btw. actual and expected experience	(59,573)
Changes in assumptions	1,069,938
Benefits payments	(1,151,779)
Increase in net OPEB obligation	1,945,081
Net OPEB obligation, beginning of the year	28,012,070
Net OPEB obligation, end of the year	$29,957,151

Source: City of Montebello 2018-19 CAFR.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

See APPENDIX C—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF MONTEBELLO FOR THE FISCAL YEAR ENDED JUNE 30, 2019—Notes to Basic Financial Statements—Note 10.

Debt Obligations

The City has the follow outstanding bonds payable in whole or in part from its general fund:

Issue	Outstanding Par Amount	Final Maturity
Montebello Public Financing Authority Lease Revenue Refunding Bonds, 2014 Series A	$1,810,000	11/1/2028
Montebello Public Financing Authority Lease Revenue Refunding Bonds, 2014 Series B	$6,050,000	11/1/2026
Montebello Public Financing Authority Taxable Lease Revenue Refunding Bonds, 2014 Series C	$2,895,000	11/1/2024
Montebello Public Financing Authority Lease Revenue Bonds, 2016 Series A (Home2Suites)	$54,860,000	6/1/2046
Montebello Public Financing Authority Lease Revenue Bonds, 2019 Series A (Montebello Hotel Project)	$10,200,000	12/1/2034

See APPENDIX C—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY FOR THE YEAR ENDED JUNE 30, 2019—Notes to Basic Financial Statements—NOTE 8 for other obligations of the City not payable from its general fund.

Overlapping Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and effective May 1, 2020. The Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases, long-term obligations issued by a public agency are payable only from the General Fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the City; (2) the second column shows the respective percentage of the assessed valuation of the overlapping public agencies identified in column 1 which is represented by property located in the City; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the City, as determined by multiplying the total outstanding debt of each agency by the percentage of the City's assessed valuation represented in column 2.

DIRECT AND OVERLAPPING BONDED DEBT AS OF MAY 1, 2020

CITY OF MONTEBELLO

2019-20 Assessed Valuation: $6,393,096,562

	% Applicable	Debt 5/1/20
OVERLAPPING TAX AND ASSESSMENT DEBT:		
Metropolitan Water District	.207 %	$ 77,211
Los Angeles Community College District	.705	29,852,943
El Rancho Unified School District	.003	2,469
Los Angeles Unified School District	.001	96,811
Montebello Unified School District	35.607	60,487,252
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT		90,516,686
Less: Los Angeles Unified School District General Obligation Bonds, Election of 2005 Series J (2010) Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Aside for Repayment		273
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT		90,516,413
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Los Angeles County General Fund Obligations	.396%	9,191,895
Los Angeles County Superintendent of Schools Certificates of Participation	.396	20,522
Los Angeles County Sanitation District No. 2 Authority	8.922	503,910
Los Angeles County Sanitation District No. 15 Authority	.725	41,915
Los Angeles Unified School District Certificates of Participation	.001	1,644
Montebello Unified School District Certificates of Participation	35.607	2,348,282
City of Montebello General Fund Obligations	**100.000**	**76,020,236**(1)
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		88,128,404
Less: Los Angeles Unified School District Qualified Zone Academic Bonds		96
City of Montebello Obligations supported from golf and hotel revenues		**10,883,220**
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		77,245,088
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	100.000%	22,455,417
GROSS COMBINED TOTAL DEBT		201,100,507
NET COMBINED TOTAL DEBT		190,216,918(2)

Ratios to 2019-20 Assessed Valuation:

Total Gross Overlapping Tax and Assessment Debt..............1.42%
Total Net Overlapping Tax and Assessment Debt.................1.42%
Total Gross Direct Debt ($76,020,236)........................ 1.19%
Total Net Direct Debt ($65,137,016)............................ 1.02%
Gross Combined Total Debt 3.15%
Net Combined Total Debt 2.98%

Ratios to Redevelopment Successor Agency Incremental Valuation ($1,989,673,994):

Total Overlapping Tax Increment Debt................................1.13%

Source: California Municipal Statistics, Inc.
(1) Excludes Bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

INVESTMENT OF CITY FUNDS

Revenues collected by the City will be held and invested by the City in accordance with the provisions of the Trust Agrement.

Funds held by the City are invested in accordance with the City's Statement of Investment Policy, dated __________, _____ (the "Investment Policy"), prepared by the Finance Director and the City Treasurer as authorized by section 53601 of the Government Code of California. The Investment Policy is submitted to the City Council annually. The Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition of the portfolio will change over time as old investments mature, or are sold, and as new investments are made. Invested funds are managed to insure preservation of capital through high quality investments, maintenance of liquidity and then yield. Further, operating funds may not be invested in any investment with a maturity greater than five years. The City has never invested in derivatives or reverse repurchase agreements and such investments and instruments are not allowed by City policy.

For more information about the City's investment policy, see APPENDIX D—CITY OF MONTEBELLO INVESTMENT POLICY.

STATE BUDGET INFORMATION

Information regarding the State Budget is regularly available at various State-maintained websites. The fiscal year 2019-20 State Budget and fiscal year 2020-21 Proposed State Budget further described below may each be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." Additionally, an impartial analysis of the State's Budgets is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the City, and neither the City nor the Underwriters takes responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

State Budget Process. Through the State budget process, the State enacts legislation that significantly impacts the source, amount and timing of the receipt of revenues by local agencies, including the City. As in recent years, State budget deficits can result in legislation that adversely impacts local agency budgets.

The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "Governor's Budget"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a two-thirds majority vote of each House of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the Legislature and be signed by the Governor. Bills containing K-14 education appropriations only require a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only; the information contained within the websites has not been reviewed by the City and is not incorporated herein by reference.

The California State Treasurer's Internet home page at www.treasurer.ca.gov, under the heading "Financial Information," posts the State's audited financial statements. In addition, the "Financial Information" section includes the State's Rule 15c2-12 filings for State bond issues. The "Financial Information" section also includes the "Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation" from the State's most current Official Statement, which discusses the State budget and the state budget process in greater detail.

The State Legislative Analyst's Office ("LAO") prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Products."

2019-20 State Budget. The Governor signed the fiscal year 2019-20 State Budget on June 27, 2019. The 2019-20 State Budget sets forth a balanced budget for fiscal year 2019-20 that projected approximately $154.9 billion in revenues, and $93.3 billion in non-Proposition 98 expenditures and $56.4 billion in Proposition 98 expenditures. The 2019-20 State Budget includes a $3.1 billion reserve in the Special Fund for Economic Uncertainties and a $16.0 billion balance in the State's budget stabilization account/rainy day fund.

2020-21 Proposed State Budget. On January 10, 2020, the Governor submitted his 2020-21 Proposed State Budget. The 2020-21 Proposed State Budget projected approximately $153.6 billion in revenues, and $95.5 billion in non-Proposition 98 expenditures and $57.6 billion in Proposition 98 expenditures. The 2020-21 Proposed State Budget included a $1.6 billion reserve in the Special Fund for Economic Uncertainties and a $18.0 billion balance in the State's budget stabilization account/rainy day fund. The 2020-21 Proposed State Budget does not yet include revisions account for the fiscal impacts of the COVID-19 Pandemic, but the Governor will submit a "May Revision" in May prior to adopting a final 2020-21 State Budget in June. The May Revision and Final 2020-21 State Budget will see significant reductions in revenues and increases in expenditures related to the COVID-19 Pandemic.

LAO Fiscal Perspective Report. The LAO issued a fiscal perspective report on March 18, 2020 entitled "COVID-19 and California's Evolving Fiscal Outlook," concluding that the economic uncertainty caused by the COVID-19 Pandemic will significantly affect California's near-term fiscal outlook. Key takeaways from the report are as follows:

Volatility in Financial Markets Indicate Lower Capital Gains-Related Tax Revenue. Taxes on capital gains are a significant source of State revenue, but they are difficult to forecast because of their correlation to stock market performance. The LAO states that the volatility of financial markets indicate lower capital gains-related tax revenue. With the market now well below the budget assumption, absent a more rapid recovery than has occurred in any modern market downturn of this severity, it appears likely that the average price level will wind up lower than the budget assumption. The LAO projects there is a high likelihood that tax revenues from capital gains income will be several billion dollars lower than what the Governor's budget assumed.

COVID-19 Response Brings Economic Activity to a Halt. For the broader economy, the LAO stated that the odds of a recession have increased substantially due to the pullback in activity across wide swaths of the economy. The abrupt and nearly across-the-board curtailment of spending that is now underway sets it apart from previous downturns. An optimistic scenario is that the economy would experience a sharp but comparatively short-lived downturn lasting one or two months. Under a more pessimistic scenario, economic activity would remain depressed for longer, compounded by dislocated supply chains and reduced lending caused by elevated risk aversion in credit markets. The type of contraction the state, national, and global economies experience will have implications for revenue collections in the coming years.

California's Strong Fiscal Position is a Key Advantage. The LAO notes, however, that California's budget entered 2020 on a strong footing due to strong budget reserves, the pay down of debt and multiyear balanced budgets during the economic expansion of previous years.

The City cannot predict the impact that the 2019-20 State Budget, the 2020-21 State Budget, or subsequent budgets, will have on its own finances and operations. Additionally, the City cannot predict the accuracy of any projections made in the State's 2019-20 State Budget and 2020-21 Proposed State Budget.

Future State Budgets. The City receives a portion of its funding from the State. Changes in the revenues received by the State can affect the amount of funding, if any, to be received from the State by the City and other cities in the State.

The City cannot predict the extent of the budgetary problems the State will encounter in this fiscal year or in any future fiscal years, and, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of current and future State budget negotiations, the impact that such budgets will have on its finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors, including the COVID-19 Pandemic and the associated economic downturn, over which the City has no control. See also "RISK FACTORS—Dependence on State for Certain Revenues."

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS

Article XIIIA of the California Constitution

On June 6, 1978, California voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution. This amendment, which added Article XIIIA to the California Constitution, among other things affects the valuation of real property for the purpose of taxation in that it defines the full cash property value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further limits the amount of any ad valorem tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition.

Legislation enacted by the California Legislature to implement Article XIIIA provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of assessed value and all general tax rates reflect the $1 per $100 of taxable value. Tax rates for voter approved bonded indebtedness and pension liability are also applied to 100% of assessed value.

The voters of the State subsequently approved various measures which further amended Article XIIIA. One such amendment generally provides that the purchase or transfer of (i) real property between spouses or (ii) the principal residence and the first $1,000,000 of the Full Cash Value of other real property between parents and children, do not constitute a "purchase" or "change of ownership" triggering reappraisal under Article XIIIA. Other amendments permitted the State Legislature to allow persons over the age of 55 who meet certain criteria or "severely disabled homeowners" who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence's assessed value to the new residence. Other amendments permit the State Legislature to allow persons who are either 55 years of age or older, or who are "severely disabled," to transfer the old residence's assessed value to their new residence located in either the same or a different county and acquired or newly constructed within two years of the sale of their old residence.

In the November 1990 election, the voters approved an amendment of Article XIIIA to permit the State Legislature to exclude from the definition of "new construction" certain additions and improvements, including seismic retrofitting improvements and improvements utilizing earthquake hazard mitigation technologies constructed or installed in existing buildings after November 6, 1990.

Article XIIIA has also been amended to provide that there would be no increase in the Full Cash Value base in the event of reconstruction of the property damaged or destroyed in a disaster.

Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restoration of value of the damaged property.

Section 4 of Article XIIIA also provides that cities, counties and special districts cannot, without a two-thirds vote of the qualified electors, impose special taxes, which has been interpreted to include special fees in excess of the cost of providing the services or facility for which the fee is charged, or fees levied for general revenue purposes.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIIIA.

Article XIIIB of the California Constitution

On November 6, 1979, California voters approved Proposition 4, the Gann Initiative, which added Article XIIIB to the California Constitution. In June 1990, Article XIIIB was amended by the voters through their approval of Proposition 111. Article XIIIB of the California Constitution limits the annual appropriations of the State and any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and services rendered by the governmental entity. The "base year" for establishing such appropriation limit is fiscal year 1978-79. Increases in appropriations by a governmental entity are also permitted (1) if financial responsibility for providing services is transferred to the governmental entity, or (2) for emergencies so long as the appropriations limits for the three years following the emergency are reduced to prevent any aggregate increase above the Constitutional limit. Decreases are required where responsibility for providing services is transferred from the government entity.

Appropriations subject to Article XIIIB include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations subject to limitation pursuant to Article XIIIB do not include debt service on indebtedness existing or legally authorized as of January 1, 1979, on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the Federal government, appropriations for qualified outlay projects, and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from (1) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation, (2) the investment of tax revenues and (3) certain State subventions received by local governments. As amended by Proposition 111, the appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by the City over such two-year period above the combined appropriations limits for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years.

As amended in June 1990, the appropriations limit for the City in each year is based on the limit for the prior year, adjusted annually for changes in the costs of living and changes in population, and adjusted, where applicable, for transfer of financial responsibility of providing services to or from another unit of government. The change in the cost of living is, at the City's option, either (1) the percentage change in California per capita personal income, or (2) the percentage change in the local assessment roll for the jurisdiction due to the addition of nonresidential new construction. The measurement of change in population is a blended average of statewide overall population growth, and change in attendance at local school and community college ("K-14") districts.

Article XIIIB permits any government entity to change the appropriations limit by vote of the electorate in conformity with statutory and Constitutional voting requirements, but any such voter-approved change can only be effective for a maximum of four years.

Articles XIIIC and XIIID (Proposition 218) of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, a constitutional initiative, entitled the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 added Articles XIIIC and XIIID to the California Constitution and contained a number of interrelated provisions affecting the ability of local governments, including the City, to levy and collect both existing and future taxes and assessments, fees and charges.

Article XIIIC

Section 2 of Article XIIIC requires majority voter approval for the imposition, extension or increase of general taxes and requires two thirds voter approval for the imposition, extension or increase of special taxes. These voter approval requirements of Article XIIIC reduce the flexibility of the City to raise revenues by the levy of general or special taxes and, given such voter approval requirements, no assurance can be given that the City will be able to enact, impose, extend or increase any such taxes in the future to meet increased expenditure requirements.

Although a portion of the City's General Fund revenues are derived from general taxes purported to be governed by Proposition 218, all of such taxes were either imposed, extended or increased prior to the effective date of Proposition 218 or in accordance with the requirements of Proposition 218. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges, such as the TOT, Proposition 172 revenues, or storm water fees which support the City's General Fund. TOT and other local taxes, assessments, fees and charges, could be subject to reduction or repeal by initiative under Proposition 218.

Section 3 of Article XIIIC expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date such taxes, assessments, fees or charges were imposed. Section 3 expands the initiative power to include reducing or repealing assessments, fees and charges that had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIIIC to fees imposed after November 6, 1996, the effective date of Proposition 218, and absent other legal authority could result in the reduction in any existing taxes, assessments or fees and charges imposed prior to November 6, 1996.

"Fees" and "charges" are not expressly defined in Article XIIIC or in SB 919, the Proposition 218 Omnibus Implementation Act enacted in 1997 to prescribe specific procedures and parameters for local jurisdictions in complying with Article XIIIC and Article XIIID ("SB 919"). However, on July 24, 2006, the California Supreme Court ruled in Bighorn-Desert View Water Agency v. Virjil (Kelley) (the "Bighorn Decision") that charges for ongoing water delivery are fees and charges within the meaning Section 3 of Article XIIIC. The California Supreme Court held that such water service charges may, therefore, be reduced or repealed through a local voter initiative pursuant to Section 3 of Article XIIIC. The Bighorn

Decision has been interpreted to mean that ongoing water delivery charges are also property-related fees and charges within the meaning of Article XIIID.

In the Bighorn Decision, the Supreme Court stated that nothing in Section 3 of Article XIIIC authorizes initiative measures that impose voter-approval requirements for future increases in fees or charges for water delivery. The Supreme Court stated that water providers may determine rates and charges upon proper action of the governing body and that the governing body may increase a charge which was not affected by a prior initiative or impose an entirely new charge.

The Supreme Court further stated in the Bighorn Decision that it was not holding that the initiative power is free of all limitations and was not determining whether the initiative power is subject to the statutory provision requiring that water and wastewater service charges be set at a level that will pay debt service on bonded debt and operating expenses. Such initiative power could be subject to the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution. Additionally, SB 919 provides that the initiative power provided for in Proposition 218 "shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after (the effective date of Proposition 218) assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights" protected by the United States Constitution.

Article XIIIC also removes many of the limitations on the initiative power in matters of reducing or repealing any local tax, assessment, fee or charge. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City's General Fund. "Assessments," "fees" and "charges" are not defined in Article XIIIC, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIIIC as for Article XIIID described below. If not, the scope of the initiative power under Article XIIIC potentially could include any General Fund local tax, assessment, or fee not received from or imposed by the federal or State government or derived from investment income.

If the City is unable to continue to collect assessment revenues for a particular program, the program might have to be curtailed and/or funded by the City's General Fund. Given the approval requirements imposed by Article XIIID, the City is unable to predict whether it will be able to continue to collect assessment revenues for these programs. If the City chose to fund any such programs from the General Fund instead, the General Fund budget would be affected.

Article XIIID

Article XIIID defines a "fee" or "charge" as any levy other than an ad valorem tax, special tax, or assessment imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property-related service. A "property-related service" is defined as "a public service having a direct relationship to a property ownership" herein. Article XIIID further provides that reliance by an agency on any parcel map (including an assessor's parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership. In the Bighorn Decision, the Supreme Court stated that ongoing water delivery charges are also property-related fees and charges within the meaning of Article XIIID.

Article XIIID requires that any agency imposing or increasing any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it. As a result, if and to the extent that a fee or charge imposed by a local government for water service is ultimately determined to be a "fee" or "charge" as defined in Article XIIID, the local government's ability to increase such fee or charge may be limited by a majority protest.

In addition, Article XIIID also includes a number of limitations applicable to existing fees and charges including provisions to the effect that (i) revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service; (ii) such revenues shall not be used for any purpose other than that for which the fee or charge was imposed; (iii) the amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel; and (iv) no such fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Property-related fees or charges based on potential or future use of a service are not permitted.

Depending on the interpretation of what constitutes a "property-related fee" under Article XIIID, there could be future restrictions on the ability of the City's General Fund to charge its enterprise funds for various services provided. In the event that fees and charges of enterprise funds cannot be appropriately increased or are reduced pursuant to exercise of the initiative power, the City may have to decide whether to supplement any deficiencies in these enterprise funds with moneys from the General Fund or to curtail service, or both.

The interpretation and application of Proposition 218 will ultimately be determined by the courts or through implementing legislation with respect to a number of the matters described above, and it is not possible at this time to predict with certainty the outcome of such determination or the nature or scope of any such legislation.

Both Articles XIIIA and XIIIB, as well as Articles XIIIC and XIIID described above, were adopted as measures that qualified for the ballot pursuant to California's constitutional initiative process. From time to time other initiative measures could be adopted, affecting the ability of the City to increase revenues and to increase appropriations.

Proposition 62

Proposition 62 was adopted by the voters at the November 4, 1986, general election which (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the City be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local government entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIIIA of the California Constitution, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after October 15, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

On September 28, 1995, the California Supreme Court, in the case of *Santa Clara County Local Transportation Corporation v. Guardino*, upheld the constitutionality of Proposition 62. In this case, the court held that a county-wide sales tax of one-half of one percent was a special tax that, under Section 53722 of the Government Code, required a two-thirds voter approval. The county-wide sales tax at issue received an affirmative vote of only 54.1% and was found to be invalid.

Following the California Supreme Court's decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62. On June 4, 2001, the California Supreme Court released its decision in one of these cases, *Howard Jarvis Taxpayers Association v. City of La Habra, et al*. ("*La Habra*"). In this case, the court held that public agency's continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

Proposition 1A of 2004

The California Constitution and existing statutes give the legislature authority over property taxes, sales taxes and the VLF. The legislature has authority to change tax rates, the items subject to taxation and the distribution of tax revenues among local governments, schools, and community college districts. The State has used this authority for many purposes, including increasing funding for local services, reducing State costs, reducing taxation, addressing concerns regarding funding for particular local governments, and restructuring local finance.

The California Constitution generally requires the State to reimburse the local governments when the State "mandates" a new local program or higher level of service. Due to the ongoing financial difficulties of the State, it has not provided in recent years reimbursements for many mandated costs. In other cases, the State has "suspended" mandates, eliminating both responsibility of the local governments for complying with the mandate and the need for State reimbursements.

The 2004 Budget Act, related legislation and the enactment of Proposition 1A of 2004 (described below) dramatically changed the State-local fiscal relationship. These constitutional and statutory changes implemented an agreement negotiated between the Governor and local government officials (the "State-local agreement") in connection with the 2004 Budget Act.

One change related to the reduction of the VLF rate from 2% to 0.65% of the market value of the vehicle. In order to protect local governments, which had previously received all VLF revenues, the 1.35 percent reduction in VLF revenue to cities and counties from this rate change was backfilled by an increase in the amount of property tax revenues they receive. This worked to the benefit of local governments, because the backfill amount annually increases in proportion to the growth in secured roll property tax revenues, which has historically grown at a higher rate than VLF revenues. Proposition 1A of 2004 requires the State to provide local governments with equal replacement revenues.

On November 3, 2004 the voters of the State approved Proposition 1A ("Proposition 1A of 2004"). Proposition 1A of 2004 amended the State Constitution to, among other things, reduce the Legislature's authority over local government revenue sources by placing restrictions on the State's access to local governments' property tax, sales tax, and VLF revenues as of November 3, 2004. Pursuant to Proposition

1A of 2004, the State is able to borrow up to 8% of local property tax revenues but only if the Governor proclaims such action is necessary due to a severe State fiscal hardship and two-thirds of both houses of the State Legislature approve the borrowing. Any amounts borrowed are required to be repaid within three years. Proposition 1A of 2004 also permits the State to borrow from local property tax revenues for no more than two fiscal years within a period of 10 fiscal years, and only if previous borrowings have been repaid. In addition, the State cannot reduce the local sales tax rate or restrict the authority of the local governments to impose or change the distribution of the statewide local sales tax. Proposition 1A of 2004 generally prohibits the State from mandating activities on cities, counties, or special districts without providing the funding needed to comply with the mandates, and if the State does not provide funding for the activity that has been determined to be mandated, the requirement on cities, counties, or special districts to abide by the mandate is suspended. Proposition 1A of 2004 also expanded the definition of what constitutes a mandate to encompass State action that transfers to cities, counties, and special districts financial responsibility for a required program for which the State previously had partial or complete responsibility. The State mandate provisions of Proposition 1A of 2004 do not apply to schools or community colleges or to mandates relating to employee rights.

Pursuant to statutory changes made in conjunction with amendments to the fiscal year 2008-09 State Budget Act, the fiscal year 2009-10 State Budget Act and related budget legislation adopted by the State Legislature and signed by the Governor in February 2012 (collectively, the "February 2012 Budget Package"), the VLF rate increased from 0.65% to 1.15% effective May 19, 2012. Of this 0.50% increase, 0.35% will flow to the State General Fund, and 0.15% will support various law enforcement programs previously funded by the State General Fund.

Proposition 22

Proposition 22 ("Proposition 22"), which was approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State General Fund or any other State fund. Due to the prohibition with respect to State's ability to take, reallocate, and borrow money raised by local governments for local purposes, Proposition 22 supersedes certain provisions of Proposition 1A of 2004. See " – Proposition 1 A of 2004" herein. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties, and special districts to schools, temporarily increase schools' and community college districts' share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increased pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the State Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. The LAO states that Proposition 22 will prohibit the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies.

Proposition 22 prohibits the State from borrowing sales taxes or excise taxes on motor vehicle fuels or changing the allocations of those taxes among local government except pursuant to specified procedures involving public notices and hearings. In addition, Proposition 22 requires that the State apply the formula setting forth the allocation of State fuel tax revenues to local agencies revert to the formula in effect on June 30, 2009. The LAO anticipates that Proposition 22 will require the State to adopt alternative actions to address its fiscal and policy objectives, particularly with respect to short-term cash flow need. The City does not believe that the adoption of Proposition 22 will have a significant impact on its revenues and expenditures.

Proposition 26

Proposition 26 ("Proposition 26"), which was approved by California voters on November 2, 2010, revises the California Constitution to expand the definition of "taxes." Proposition 26 re-categorizes many State and local fees as taxes and specifies a requirement of two-thirds voter approval for taxes levied by local governments.

Proposition 26 requires the State obtain the approval of two-thirds of both houses of the State Legislature for any proposed change in State statutes, which would result in any taxpayer paying a higher tax. Proposition 26 eliminates the previous practice whereby a tax increase coupled with a tax reduction that resulted in an overall neutral fiscal effect was subject only to a majority vote in the State Legislature. Furthermore, pursuant to Proposition 26, any increase in a fee above the amount needed to provide the specific service or benefit is deemed to be a tax and the approval thereof will require such two-thirds vote of approval to be effective. In addition, for State imposed fees and charges, any fee or charge adopted after January 1, 2010 with a majority vote of approval of the State Legislature which would have required a two-thirds vote of approval of the State Legislature if Proposition 26 were effective at the time of such adoption is repealed as of November 2011 absent the re-adoption by the requisite two-thirds vote.

Proposition 26 amends Article XIII C of the State Constitution to state that a "tax" means a levy, charge or exaction of any kind imposed by a local government, except (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property or the purchase rental or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (6) a charge imposed as a condition of property development; or (7) assessments and property related fees imposed in accordance with the provisions of Proposition 218.

Proposition 26 applies to any levy, charge or exaction imposed, increased, or extended by local government on or after November 3, 2010, unless exempted, as stated above. Accordingly, fees adopted prior to that date are not subject to the measure until they are increased or extended or if it is determined that an exemption applies. As of the date hereof, none of the City's fees or charges has been challenged in a court of law in connection with the requirements of Proposition 26.

If the local government specifies how the funds from a proposed local tax are to be used, the approval will be subject to a two-thirds voter requirement. If the local government does not specify how the funds from a proposed local tax are to be used, the approval will be subject to a fifty percent voter requirement. Proposed local government fees that are not subject to Proposition 26 generally are subject to the approval of a majority of the governing body. In general, proposed property charges will be subject to a majority vote of approval by the governing body although certain proposed property charges will also require approval by a majority of the affected property owners.

Proposition 30

On November 6, 2012, voters approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2017. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax will be levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending August 1, 2019, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $340,000 but less than $408,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $408,000 but less than $680,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $608,000 for joint filers).

The revenues generated from the temporary tax increases will be included in the calculation of the minimum funding guarantee for school districts and community college districts contained in the State Constitution. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). By dedicating the Proposition 30 funds to education, other revenues in the State General Fund are freed up to fund other programs. Proposition 30 also placed into the state Constitution the current statutory provisions transferring 1.0625 percent of the state sales tax to local governments to fund realignment.

Future Initiatives

Article XIIIA, XIIIB, XIIIC and XIIID, Propositions 62, 1A, 22, 26, and 30 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time, other initiative measures could be adopted, which may place further limitations on the ability of the State, the City or local districts to increase revenues or to increase appropriations which may affect the City's revenues or its ability to expend its revenues.

RISK FACTORS

This section provides a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the Bonds are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the risk factors discussed below, among others, could lead to a decrease in the market value and/or in the marketability of the Bonds. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Bonds are Unsecured General Fund Obligations of the City

Except for the pledge of Pledged Tax Revenues, the obligation of the City to make debt service payments on the Bonds does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Except for the pledge of Pledged Tax Revenues, the Trust Agreement does not create a pledge, lien or encumbrance upon the funds of the City. Pursuant to law, the Bonds are payable from any available funds of the City. The City covenants in the Trust Agreement to punctually pay the interest on and principal of every Bond in strict conformity with the terms thereof and of the Trust Agreement. The City is liable and may become liable on other obligations payable from general revenues, some of which may have a priority over payments of the principal of, premium, if any, and interest on, the Bonds, or which the City, in its discretion, may determine to pay prior to the principal of, premium, if any, and interest on, the Bonds.

A variety of national, state or regional factors, which are beyond the control of the City could reduce the City's General Fund revenues or increase the City's General Fund expenditures. If the amounts which the City is obligated to pay in a Fiscal Year exceed the City's revenues for such year, the City may choose to make some payments rather than making other payments, including payments on the Bonds, based on the perceived needs of the City. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare. See "STATE CONSTITUTIONAL LIMITATIONS ON CITY REVENUES AND APPROPRIATIONS."

The City has the capacity to enter into other obligations payable from the City's General Fund without the consent of or prior notice to the Owners of the Bonds, and has expressly reserved the right to issue or incur other obligations for any of its corporate purposes. To the extent that additional obligations are incurred by the City, the funds available to make payments of the principal of, premium, if any, and interest on, the Bonds may be decreased. In the event the City's revenue sources are less than its total obligations, the City could choose to fund other activities before making payment of the principal of, premium, if any, and interest on, the Bonds. The same result could occur if State constitutional expenditure limitations were to prohibit the City from appropriating and spending all of its otherwise available revenues.

Future Financial Condition

No representation is made as to the future financial condition of the City.

If the Retirement Tax Revenues and the City's other legally available revenues, including from the General Fund of the City, are less than its total obligations, the City could choose to fund other services before paying debt service on the Bonds although the City can only apply the Retirement Tax Revenues for their authotized purposes. The same result could occur if, because of State Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues (see "CONSTITUTIONAL LIMITATION ON CITY REVENUES AND APPROPRIATIONS"). To the extent these types of events or other events adversely affecting the funds available to the City occur in any year, the funds available to pay debt service may be decreased.

Limitation on Remedies; Bankruptcy

The enforceability of the rights and remedies of the Owners of the Bonds are subject to a number of limitations, including bankruptcy, moratorium, insolvency or other laws affecting creditor's rights or remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in equity or at law), to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities in the State.

In addition, the rights and remedies of the Owners may be limited by and are subject to the provisions of federal bankruptcy laws and to other laws or equitable principles that may affect the enforcement of creditors' rights. The City is a governmental unit and therefore cannot be the subject of an involuntary case under the United States Bankruptcy Code (the "Bankruptcy Code"). However, pursuant to Chapter 9 of the Bankruptcy Code, the City may seek voluntary protection from its creditors for purposes of adjusting its debts. In the event the City were to become a debtor under the Bankruptcy Code, the City would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 proceeding. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or court-approved secured debt which may have a priority of payment superior to that of Owners of Bonds; and (iv) the possibility of the adoption of a plan for the adjustment of the City's debt (a "Plan") without the consent of the Trustee or all of the Owners of Bonds, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable.

While the City believes that the Pledged Tax Revenues would be treated as "special revenues," in a bankruptcy proceding involving the City, no assurance can be given that a bankrupycy court would not find otherwise. If the Pledged Tax Revenues are not "special revenues," there could be delays or reductions in payments on the Bonds.

If the City is in bankruptcy, the parties (including the Trustee and the Owners) may be prohibited from taking any action to collect any amount from the City or to enforce any obligation of the City, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Bonds from funds in the Trustee's possession.

The Bonds are not secured by any property other than the funds that the City has actually deposited with the Trustee, and the City is not obligated to deposit any funds with the Trustee until the third business day prior to the applicable bond payment debt. The Bonds are not secured by the funds in the City treasury allocated to pay debt seevice on the Bonds. If the City is in bankruptcy, it may not be obligated to make any further deposits with the Trustee, it may not be obligated to make any further allocations to the payment of debt service, and it may not be obligated to turn over to the Trustee any moneys that have been allocated in the City treasury. As a result, the Bonds would likely be treated as unsecured obligations of the City in the bankruptcy case. Under such circumstances, the Owners could suffer substantial losses.

The City may be able, without the consent and over the objection of the Trustee or the Owners, to alter the priority, interest rate, payment terms, maturity dates, payment sources, covenants, and other terms or provisions of the Trust Agreement and the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Bonds, or result in losses to the Owners. Regardless of any specific adverse determinations in a City bankruptcy proceeding, the fact of a City bankruptcy proceeding could have an adverse effect on the liquidity and value of the Bonds.

Bond Counsel's opinion will be qualified to the extent the enforceability of the Bonds and the Trust Agreement may be limited by applicable bankruptcy, insolvency, debt adjustment, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally or as to the availability of any particular remedy. No opinion is being delivered by Bond Counsel relating to the treatment of the Bonds or the Trust Agreement or any related matter in a City bankruptcy proceeding.

Pension Benefit Liability

Many factors influence the amount of the City's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of CalPERS retirement system laws, changes in the level of benefits provided or in the contribution rates of the City, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), and differences between actual and anticipated investment experience of CalPERS. Any of these factors could give rise to additional liability of the City to its pension plans as a result of which the City would be obligated to make additional payments to its pension plans in order to fully fund the City's obligations to its pension plans. It is expected that required contributions to CalPERS will go up in future years.

Possible Dilution of Pension Tax Override

As relates to debt service on the Bonds payable from Retirement Tax Revenues, a portion of the debt service on the Bonds and any Additional Bonds payable on a parity therewith, is payable based on Pre-Proposition 13 pension benefit levels. If Additional Bonds are issued by the City, the amount of Retirement Tax Reevenues available to pay debt service on the Bonds and such Additional Bonds will be allocated *pro rata* based upon the Secured Amount of each Series of Bonds.

Cash Management

The City has numerous internal or external means to manage its cash flow, including but not limited to interfund borrowing, intrafund borrowing and tax and revenue anticipation notes which may be employed to the extent the City Council is required to make budget adjustments in order to maintain a balanced budget. If the City does not take required actions and the budget remains out of balance, the cash requirements of the City may exceed available cash flow. The ability of the City to borrow on an interim basis to meet any cash shortfalls also may be limited if the budget remains out of balance for a sustained period of time. The City has the legal authority to issue "warrants" in place of cash to meet various types of expenditures or appropriations as an additional means to manage its cash flow. See "CITY FINANCIAL INFORMATION."

COVID-19 Pandemic

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a Pandemic (the "COVID-19 Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the City, California, and the United States. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

The COVID-19 Pandemic has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools (including schools in the City). The United States is restricting certain non-US citizens and permanent residents from entering the country. In addition, stock markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

On March 4, 2020, the Governor of California proclaimed a state of emergency in California as a result of the threat of COVID-19. Under the California Emergency Services Act, during a state of emergency, the Governor has authority over all agencies of the state government and can exercise the State's police powers. His powers also include the power to promulgate, issue, and enforce orders and regulations as he deems necessary.

Since declaring the emergency, the Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. These include his March 19, 2020 Executive Order N-33-20, which orders all individuals living in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of certain critical infrastructure sectors, as described in that order and later designations. In March 2020, the County issued a series of orders, which substantially aligns, among other matters, with the Governor's order. These actions are focused on "social distancing," or limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and impacts enterprise operations and the economy. The shelter in place orders from the State and the County are ongoing and will continute to be enforced until the threat to public health from the COVID-19 Pandemic can be adequately managed.

The Governor issued Executive Orders N-29-20 and N-35-20 relaxing state and local agency open meeting laws to accommodate social distancing. The City has held meetings of its City Council remotely, unhindered by the COVID-19 Pandemic. As permitted under Executive Order N-33-20, certain of the City's employees have continued to come to work under designated exceptions for critical sectors. And some of the City's employees are teleworking. The City does not expect its business operations to be materially curtailed by employee absences prompted by the stay-home order. However, the City offers no assurances that City Council member or employee absences due to COVID 19 illnesses will not materially and adversely impact its operations.

The COVID-19 Pandemic has negatively affected travel, commerce, investment values, and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide and within the City. While federal and state governments (including California) have enacted legislation and taken executive actions seeking to mitigate the negative public health and economic impacts of the Pandemic, the City offers no assurances that these interventions will have the intended effects.

These negative economic impacts may reduce or otherwise negatively affect revenues to the City's General Fund including declines in sales tax, property tax, and transient occupancy tax receipts as discussed under "CITY FINANCIAL INFORMATION" The City cannot predict the magnitude of these impacts on its revenues and on its expenditures, but the impacts will be material and adverse.

The COVID-19 Pandemic has resulted in reductions in the value of investments of the City's pension funds and funds for post-employment benefits. Notwithstanding the issuance of the Bonds, if these investment value reductions are not sufficiently and timely reversed, the City may be required to materially increase its contributions to fund or pay pension and other post-employment benefits in the future.

The financial and operating data contained in this Official Statement are the latest available, but are as of dates and for periods prior to the economic impact of the COVID-19 Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the current financial condition or future prospects of the City. The City continues to monitor the spread of the COVID-19 Pandemic and is working with local, state, and national agencies to address its impacts on the City. While the overall impact of the COVID-19 Pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19 coupled with continued "shelter in place" orders could lead to additional or modified public health restrictions and have additional material adverse effects on the City's operations and financial condition.

The COVID-19 Pandemic is ongoing, and the ultimate geographic spread of the coronavirus, the duration and severity of the outbreak, and the economic and other of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of the COVID-19 Pandemic on the City's operations and finances is unknown. As of the date of this Official Statement, the City does not believe that the impacts of the COVID-19 Pandemic will prevent the City from making payments of principal and interest on the Bonds when due.

Other Potential Impact of Corona Virus on the City's General Fund

In addition to the COVID-19 related impacts discussed elsewhere in this official statement, the City's general fund faces risks of unbudgeted expenditures from a number of its related enterprise operations as described below.

Hilton Garden Inn. Lease payments made from the City's general fund is the primary source of security for the Montebello Public Finance Authority's Lease Revenue Bonds, 2019 Series A (Hilton Garden Inn Project) (the "HGI Bonds") if net revenues from the Montebello Hilton Garden Inn (the "Hilton Garden Inn") are insufficienct to make debt service payments on the HGI Bonds. The City has never had to make such supporting payments from its general fund. Prior to the COVID-19 Pandemic, the Hilton Garden Inn had opearted at approximately 90% occupancy and the net revenues of the Hilton Garden Inn were projected to fully cover upcoming 2020 debt service payments on the HGI Bonds.

The Hilton Garden Inn closed temporarily on March _____, 2020 due to social distancing guidelines and decreased customer demand related to the COVID-19 Pandemic. Since its closing, the Hilton Garden Inn has made planned renovations to its rooms and facilities. The operator of the Hilton Garden Inn currently plans to reopen the Hilton Garden Inn on July 1, 2020.

The City does not currently anticipate needing to make transfers from it's general fund to pay debt service on the HGI Bonds, but changing circumstances in response to the COVID-19 could make such transfers necessary in the future if the net revenues from the Hilton Garden Inn are insufficient to pay debt service on the HGI Bonds. The City cannot project when the Hilton Garden Inn will reopen, when and to what extent occupancy levels will return to their pre-COVID-19 Pandemic levels, and what effect the COVID-19 Pandemic will have on future net revenues from the Hilton Garden Inn.

Home2Suites. Lease payments from the City's general fund is the primary source of security for the Montebello Public Finance Authority's Lease Revenue Bonds, 2016 Series A (Montebello Home2Suites By Hilton Hotel Project) (the "H2S Bonds") in the event that net revenues from the Montebello Home2Suites By Hilton Hotel (the "Home2Suites") are insufficienct to make debt service payments on the H2S Bonds. Prior to the COVID-19 Pandemic, the Home2Suites had operarted at approximately 90% occupancy and the net revenues of the Home2Suites were projected to fully cover upcoming 2020 debt service payments on the H2S Bonds.

The Home2Suites remains open but has experienced substantial declines in occupancy rates due to circumstances arising from the COVID-19 Pandemic. The operator of the Home2Suites has stated that occupancy levels at the Home2Suites have been approximately 30% during the COVID-19 Pandemic.

The City does not currently anticipate needing to make transfers from it's general fund to pay debt service on the H2S Bonds, but changing circumstances in response to the COVID-19 could make such transfers necessary in the future if the net revenues from the Home2Suites are insufficient to pay debt service on the H2S Bonds. The City cannot project when and to what extent the occupancy levels at the Home2Suites will return to their pre-COVID-19 Pandemic levels, and what effect the COVID-19 Pandemic will have on future net revenues from the Home2Suites.

Montebello Golf Course and Quiet Cannon Event Center. The City owns the Montebello Golf Course (the "Golf Course") and the adjacent Quiet Cannon Event Center (the "Event Center"). The City records revenues from the Golf Course and the Event Center in its golf course fund (the "Golf Course Fund"). Revenues in the Golf Course Fund include Golf Course green fees, special event revenue, and rent and concession revenue from the Event Center. Expenses in the Golf Course Fund include administrative costs, maintenance and labor costs, and debt service.

In prior years, City has made transfers from it's general fund to cover operating losses in the Golf Course Fund.

The City has temporarily closed the Golf Course on March ______, 2020 and the Event Center on March ______, 2020 in response to the social distancing guidelines and regulations resulting from the COVID-19 Pandemic. The City plans to reopen the Golf Course and the Event Center once and to what extent social distacning guidelines and regulations from the relevant authorities so permit. The operator of the Golf Course is currently planning to reopen the Golf Course at a reduced capacity with staggered tee times and slowly ramp up capacity to pre-COVID-19 Pandemic levels.

The City cannot project when and to what extent operations at the Golf Course and the Event Center will be able to resume, whether the revenues in the Golf Course Fund from the Golf Course and the Event Center will return to their pre-COVID-19 Pandemic levels, whether the Golf Course Fund will require additional expenditures to comply with post-COVID-19 Pandemic related regulations, and whether the revenues in the Golf Course Fund will exceed expenditures for current and future years. If and to the extent such Golf Course Fund revenues do not exceed Golf Course Fund expenditures, additional transfers from the City's general fund may be required.

Natural Disasters

The occurrence of any natural disaster in or near the boundaries of the City, including, without limitation, fire, earthquake, landslide, high winds, drought or flood, could have an adverse material impact on the economy within the City.

Whitter Narrows Dam. The Army Corps of Engineers is beginning a $500-million repair project for the 62-year-old Whittier Narrows Dam (the "Dam"). The Dam, a 56-foot tall earth dam, is located along the Rio Hondo and the San Gabriel Rivers and collects runoff from the uncontrolled drainage areas upstream along with releases into the San Gabriel River from the Santa Fe Dam. The reservoir portion of the Dam, with a capacity of 67,060 acre-feet, is surrounded by the cities of South El Monte (to the north), Industry (to the east), Pico Rivera (to the south), and Montebello (to the south).

The Army Corps of Engineers has determined that the Dam no longer meets federal tolerable-risk guidelines and could fail in the event of a very large, very rare storm, similar to storms which occurred in California between December 1861 and January 1862. If such a storm were to occur, water could flow over the crest of the Dam or seepage could erode the sandy soil underneath it. These types of failures could have catastrophic effects on a number of Southern California communities including the City. In response to these potential dangers, the Army Corps of Engineers has classified the Dam's repairs as the highest priority of any of the 13 "high risk" dams in the country.

The construction of the repairs to the Dam are scheduled to start in 2021 and the repairs are expected to be completed in 2025. The Army Corps of Engineers began repair work on the Dam's gates and locks in 2018 and is expected to be complete those repairs by the end of 2019.

An extreme storm that results in a flood could significantly damage property within the City. The City cannot predict when flood or extreme storm events will occur, when or whether the repairs described above will be completed, whether other mitigation measures will be implemented, or whether FEMA or other funds will be available to the City in the event of a failure of the Dam. Significant flooding in the City as a result of the failure of the Dam could have materially adverse consequences for the City's finances and operations, including the ability to make the payments due on the Bonds

Earthquake Risk. Any natural disaster or other physical calamity, including earthquake, may have the effect of damaging property in the City. The seismic safety element of the City's General Plan lists ground shaking as the primary seismic risk to the City from a major earthquake along three faults located between 6 and 14 miles away from the City. A great earthquake along the San Andreas Fault, 33 miles from the City, would result in strong ground shaking. Risks of ground failure (such as liquefaction, landslides and rockfalls) are considered limited in the City. Ground displacement is not considered a significant risk because no active or potentially active faults are known to be present within the limits of the City of Montebello.

Endangered Species

During recent years, there has been an increase in activity at both the State and federal level related to the potential classification of certain plant and animal species found in California as endangered species. An increase in the number of endangered species is expected to curtail development in certain areas of the State. At present, the City is not known to be inhabited by any plant or animal species currently classified as threatened or endangered under either the State or federal endangered species acts or which either the California Fish and Game Commission or the United States Fish and Wildlife Service has proposed for addition to these respective threatened or endangered species lists. Notwithstanding this fact, new species are periodically proposed to be added to the State and federal protected lists on a regular basis.

Hazardous Substances

One of the most serious risks in terms of the potential reduction in the value or use of a parcel of property is a claim with regard to a hazardous substance. In general, the owners, lessors and/or lessees of a parcel of real property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar in application. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has contributed to or caused contamination with the hazardous substances. The effect, therefore, should property in the City be affected by a hazardous substance, is to reduce both marketability and the value of property by the costs of remedying the condition. While the City is not currently aware of any such condition, it is possible that such hazardous substance conditions do currently exist and that the City has not been made aware of their existence.

Potential Impact of State of California Financial Condition on the City

During the most recent recession, the State faced a structural deficit that resulted in substantial annual deficits and reductions in expenditures. Although the State has had a budget surplus in the more recent fiscal years, according to the State there remain a number of major risks and pressures that threaten the State's financial condition, including the threat of recession, potential changes to federal fiscal policies and unfunded long-term liabilities of more than $200 billion related to pensions and other post-retirement benefits. These risks and financial pressures could result in future reductions or deferrals in amounts payable to the City. The State's financial condition and budget policies affect local public agencies throughout California. To the extent that the State budget process results in reduced revenues to the City, the City will be required to make adjustments to its budget. State budget policies can also impact conditions in the local economy and could have an adverse effect on the local economy and the City's major revenue sources.

No prediction can be made by the City as to whether the State will encounter budgetary problems in future fiscal years, and if it were to do so, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on City finances and operations or what actions will be taken in the future by the Legislature and the Governor to deal with changing State revenues and expenditures. There can be no assurance that actions taken by the State to address its financial condition will not materially adversely affect the financial condition of the City. Current and future State budgets will be affected by national and State economic conditions and other factors over which the City has no control (see "STATE BUDGET INFORMATION").

Pension Benefit Liability

Many factors influence the amount of the City's pension benefit liabilities, including, without limitation, inflationary factors, changes in statutory provisions of CalPERS retirement system laws, changes in the level of benefits provided or in the contribution rates of the City, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods (including but not limited to the assumed rate of return), and differences between actual and anticipated investment experience of CalPERS. Any of these factors could give rise to additional liability of the City to its pension plans as a result of which the City would be obligated to make additional payments to its pension plans in order to fully fund the City's obligations to its pension plans.

Secondary Market Risk

There can be no assurance that there will be a secondary market for purchase or sale of the Bonds, and from time to time there may be no market for them, depending upon prevailing market conditions, the financial condition or market position of firms who may make the secondary market and the financial condition of the City.

Risks Related to Cyber Security

The City relies on computers and technology to conduct its operations. The City and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. The City owns and operates its own enterprise class data network serving the municipal city government and its operations. The City has retained information technology professionals to support, maintain and protect these operations locally in a purpose-built and physically secure environment. This network and its operations are governed by and in compliance with all applicable governmental regulations as well as the City's own administrative regulations. Within the City's operations and guidance is an active cyber-security program designed to protect from, and to quickly identify and mitigate, a multitude of complex security threats. While no network is completely immune from all possible compromise, the City exercises its due diligence in protecting the data it possesses and the systems it operates. To date, there have been no significant cyber-attacks on the City's computers and technologies.

While the City is routinely maintaining its technology systems and continuously implementing new information security controls, no assurances can be given that the City's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the City's computer and technology could negatively impact the City's operations, and the costs related to such attacks could be substantial.

Changes in Law

There can be no assurance that the electorate of the State will not at some future time adopt additional initiatives or that the Legislature will not enact legislation that will amend the laws or the Constitution of the State resulting in a reduction of the General Fund revenues of the City and consequently, having an adverse effect on the security for the Bonds.

ABSENCE OF LITIGATION

At the time of delivery of and payment for the Bonds, the City will certify that there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court or regulatory agency, public board, or body pending or threatened against the City affecting the existence or the titles its officers or seeking to restrain or to enjoin the issuance, sale, or delivery of the Bonds, or the application of the proceeds thereof in accordance with the Trust Agreement, or in any way contesting or affecting the validity or enforceability of the Bonds, any agreement entered into between the City and any purchaser of the Bonds, the Trust Agreement or any other applicable agreements or any action of the City contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any of said documents, nor, to the knowledge of the City, is there any basis therefor.

CONTINUING DISCLOSURE

The City will covenant for the benefit of the owners and beneficial owners of the Bonds to provide certain financial information and operating data relating to the City by not later than nine (9) months after the end of each fiscal year (the "Annual Report"), commencing with the fiscal year ending June 30, 2019 and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by Hilltop Securities Inc., as dissemination agent (the "Dissemination Agent"), on behalf of the City, with the Municipal Standards Rulemaking Board (the "MSRB"). The specific nature of the information to be contained in the Annual Report and the notices of certain enumerated events is set forth in the Continuing Disclosure Agreement. See APPENDIX E—FORM OF CONTINUING DISCLOSURE AGREEMENT. These covenants are being made in order to assist the Underwriter of the Bonds in complying with Rule 15c2-12, as amended (the "Rule") of the U.S. Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended.

In the last five years, the City has in certain situations been late in meeting its continuing disclosure obligations under the Rule. A list of late filings is as follows:

- The City was late in filing its Fiscal Year 2017-18 Audited Financial Statements and certain other operating data required under its disclosure obligation for its' Community Redevelopment Agency of the City of Montebello 2002 Housing Tax Allocation Parity Bonds. On December 2, 2019, the 2002 Bonds CUSIPs were added to the Fiscal Year 2017-18 filings posted on EMMA on March 30, 2019.

- The City was late to file totals of subordinate pledged tax revenues deposited into the redevelopment property tax trust fund (RPTTF) required under its disclosure obligation for its Successor Agency to the Community Redevelopment Agency of the City of Montebello, Subordinate Tax Allocation Refunding Bonds, Series 2015A (tax-exempt) and 2015B (taxable) for fiscal years ending 2015 through 2018. Additionally, the City was late to file the top ten taxpayers and the appeals by the top ten taxpayers in fiscal year ending 2014 for the Montebello Hills Project Area, South Montebello Industrial Project Area, and the Montebello Economic Revitalization

Project Area. The City is currently in the process of drafting a catch-up filing which includes this missing information which will be posted on EMMA once received.

- The City was late to file notices of ratings upgrades that occurred in 2015 and 2016 relating to its Community Redevelopment Agency of the City of Montebello Housing Tax Allocation Parity Refunding Bonds, 2007 Series A, its Community Redevelopment Agency of the City of Montebello, Montebello Hills Redevelopment Project Tax Allocation Parity Bonds, 1999 Series A and its Community Redevelopment Agency of the City of Montebello, Montebello Hills Redevelopment Project Tax Allocation Parity Refunding Bonds, 2007 Series A and 2007 Series B. The ratings change notices were posted December 3, 2019.

All required remedial filings have been made or are in the process of being made. The City has engaged Hilltop Securities Inc. to act as its dissemination agent and to assist the City with satisfying its obligations under the Rule.

MUNICIPAL ADVISOR

Hilltop Securities Inc., Encino, California (the "Municipal Advisor"), is registered as a "Municipal Advisor" with the Securities Exchange Commission and Municipal Securities Rulemaking Board. The Municipal Advisor has assisted the City in connection with the planning, structuring, sale and issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibilities for the accuracy, completeness or fairness of the information contained in this Official Statement not provided by the Municipal Advisor. The fees of the Municipal Advisor in respect to the Bonds are contingent upon their sale and delivery.

LEGAL MATTERS

All legal matters in connection with the execution and delivery of the Bonds are subject to the approval of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel. Bond Counsel's opinion with respect to the Bonds will be substantially in the form set forth in APPENDIX G—FORM OF OPINION OF BOND COUNSEL. Certain legal matters will also be passed on for the City by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and for the Underwriter by its counsel Nixon Peabody LLP, Los Angeles, California. The fees and expenses of Bond Counsel and Disclosure Counsel are contingent upon the execution and delivery of the Bonds.

VALIDATION

The City filed a complaint in the Superior Court of the State for the County pursuant to the procedures available to it under section 860 *et seq.* of the California Code of Civil Procedure seeking judicial validation of the transactions relating to the issuance of the Bonds. On April 7, 2020, the court entered a default judgment to the effect, among other things, that the CalPERS Contract, the Trust Agreement and the Bonds are valid and binding obligations of the City and exempt from and not subject to the debt limitation set forth in Article XVI, Section 18 of the California Constitution. Pursuant to section 870 *et seq.* of the California Code of Civil Procedure and Rule 2(a) of the California Rules of Court, the period during which a notice of appeal of this judgment could be timely filed expired on May 7, 2020. As no challenge to the judgment was filed by the time of such expiration, the judgment has become final, binding, and conclusive in accordance with California law. In issuing its approving opinion, Norton Rose Fulbright US LLP, Bond Counsel, will rely on the Default Judgment, among other things.

TAX MATTERS

State Income Tax

In the opinion of Bond Counsel, under existing law interest on the Bonds is exempt from personal income taxes of the State. Except as set forth in the preceding sentence, Bond Counsel will provide no opinion in connection with the issuance or offering of the Bonds with regard to any federal, state or local tax consequence of the ownership or disposition of or the receipt of interest on any Bond.

Federal Income Tax Considerations

The following is a general summary of certain United States federal income tax consequences of the purchase and ownership of the Bonds. The discussion is based upon the Internal Revenue Code of 1986 (the "Code"), United States Treasury Regulations, rulings and decisions now in effect, all of which are subject to change (possibly, with retroactive effect) or possibly differing interpretations. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. No assurance can be given that future changes in the law will not alter the conclusions reached herein.

Prospective investors should note that no rulings have been or are expected to be sought from the Internal Revenue Service (the "IRS") with respect to any of the U.S. federal tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, or (ii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Bonds under local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Bonds pursuant to this offering for the issue price that is applicable to such Bonds (i.e., the price at which a substantial amount of the Series 2016 Taxable Bonds is sold to the public) and who will hold their Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S.

Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Bonds (including their status as U.S. Holders or Non-U.S. Holders).

ALL PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS.

U.S. Holders

Interest on the Bonds. Bond Counsel has rendered no opinion regarding the exclusion pursuant to section 103(a) of the Code of interest on the Bonds from gross income for federal income tax purposes. The City has taken no action to cause, and does not intend, interest on the Bonds to be excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. The City intends to treat the Bonds as debt instruments for all federal income tax purposes, including any applicable reporting requirements under the Code. THE CITY EXPECTS THAT THE INTEREST PAID ON A BOND GENERALLY WILL BE INCLUDED IN THE GROSS INCOME OF THE OWNER THEREOF FOR FEDERAL INCOME TAX PURPOSES WHEN RECEIVED OR ACCRUED, DEPENDING UPON THE TAX ACCOUNTING METHOD OF THAT OWNER.

Disposition of Bonds, Inclusion of Acquisition Discount and Treatment of Market Discount. To the extent that the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds by more than a de minimis amount (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference may constitute original issue discount ("OID"). U.S. Holders of Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Amortizable Bond Premium. A holder of a Bond that purchased that bond for an amount that was greater than its stated redemption price at maturity will be considered to have purchased the Bond with "amortizable bond premium" equal in amount to such excess. A U.S. Holder of a Bond purchased with amortizable bond premium may elect to amortize such premium using a constant yield method over the remaining term of the Bond and may offset interest otherwise required to be included in respect of the Taxable Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Bond held by a U.S. Holder that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Bond. However, if the Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the Service. That a Bond was purchased by the holder with amortizable bond premium may affect the computation of includable original issue discount for that holder.

Sale or other Taxable Disposition of a Bond; Market Discount. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement or other taxable disposition of a Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Bond (generally, the purchase price paid by the U.S. Holder for the Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder's holding period for the Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Under current law, a U.S. Holder of a Bond who did not purchase that Bond in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition (or earlier partial principal payment) of such Bond, to recognize as ordinary income a portion of the gain (or partial principal payment), if any, to the extent of the accrued "market discount." In general, market discount is the amount by which the price paid for such Bond by such a subsequent purchaser is less than the stated redemption price at maturity of that Bond (or, in the case of a Bond bearing original issue discount, is less than the "revised issue price" of that Bond (as defined below) upon such purchase), except that market discount is considered to be zero if it is less than one quarter of one percent of the principal amount times the number of complete remaining years to maturity. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Bonds with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The recharacterization of gain as ordinary income on a subsequent disposition of such Bonds could have a material effect on the market value of such Bonds.

Medicare Tax. Certain non-corporate U.S. Holders of Bonds are subject to a 3.8% tax on the lesser of (1) the U.S. Holder's "net investment income" (in the case of individuals) or "undistributed net investment income" (in the case of estates and certain trusts) for the relevant taxable year and (2) the excess of the U.S. Holder's "modified adjusted gross income" (in the case of individuals) or "adjusted gross income" (in the case of estates and certain trusts) for the taxable year over a certain threshold (which in the case of individuals is between $200,000 and $250,000, depending on the individual's circumstances). A U.S. Holder's calculation of net investment income generally will include its interest income on the Bonds and its net gains from the disposition of the Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are an individual, estate, or trust, you are urged to consult your tax advisors regarding the applicability of this tax to your income and gains in respect of your investment in the Bonds.

Information Reporting and Backup Withholding. Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Bonds may be subject to backup withholding at the current rate of 28% with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the current rate of 30% (subject to change) on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business.

The foregoing notwithstanding, but subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," and assuming the interest income of Non-US Holder on the Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will not be subject to 30% withholding, or any lower rate specified in an income tax treaty, if such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the Non-U.S. Holder provides a statement to the payor certifying, under penalties of perjury, that the Non-U.S. Holder is not a United States person and providing the name and address of such Non-U.S. Holder; (ii) such interest is treated as not effectively connected with a United States trade or business of the Non-U.S. Holder; (iii) such interest payments are not made to a person within a foreign country that the Service has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Bonds is not deemed contingent interest within the meaning of the portfolio debt provision; (v) the Non-U.S. Holder is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) the Non-U.S. Holder is not a bank receiving interest on the Bonds pursuant to a loan agreement entered into in the ordinary course of the Non-U.S. Holder's banking trade or business.

Assuming payments on the Bonds are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to an owner or intermediary who has provided a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," any capital gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement or other taxable disposition of a Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the

United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," under current U.S. Treasury Regulations, payments of principal and interest on any Bonds to a Non-U.S. Holder will not be subject to any backup withholding tax requirements if the Non-U.S. Holder of the Bond or a financial institution holding the Bond on behalf of the Non-U.S. Holder in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a Non-U.S. Holder provides the certification, the certification must give the name and address of such Non-U.S. Holder, state that such Non-U.S. Holder is not a United States person, or, in the case of an individual, that such Non-U.S. Holder is neither a citizen nor a resident of the United States, and the Non-U.S. Holder must sign the certificate under penalties of perjury. The current backup withholding tax rate is 28%.

Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Bonds and sales proceeds of Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2018 and (ii) certain "passthru" payments no earlier than January 1, 2019. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

Effect of Defeasance. Pursuant to the Trust Agreement, the Bonds are subject to legal defeasance without the consent of the holders of the Bonds. Defeasance of any of the Bonds may be treated as a taxable constructive exchange of that Bond for the defeased Bond, in which event, the holder will recognize gain or loss for federal income tax purposes equal to the difference between the amount realized from the sale, exchange or retirement (less any accrued qualified stated interest, which will be taxable as described above) and the holder's adjusted tax basis in the Bonds (described above).

The complete text of the final opinion that Bond Counsel expects to deliver upon the delivery of the Bonds is set forth in APPENDIX G—FORM OF OPINION OF BOND COUNSEL.

UNDERWRITING

The Bonds are being purchased by Cabrera Capital Markets, LLC (the "Underwriter"). The Underwriter will agree to purchase the Bonds at a price of $____________ (representing the $__________* aggregate principal amount of the Bonds, less $____________ of Underwriter's discount).The Purchase Agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said Purchase Agreement, approval of certain legal matters by counsel and certain other conditions. After a bona fide initial public offering at the price stated on the cover page hereof, the Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the initial public offering price. The offering price may be changed from time to time by the Underwriter.

RATING

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P") has assigned the rating of "___" to the Bonds. Such rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P at the following address: 55 Water Street, New York, NY 10041, (212) 208-8000. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price for the Bonds.

FINANCIAL STATEMENTS

The City's Audited Financial Statements for fiscal year ended June 30, 2019 are set forth in APPENDIX C—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF MONTEBELLO FOR THE FISCAL YEAR ENDED JUNE 30, 2019. The City's Auditor was not requested to consent to the inclusion of its report in Appendix C and it has not undertaken to update financial statements included in Appendix C. No opinion is expressed by the City's Auditor with respect to any event subsequent to its report.

ADDITIONAL INFORMATION

All of the preceding summaries of the Bonds, the Trust Agreement and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds.

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* Preliminary, subject to change.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof.

The City will furnish a certificate dated the date of delivery of the Bonds, from an appropriate officer of the City, to the effect that to the best of such officer's knowledge and belief, and after reasonable investigation, (i) neither the Official Statement or any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (ii) since the date of the Official Statement, no event has occurred which should have been set forth in an amendment or supplement to the Official Statement which has not been set forth in such an amendment or supplement, and the Bonds, the Trust Agreement and other applicable agreements conform as to form and tenor to the descriptions thereof contained in the Official Statement; and (iii) the City has complied with all the agreements and has satisfied all the conditions on its part to be performed or satisfied under the Trust Agreement at and prior to the date of the issuance of the Bonds.

The execution and delivery of the Official Statement by the City have been duly authorized by the City Council on behalf of the City.

CITY OF MONTEBELLO

By ______________________________

Rene Bobadilla,
City Manager

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APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT

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APPENDIX B

GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY

The following information concerning Montebello and Los Angeles County is included only for the purpose of supplying general information regarding the City and the County. The Bonds are not a debt of the County, the State or any of its political subdivisions, and none of the County, the State nor any of their political subdivisions, except for the City, are liable therefor.

Although reasonable efforts have been made to include up-to-date information in this Appendix B, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein.

Introduction

The City of Montebello (the "City") is situated in eastern Los Angeles County, California. The City encompasses 8.2 square miles and is located 9 miles east of downtown Los Angeles. The City has access to three freeways: the San Gabriel River Freeway (State Highway 605) to the east, the Santa Ana Freeway (Interstate 5) to the south and the Pomona Freeway (State Highway 60) to the north. The City is a balanced community with light industry, residential areas, and commercial centers. It is bordered to the north by the cities of Monterey Park and Rosemead, to the east by the City of Pico Rivera, and to the west by the City of Commerce. Other surrounding cities include the cities of Bell Gardens, Whittier, South El Monte and Los Angeles.

The City was incorporated as a general law city in 1920. The City operates under the Council-Manager member form of government. The five City Council members, including the Mayor, are elected to four-year terms on alternate slates every two years. The Mayor and the Mayor Pro Tem are selected by the City Council to serve two-year terms. The City Council appoints a City Manager. The population of the City was estimated to be 64,247 as of January 1, 2019.

Los Angeles County (the "County") is located in the Southern region of the State of California. It boarders 70 miles of coast on the Pacific Ocean and encompasses mountain ranges, valleys, forests, islands, lakes, rivers and desert. It is one of California's original 27 counties and was established on February 18, 1850. It is one of the nation's largest counties with 4,084 square miles and has the largest population of any county in the nation - nearly 10 million residents who account more than one quarter of California's population. As a subdivision of the state, the County is charged with providing numerous services that affect the lives of all residents, including law enforcement, tax collection, public health protection, public social services, elections and flood control.

The County is home to 88 incorporated cities and many unincorporated areas. In between the large desert portions of the County — which make up around 40% of its land area — and the heavily urbanized central and southern portions, sit the San Gabriel Mountains, containing the Angeles National Forest. Los Angeles is a charter county governed by a five-member elected Board of Supervisors. Each member serves alternating four-year terms and is elected by residents from their respective supervisorial districts to serve four-year terms. The other elected officials of the County are the Assessor, District Attorney and Sheriff.

The County is the third-largest metropolitan economy in the world, with a Nominal GDP of over $700 billion—larger than the GDPs of Belgium, Norway, and Taiwan. The County serves as the central trade district for the western United States and the gateway to the Asian economies. The County is one of the most ethnically diverse counties in the U.S. The county seat, the City of Los Angeles, is also California's most populous city and the nation's second largest city with about 4 million people.

Population

The following table contains the population of the City, the County and the State of California for the last five years.

CITY OF MONTEBELLO, LOS ANGELES COUNTY AND STATE OF CALIFORNIA POPULATION
(as of January 1)

Year	City of Montebello	Los Angeles County	State of California
2015	64,315	10,155,753	38,952,462
2016	64,289	10,185,851	39,214,803
2017	64,301	10,226,920	39,504,609
2018	64,316	10,254,658	39,740,508
2019	64,247	10,253,716	39,927,315

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2010-2019, with 2018 Census Benchmark.

Employment

The following tables summarize historical employment and unemployment for the County, the State of California and the United States:

LOS ANGELES COUNTY, CALIFORNIA, AND UNITED STATES
CIVILIAN LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate (1)
2015	Los Angeles County	5,011,700	4,674,800	336,900	6.7
	California	18,981,800	17,798,600	1,183,200	6.2
	United States	157,130,000	148,834,000	146,411,000	5.3
2016	Los Angeles County	5,043,300	4,778,800	264,500	5.2
	California	19,102,700	18,065,000	1,037,700	5.4
	United States	159,187,000	151,436,000	148,976,000	4.9
2017	Los Angeles County	5,123,900	4,883,600	240,300	4.7
	California	19,312,000	18,393,100	918,900	4.8
	United States	160,320,000	153,337,000	6,982,000	4.4
2018	Los Angeles County	5,136,300	4,896,500	239,800	4.7
	California	19,398,200	18,582,800	815,400	4.2
	United States	162,075,000	155,761,000	6,314,000	3.9
2019(2)	Los Angeles County	5,121,600	4,894,300	227,300	4.4
	California	19,411,600	18,627,400	784,200	4.0
	United States	163,539,000	157,538,000	6,001,000	3.7

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-19, and US Department of Labor.

(1) The unemployment rate is computed from unrounded data, therefore, it may differ from rates computed from rounded figures available in this table.

(2) Latest available full-year data.

Major Employers in the City

The table below sets forth the principal employers in the City in 2019.

CITY OF MONTEBELLO
2019 PRINCIPAL EMPLOYERS

Employer	# of Employees	% of Total
Montebello Unified School District	1,730	6.01%
Beverly Hospital	872	3.03
City of Montebello	480	1.67
Costco	380	1.32
Macy's	376	1.31
Bimbo Bakery	317	1.10
Wilbur Curtis Co	291	1.01
Rio Hondo Convalescent Hospital	221	.77
JC Penny	205	.71
Old Dominion Freight Line	150	.52
Total Top 10	5,022	17.44

Source: City of Montebello 2019 CAFR.

Major Industries in the County

The table below sets forth the principal industries in Los Angeles County in 2019.

LOS ANGELES COUNTY
2019 PRINCIPAL INDUSTRIES

Industry	# of Employees	% of Total
Trade, Transportation and Utilities	844,200	17.44%
Educational & Health Services	840,300	17.36
Professional & Business Services	627,300	12.96
Government	603,900	12.48
Leisure & Hospitality	555,400	11.47
Manufacturing	344,400	7.11
Financial Activities	219,900	4.54
Information	210,100	4.34
Other Services	164,600	3.40
Construction	157,900	3.26
Ten Largest Industries	4,568,000	94.36
All Other Industries	272,800	5.64
Total	4,840,800	100.00

Source: Los Angeles County 2019 CAFR.

Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

CITY OF MONTEBELLO
BUILDING PERMITS AND VALUATION
(Dollars in Thousands)

	2014	2015	2016	2017	2018[1]
Permit Valuation:					
New Single-family	$ 7,517	$ 9,068	$ 1,439	$ 35	$ 251
New Multi-family	-	2,800	-	5,044	5,956
Res. Alterations/Additions	3,411	3,061	4,539	3,738	4,952
Total Residential	10,928	14,930	5,979	9,682	11,159
Total Nonresidential	12,991	21,347	5,696	9,350	9,558
Total All Building	23,920	36,277	11,676	19,033	20,718
New Dwelling Units:					
Single Family	43	54	6	1	3
Multiple Family	-	29	-	35	72
Total	43	83	6	36	75

LOS ANGELES COUNTY
BUILDING PERMITS AND VALUATION
(Dollars in Thousands)

	2014	2015	2016	2017	2018[1]
Permit Valuation:					
New Single-family	$ 1,744,290	$ 1,897,829	$ 2,162,018	$ 2,352,614	$ 2,277,101
New Multi-family	2,290,197	2,843,749	2,774,294	3,257,833	3,222,530
Res. Alterations/Additions	1,474,930	1,641,457	1,639,294	1,757,904	1,941,369
Total Residential	5,509,417	6,383,036	6,575,607	7,368,352	7,441,001
Total Nonresidential	6,657,571	5,645,372	5,287,623	6,037,502	6,694,097
Total All Building	$12,166,989	$12,028,408	$11,863,230	$13,405,855	14,135,098
New Dwelling Units:					
Single Family	4,358	4,487	4,780	5,456	6,070
Multiple Family	14,349	18,405	15,589	17,023	17,152
Total	18,707	22,892	20,369	22,479	23,222

Source: Construction Industry Research Board: "Building Permit Summary."
(1) Latest available full year data.
Note: Totals may not add due to independent rounding.

Median Household Income

The following table summarizes the total effective buying income and the median household effective buying income for the City, the County, the State of California and the nation for the past five years.

CITY OF MONTEBELLO, LOS ANGELES COUNTY
STATE OF CALIFORNIA AND UNITED STATES
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2015	City of Montebello	$ 1,073,575	$ 42,427
	Los Angeles County	231,719,110	48,950
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	City of Montebello	1,080,410	43,070
	Los Angeles County	243,502,324	50,236
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2017	City of Montebello	1,140,609	44,962
	Los Angeles County	261,119,300	54,720
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2018	City of Montebello	1,171,921	46,113
	Los Angeles County	271,483,825	56,831
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2019	City of Montebello	1,213,448	48,508
	Los Angeles County	281,835,290	60,174
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303

Source: Nielsen, Inc.

APPENDIX C

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF MONTEBELLO FOR THE YEAR ENDED JUNE 30, 2019

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APPENDIX D

CITY OF MONTEBELLO INVESTMENT POLICY

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement"), dated as of March 1, 2020, is by and between the CITY OF MONTEBELLO (the "City") and HILLTOP SECURITIES INC., as dissemination agent (the "Dissemination Agent") in connection with the issuance by the City of its $________* Taxable Pension Obligation Bonds, Series 2020 (the "Bonds"). The Bonds will be issued pursuant to a Trust Agreement, dated as of June 1, 2020, by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth above and, in the Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"*Annual Report Date*" means the March 31 after the end of the City's fiscal year.

"*Dissemination Agent*" shall mean, initially, Hilltop Securities Inc. or any successor Dissemination Agent designed in writing by the City and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

"*Fiscal Year*" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the City as its official fiscal year period under a Certificate of the City filed with the Trustee.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the City in connection with the issuance of the Bonds.

"*Participating Underwriter*" means Cabrera Capital Markets, LLC, the original underwriter of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

"*Significant Events*" means any of the events listed in Section 5(a) of this Disclosure Agreement.

Section 2. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2- 12(b)(5).

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* Preliminary, subject to change.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2021, with the report for fiscal year 2019-20 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then–applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the City for preceding fiscal year, substantially similar to that provided in the Official Statement, as follows:

[TO COME]

(c) In addition to any of the information expressly required to be provided under this Disclosure Agreement, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's

Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non–payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the City or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or other obligated person, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or other obligated person, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Significant Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the

Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Trust Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier "if material." The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event's occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018).

(d) For purposes of this Disclosure Agreement, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental City has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental City, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental City having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Agreement, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Section 5.09 of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: [Closing Date]

CITY OF MONTEBELLO

By ______________________________________
Name ____________________________________
Title _____________________________________

HILLTOP SECURITIES INC., as Dissemination Agent

By ______________________________________
Name ____________________________________
Title _____________________________________

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor:	City of Montebello
Name of Issue:	City of Montebello Taxable Pension Obligation Bonds, Series 2020
Date of Issuance:	[Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Agreement, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by ________________.

Dated: ___________________________

HILLTOP SECURITIES INC., as Dissemination Agent

By ____
Title ______________________________________

cc: Trustee

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APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix F, concerning The Depository Trust Company, New York, New York ("DTC"), and DTC's book-entry system, has been furnished by DTC for use in official statements and the City takes no responsibility for the completeness or accuracy thereof. The City cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest or principal with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix E. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. Information Furnished by DTC Regarding its Book-Entry Only System

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (as used in this Appendix F, the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. Information set forth in such website is not incorporated herein by reference.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit the notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the paying agent or bond trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the paying agent or bond trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the paying agent or bond trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the paying agent or bond trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX G

FORM OF OPINION OF BOND COUNSEL

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APPENDIX H

DEBT SERVICE COVERAGE OF RETIREMENT TAX REVENUES AND CITY GENERAL FUND REVENUES

Maturity	Debt Service	Debt Service Payable From PTO	Net PTO Tax Revenues	Coverage	Net Payable from General Fund

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CONTINUING DISCLOSURE AGREEMENT

This CONTINUING DISCLOSURE AGREEMENT (the "Disclosure Agreement"), dated as of March 1, 2020, is by and between the CITY OF MONTEBELLO (the "City") and HILLTOP SECURITIES INC., as dissemination agent (the "Dissemination Agent") in connection with the issuance by the City of its $_______ Taxable Pension Obligation Bonds, Series 2020 (the "Bonds"). The Bonds will be issued pursuant to a Trust Agreement, dated as of June 1, 2020, by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The City covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth above and, in the Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"*Annual Report Date*" means the March 31 after the end of the City's fiscal year.

"*Dissemination Agent*" shall mean, initially, Hilltop Securities Inc. or any successor Dissemination Agent designed in writing by the City and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

"*Fiscal Year*" means any twelve–month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve–month period selected and designated by the City as its official fiscal year period under a Certificate of the City filed with the Trustee.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the City in connection with the issuance of the Bonds.

"*Participating Underwriter*" means Cabrera Capital Markets, LLC, the original underwriter of the Bonds.

"*Rule*" means Rule 15c2–12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

"*Significant Events*" means any of the events listed in Section 5(a) of this Disclosure Agreement.

Section 2. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2–12(b)(5).

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2021, with the report for fiscal year 2019-20 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then–applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the annual filing deadline for Annual Reports provided for in Section 3 above, financial information and operating data with respect to the City for preceding fiscal year, substantially similar to that provided in the Official Statement, as follows:

[TO COME]

(c) In addition to any of the information expressly required to be provided under this Disclosure Agreement, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Bonds:

(i) Principal and interest payment delinquencies;

(ii) Non–payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the City or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the City or an obligated person, or the sale of all or substantially all of the assets of the City or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) The incurrence of a financial obligation of the City or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City or other obligated person, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or other obligated person, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Significant Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsection (a)(viii) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Trust Agreement.

(c) The City acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv) and (a) (xv) of this Section 5 contain the qualifier "if material." The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the City determines the event's occurrence is material for purposes of U.S. federal securities law. The City intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018).

(d) For purposes of this Disclosure Agreement, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental City has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental City, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental City having supervision or jurisdiction over substantially all of the assets or business of the City.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the City may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(b).

Section 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Agreement, the City shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Agreement, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City to comply with this Disclosure Agreement shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) Section 5.09 of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: ___________, 2020

CITY OF MONTEBELLO

By ______________________________
Name ____________________________
Title _____________________________

HILLTOP SECURITIES INC., as
Dissemination Agent

By ______________________________
Name ____________________________
Title _____________________________

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor:	City of Montebello
Name of Issue:	$________ City of Montebello Taxable Pension Obligation Bonds, Series 2020
Date of Issuance:	__________, 2020

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Agreement, dated _________, 2020, furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _____________.

Dated: ______________________

HILLTOP SECURITIES INC., as
Dissemination Agent

By ________________________________
Title ________________________________

cc: Trustee

I. PURPOSE

The City's Pension Funding Policy documents the method the City will use to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants. The policy also:

1. Provides guidance in making annual budget decisions;
2. Demonstrates prudent financial management practices;
3. Creates sustainable and affordable budgets for pensions;
4. Discusses the potential uses of Pension Obligation Bonds;
5. Provides guidance regarding the Pension Override;
6. Reassures bond rating agencies; and
7. Shows employees and the public how pensions will be funded

II. BACKGROUND

The City provides defined benefit retirement benefits through the California Public Employees' Retirement System (CalPERS). CalPERS is a multiple-employer public employee defined benefit pension plan.

All full-time and certain part-time City employees are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure that the plan is financially sustainable, the plan should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. This funding policy outlines the method the City will utilize to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants.

Pension Funding: A Guide for Elected Officials, issued by eleven national groups including the U.S. Conference of Mayors, the International City/County Management Association, and the Government Finance Officers Association, established the following five general policy objectives for a pension funding policy:

- **Actuarially Determined Contributions**. A pension funding plan should be based upon an actuarially determined contribution (ADC) that incorporates both the cost of benefits in the current year and the amortization of the plan's unfunded actuarial accrued liability.

- **Funding Discipline**. A commitment to make timely, actuarially determined contributions to the retirement system is needed to ensure that sufficient assets are available for all current and future retirees.

- **Intergenerational equity**. Annual contributions should be reasonably related to the expected and actual cost of each year of service so that the cost of employee benefits is paid by the generation of taxpayers who receives services from those employees.

- **Contributions as a stable percentage of payroll**. Contributions should be managed so that employer costs remain consistent as a percentage of payroll over time.

- **Accountability and transparency**. Clear reporting of pension funding should include an assessment of whether, how, and when the plan sponsor will ensure sufficient assets are available for all current and future retirees.

III. POLICY

A. **Actuarially Determined Contribution (ADC).** CalPERS actuaries will determine the City's ADC to CalPERS based on annual actuarial valuations. The ADC will include the normal cost for current service and amortization of any unfunded accrued liability. The normal cost will be calculated using the entry age normal cost method using economic and non-economic assumptions approved by the CalPERS Board of Administration.

The City will review the CalPERS annual actuarial valuations to validate the completeness and accuracy of the member census data and the reasonableness of the actuarial assumptions.

B. **Additional Discretionary Payment (ADP) Contribution.** The City will consider making ADP contributions with one-time resources, with the objectives of increasing the plan's funded status, by reducing the unfunded actuarially accrued liability, and reducing ongoing pension costs.

C. **Pension Tax Override.** The City has a pension tax override ("PTO") assessed at a maximum rate of $0.197875 per $100 of assessed value, per section 3.28.020 of the City's Municipal Code. The PTO can be applied to the following eligible uses:

1. The portion of liabilities attributable to benefit levels in effect June 30, 1978, as calculated by an outside actuary
2. The portion of normal costs attributable to benefit levels in effect June 30, 1978, as calculated by an outside actuary
3. PTO used to make CalPERS contributions on behalf of Transit System Fund shall be reimbursed from the Transit System Fund within the same fiscal year

The City may set a minimum and/or maximum balance for the Pension Tax Obligation Fund. If pension obligation bonds are issued, the City may set a minimum balance target no lower than the amount required for the Pension Tax Override Fund.

D. **Pension Obligations Bonds.** The City will consider pension obligation bonds if such bonds have expected savings using borrowing costs and CalPERS' discount rate.

Any pension obligation bonds, or refundings of pension obligation bonds, must be voted upon by the City Council.

The City and its advisors will discuss and consider the risks of any potential pension obligation bonds. A court validation of the City's authority to issue pension bonds was obtained, with final judgement on _______[date].

The City may pay pension bond debt service from:

1. Pension Tax Override, up to the portion of liabilities attributable to benefit levels in effect June 30, 1978, as calculated by an outside actuary
2. General Fund
3. Transit Funds
4. Any other legally available source

If pension bonds are issued, payments from the PTO fund are expected to be made according to the following priorities:

1. Eligible Debt Service on pension bonds
2. Any remaining eligible UAL annual payments of the General Fund

3. Any eligible normal cost of the General Fund
4. Currently callable pension bonds
5. Any eligible UAL not scheduled to be paid in the current fiscal year

E. **Contributions as a Manageable Budget Expense.** The City will always make its required annual contributions to CalPERS. Contributions should be stable and a manageable portion of revenue. The City may:

1. Make additional discretionary contributions directly to CalPERS
2. Consider establishing a pension stabilization trust, subject to approval by the Council
3. Issue, call, or refund pension obligation bonds

F. **Transparency and Reporting.** Funding of the City's pension plans should be transparent to vested parties including plan participants, annuitants, the City Council, and residents. In order to achieve this transparency, the following information shall be available:

1. Copies of the annual actuarial valuations for the City's CalPERS plans shall be made available to the City Council
2. The City's Comprehensive Annual Financial Report shall be published on its website. This report includes information on the City's annual contributions to the pension systems and their funded status
3. The City's annual operating budget shall include the City's contributions to CalPERS

G. **Review of Funding Policy.** Funding a defined benefit pension plan requires a long-term horizon. As such, the City will review this policy at least every two years.

RESOLUTION NO. 19-120

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AUTHORIZING THE ISSUANCE AND DELIVERY OF PENSION OBLIGATION BONDS TO REFUND CERTAIN OUTSTANDING PENSION FUND OBLIGATIONS OF THE CITY TO THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST AGREEMENT, AND AUTHORIZING A VALIDATION ACTION AND OTHER MATTERS RELATING THERETO

WHEREAS, in 1946, the voters of the City of Montebello (the "City") approved an initiative to pay for the obligation of the City to participate in the State of California retirement system, now the California Public Employees' Retirement System (the "System"); and

WHEREAS, a contract between the City and the System was first approved on May 6, 1946, pursuant to City Council Resolution No. 987; and

WHEREAS, the City is obligated by the Public Employees' Retirement Law, commencing with Section 20000 of the Government Code of the State of California, as amended (the "Retirement Law"), to make payments to the System relating to pension benefits accruing to the System's members, including the City; and

WHEREAS, the City is obligated specifically to make certain payments to the System in respect of current and retired public safety employees and miscellaneous employees under the pension programs of the System that amortize such obligations over a fixed period of time, including normal costs (collectively, the "Pension Obligation"); and

WHEREAS, the Pension Obligation is evidenced by a contract or contracts with the System with respect to public safety employees and miscellaneous employees of the City, as heretofore and hereafter amended from time to time (collectively, the "CalPERS Contract"); and

WHEREAS, since 1946, the City Council has annually set an *ad valorem* property tax rate for the purpose of providing revenue to pay all or a portion of the Pension Obligation of the City under the CalPERS Contract; and

WHEREAS, once the property tax rate is established for the fiscal year, the City reports the rate to the Los Angeles County Auditor-Controller to place the tax (the "Retirement Tax") on the property tax roll of the County; and

WHEREAS, the Retirement Tax is currently set \$0.197875 per one hundred dollars of assessed value; and

WHEREAS, the City is authorized pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California (the "Act") to issue bonds for the purpose of refunding any evidence of indebtedness of the City; and

WHEREAS, the City desires to issue one or more series of bonds (the "Pension Obligation Bonds") for the purpose of refunding obligations under the CalPERS Contract and thereby providing funds to the System in payment of the Pension Obligation; and

WHEREAS, there is on file with the City Council the proposed form of Trust Agreement (the "Trust Agreement") to be entered into between the City and a trustee to be named therein (the "Trustee"), relating to the Pension Obligation Bonds, including the forms of Bonds attached thereto as an exhibit.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTEBELLO AS FOLLOWS:

Section 1. The City Council hereby finds and determines that the foregoing recitals are true and correct.

Section 2. This City Council hereby finds and declares that the issuance of the Pension Obligation Bonds to refund Pension Obligations of the Safety Plan (ID 1885224868) and the Miscellaneous Plan (ID 1885224868), and the other actions contemplated by this Resolution are in the best interests of the City.

Section 3. This City Council hereby authorizes and approves the assignment and pledge of revenues from the Retirement Tax to owners of one or more series of the Pension Obligation Bonds as the City Manager deems necessary or desirable and the issuance, sale and delivery of such Pension Obligation Bonds. The Pension Obligation Bonds shall be in substantially the form attached to the Trust Agreement, with such changes therein, deletions therefrom and additions thereto as the City Manager shall approve, such approval to be conclusively evidenced by the execution and delivery of the Pension Obligation Bonds. The Pension Obligation Bonds of any series shall be issued as current interest fixed rate bonds; provided, however, that the aggregate initial principal amount of the Pension Obligation Bonds shall not exceed (i) the lesser of $155,000,000 or (ii) the amount of the Pension Obligation (as confirmed by the System) remaining unpaid on the Safety Plan and the Miscellaneous Plan (plus a normal cost contribution with respect to such plans) described above on the date of issuance of the Pension Obligation Bonds, plus an additional amount to pay costs of issuance of the Pension Obligation Bonds, original issue discount, and underwriter's discount on the Pension Obligation Bonds. The Underwriters' discount, excluding original issue discount, shall not exceed 0.8% of the aggregate principal amount of the Pension Obligation Bonds. The maximum interest rate on the Pension Obligation Bonds shall not exceed 5.5% per annum. The Pension Obligation Bonds shall mature not later than 35 years following their date of issuance.

Section 4. The Pension Obligation Bonds shall constitute an obligation imposed by law, pursuant to the Constitution and the laws of the State of California, including the Retirement Law. Payment of the principal of and interest on the Pension Obligation Bonds is not limited to any special source of funds and shall be payable from any legally available moneys or funds of the City, including, as applicable, revenues from the Retirement Tax.

Section 5. The proposed form of Trust Agreement, between the City and the Trustee, on file with the City Clerk, is hereby approved. The Mayor, the City Manager, the Assistant City Manager and the City Clerk (the "Authorized Representatives") are each hereby authorized and directed, severally, or any such officer's designee, for and on behalf of the City, to execute and deliver the Trust Agreement, substantially in the form on file with the City Clerk, with such changes therein, deletions therefrom and additions thereto (including, but not limited to changes, deletions and additions as may be required by a municipal bond insurer, if any) as such Authorized Representative shall approve, such approval to be conclusively evidenced by the execution and delivery of the Trust Agreement.

Section 6. If an Authorized Representative determines that it will be advantageous to the City to purchase municipal bond insurance or secure other credit or liquidity enhancement with respect to some or all of the Pension Obligation Bonds, such Authorized Representative or his designee is hereby authorized to do so upon determining that such purchase is in the best interest of the City.

Section 7. The Authorized Representatives of the City are, and each of them hereby is, authorized and directed to do any and all things, including bringing a validation action under Section 860 *et seq*. of the California Code of Civil Procedure and to take any and all actions (including any required publications of summons or other notice) and execute and deliver any and all documents which they or any of them deem necessary or advisable to consummate the transactions contemplated by this Resolution and the Trust Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the Trust Agreement. A draft of the Complaint for Validation is attached.

Section 8. Each Authorized Representative and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City to do any and all things and take any and all other actions, including the publication of any notices necessary or desirable in connection with the sale of the Pension Obligation Bonds and execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments and other documents, which they, or any of them, deem necessary or advisable to consummate the issuance and sale of the Pension Obligation Bonds and the consummation of the transactions as described herein.

Section 9. All actions heretofore taken by any Authorized Representative or any officer, employee or agent of the City with respect to the issuance, delivery and sale of the Pension Obligation Bonds or in connection with or related to any of the agreements referred to herein, are hereby approved, confirmed and ratified.

Section 10. This Resolution shall take effect from and after its date of adoption.

APPROVED AND ADOPTED this 9th day of October 2019.

Jack Hadjinian
Mayor

ATTEST:

Lillian Guzman for

Irma-Bernal Barajas
City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman
City Attorney

RESOLUTION CERTIFICATION

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

I, Irma Barajas, City Clerk of the City of Montebello, do hereby certify that the foregoing City Council Resolution No. 19-120 was duly and regularly approved and adopted by the City Council of the City of Montebello at their meeting held on the 9th day of October, 2019, as approved by law by the following vote:

AYES: **MELENDEZ, COBOS-CAWTHORNE, TORRES, HADJINIAN**
NOES: **NONE**
ABSENT: JIMENEZ

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City on the 9th day of October, 2019.

Lilian Guzman for
IRMA BARAJAS, City Clerk

City of Montebello
CalPERS Miscellaneous and Safety Plans

Pension Override Tax Study for
Fiscal Years 2019/20 and 2020/21

December 6, 2019

BARTEL ASSOCIATES, LLC

ACTUARIAL CERTIFICATION

This report presents our analysis of the City of Montebello CalPERS Miscellaneous and Safety Plans ("Plans").

The purpose of this analysis is to calculate the portion of the City's CalPERS employer contribution for the 2019/20 and 2020/21 fiscal years attributable to benefits contracted for or effective before July 1, 1978. Future calculations may differ significantly if the Plan's experience differs from our assumptions or if there are changes in plan design, actuarial methods or actuarial assumptions. The project scope did not include an analysis of this potential variation. Actuarial calculations for other purposes such as plan funding or financial reporting will differ from those shown in this report.

The analysis is based on our understanding of the benefit provisions, actuarial reports and benefit summaries prepared by CalPERS and provided by the City, and on the methodology detailed in this report. Alternative methods could produce different results. The project scope did not include alternate analyses.

We have reviewed CalPERS information for reasonableness, and have relied on that information as the basis of these calculations. We do not make any representation on the accuracy of CalPERS reports.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. As members of the American Academy of Actuaries, meeting Academy Qualification Standards, we certify the actuarial results and opinions herein.

We are available to answer any questions on this report.

Respectfully submitted,

Doug Pryor, ASA, EA, MAAA
Vice President & Actuary
December 6, 2019

Bianca Lin, FSA, EA, FCA, MAAA
Assistant Vice President & Actuary
December 6, 2019

O:\Clients\City of Montebello\Projects\CalPERS\6-30-18\BA MontebelloCi 19-12-06 Pension Override Tax Report Draft.docx

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SECTION 1
SUMMARY OF RESULTS

Based on the actuarial analysis described in the remainder of this report, we have calculated the portions of the City of Montebello's 2019/20 and 2020/21 CalPERS required employer contributions attributable to pre July 1, 1978 benefit levels and to subsequent benefit improvements for both Miscellaneous and Safety plans. The following summarizes the results of our calculations.

Employer Contribution Attribution – 2019/20 Fiscal Year

	Amounts	Percent of Total
■ Total Employer Contribution Attributable to Pre-1978 Benefit Level	$ 12,800,000	88.3%
■ Total Employer Contribution Attributable to Post-1978 Benefit Level	1,691,000	11.7%
■ Total	14,470,000	100.0%

Employer Contribution Attribution – 2020/21 Fiscal Year

	Amounts	Percent of Total
■ Total Employer Contribution Attributable to Pre-1978 Benefit Level	$ 13,863,000	88.9%
■ Total Employer Contribution Attributable to Post-1978 Benefit Level	1,729,000	11.1%
■ Total	15,592,000	100.0%

SECTION 2
PURPOSE AND METHODOLOGY

Purpose of Actuarial Calculations
We understand the City's retirement property tax can be used only to pay benefits either contracted for or effective before July 1, 1978. The purpose of this study is to determine the portion of the CalPERS employer contribution for fiscal years 2019/20 and 2020/21 that relates to benefits in effect before July 1, 1978.

City CalPERS Benefits and Improvements
The benefit formulas in effect on July 1, 1978 were:

- Miscellaneous Plan: 2% @ 60 benefit formula, with final 3 years average compensation, and 2% COLA
- Safety Plan: 2% @ 50 benefit formula, with final 1 year average compensation, post-retirement survivor allowance and 2% COLA.

The cost of benefit improvements effective after July 1, 1978 that affect the City's CalPERS contribution rates must be separated. These are:

- Miscellaneous Plan:
  - Final one year average compensation, effective 1/10/1992
  - 2% @ 55 benefit formula, effective 10/26/1997
  - 2.7% @ 55 benefit formula, effective 10/17/2004
  - 2% @ 62 benefit formula[1], effective 1/1/2013
- Safety Plan
  - 3% @ 50 benefit formula, effective 9/6/2000 for Police Safety
  - 3% @ 50 benefit formula, effective 7/6/2008 for Fire Safety
  - 2.7% @ 57 benefit formula[2], effective 1/1/2013

1 The PEPRA Miscellaneous 2%@62 is a lower benefit than pre-78 2%@60 benefit and so is not considered a benefit improvement.

2 The PEPRA Safety 2.7%@57 is a lower benefit than pre-78 2%@50 benefit and so is not considered a benefit improvement.

SECTION 2
PURPOSE AND METHODOLOGY

Cost of Benefit Improvements

The actual costs of a defined benefit plan are determined by the benefit formula, the actual salaries and service of the plan participants, and how long they and their beneficiaries live to receive payments. The ultimate cost of the plan cannot be determined until all benefits have been paid.

There is no perfect way to evaluate the "true cost" of a benefit change. In part this is because all plan benefits have not yet been paid so the total plan cost is not yet known. Two other important difficulties arise because:

- Benefit changes typically cause changes in employee behavior, most typically retiring earlier or later than before the benefit change. This behavior impacts both the cost of the original benefit and the benefit improvements.
- Salary negotiations might have been different if benefits had not been improved. Different salary patterns impact both the cost of the original benefits as well as the cost of the improvements.

Following is an example illustrating how lower salaries negotiated in concert with a benefit increase can impact the perceived cost of a benefit improvement.

Illustrative Example for Sample Employee

	Original Benefit Formula 2% @ 50	**Improved Benefit Formula 3% @ 50 Unchanged Final Compensation**	**Improved Benefit Formula 3% @ 50 Lower Final Compensation**
Final compensation	$ 100,000	$ 100,000	$ 95,000
Retirement age	55	55	55
Service at retirement	30 years	30 years	30 years
Benefit Factor for formula	2.70%	3.00%	3.00%
Annual Retirement Benefit (compensation x service x benefit factor)	$ 81,000	$ 90,000	$ 85,500
Apparent pension increase due to benefit change		**11.1%**	**5.6%**

SECTION 2
PURPOSE AND METHODOLOGY

Methodology

We have estimated the impact of benefit improvements by separately calculating the normal cost increase due to benefit improvements, and calculating the portion of the Unfunded Actuarial Accrued Liability (UAAL) due to the improvements. Details, and calculations are provided in the following sections of this report.

SECTION 3
NORMAL COST ANALYSIS

The following section summarizes the normal cost change due to each benefit improvement after July 1, 1978 separately for each plan and tier.

Miscellaneous Tier 1 Plan
June 30, 2018

Benefit Improvements	Effective Date	Method	Estimated Cost as a Percentage of PERSable Payroll	Basis for Estimate[3]
Final One Year Average Compensation	1/10/1992	Normal Cost	0.487%	Current (CalPERS Miscellaneous risk pool June 30, 2018 actuarial valuation report) normal cost increase for 1 year final average earnings over 3 year final average earnings for the 2%@60 benefit formula
2%@55 Benefit Formula	10/26/1997	Normal Cost	1.750%	Current (CalPERS Miscellaneous risk pool June 30, 2018 actuarial valuation report) normal cost increase from 2%@60 to 2%@55 including 1 year final average earnings
2.7%@55 Benefit Formula	10/17/2004	Normal Cost	2.215%	Contract Amendments Cost Analysis from CalPERS when formula change was adopted
Total			**4.452%**	

Miscellaneous Tier 2 Plan

Miscellaneous Tier 2 is the PEPRA 2%@62 formula. It has a lower benefit than the pre-1978 benefit level. Therefore all 2%@62 (PEPRA) benefits can be paid from the Pension Override Tax.

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[3] Except for CACA, all normal cost rates were based on CalPERS June 30, 2018 actuarial valuation of the Miscellaneous risk pool.

SECTION 3
NORMAL COST ANALYSIS

Safety Tier 1 Plan
June 30, 2018

Benefit Improvements	Effective Date	Method	Estimated Cost as a Percentage of PERSable Payroll	Basis for Estimate
3%@50 Benefit Formula	9/6/2000 for Police Safety	Normal Cost	2.824%	Contract Amendments Cost Analysis from CalPERS when formula change was adopted.
3%@50 Benefit Formula	7/6/2008 for Fire Safety	Normal Cost	1.885%	Contract Amendments Cost Analysis from CalPERS when formula change was adopted.
Total			**4.709%**	

Safety Tier 2 Plan

Safety Tier 2 is the PEPRA 2.7%@57 formula. It has a lower benefit than the pre-1978 benefit level. Therefore all 2.7%@57 (PEPRA) benefits can be paid from the Pension Override Tax.

SECTION 3
NORMAL COST ANALYSIS

The following table separates the current normal cost rate for Miscellaneous and Safety plan between amounts attributable to post-July 1, 1978 benefit improvements as calculated above, and the remaining normal cost which is attributable to benefit levels in effect at July 1, 1978.

	Miscellaneous		Safety	
	FY 2019/20	FY 2020/21	FY 2019/20	FY 2020/21
■ Total normal cost rate (as a percentage of PERSable payroll) for fiscal year	10.513%	11.129%	20.725%	21.164%
■ Normal Cost Attributable to Post-1978 Benefit Level	3.551%	3.497%	4.005%	3.853%
■ Normal Cost Attributable to Pre-1978 Benefit Level	6.962%	7.632%	16.720%	17.311%

Normal Cost rates for FY2020/21 are based on the following information in the June 30, 2018 actuarial valuation reports.

	Miscellaneous			Safety		
	Tier 1	PEPRA	Total	Tier 1	PEPRA	Total
■ Total normal cost rate (as a percentage of PERSable payroll) for fiscal year	12.163%	7.457%	11.129%	22.852%	13.999%	21.164%
■ Normal Cost Attributable to Post-1978 Benefit Level (calculated on previous pages)	4.452%	0.000%	3.497%	4.709%	0.000%	3.853%
■ Normal Cost Attributable to Pre-1978 Benefit Level	7.711%	7.457%	7.632%	18.143%	13.999%	17.311%
■ PERSable payroll Allocation	78.5%	21.5%	100.0%	81.8%	18.2%	100.0%

SECTION 3
NORMAL COST ANALYSIS

Projection of Future Normal Cost

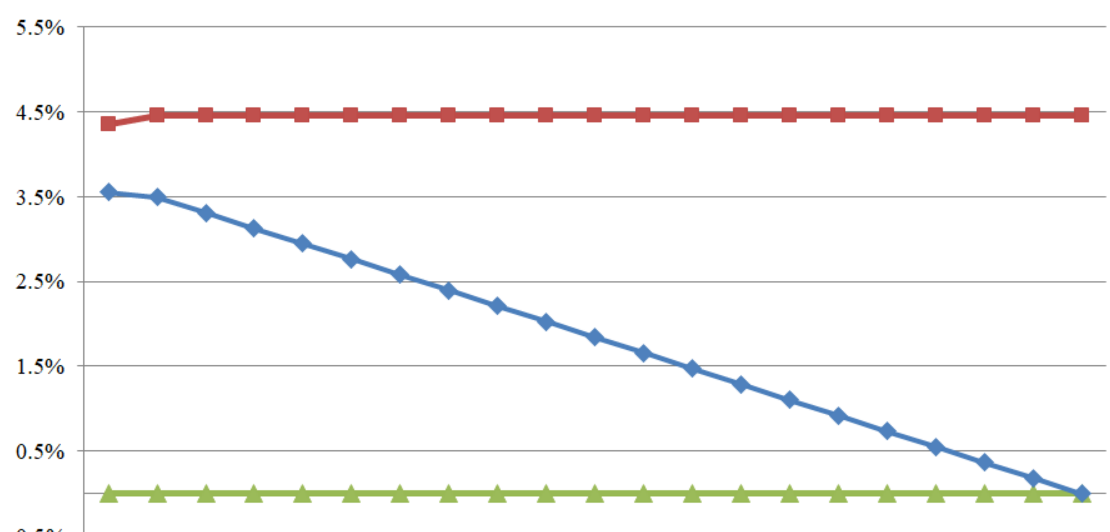
This section is for illustrative purposes only in order to provide an indication of long term trends; these projections are not used in other calculations in this report.

In future years, Miscellaneous and Safety classic members in Tier 1 will leave employment with the City and be replaced by employees in the PEPRA tier. As this happens, the portion of the City's normal cost that is attributable to post July 1, 1978 benefit improvements will decrease, since PEPRA members' benefits are lower than the pre-July 1, 1978 benefit level. The following chart illustrates that anticipated change.

The chart is based on the following assumptions:

- 7.00% discount rate used in the 6/30/18 CalPERS valuation but does not reflect the impact of future discount rate reductions anticipated from CalPERS' Risk Mitigation policy. No other changes in CalPERS actuarial assumptions are included.
- Miscellaneous PEPRA benefit formula effective January 1, 2013 is lower than the pre-1978 benefit level.
- Payroll for classic members decreases to zero over 20 years in a straight line.

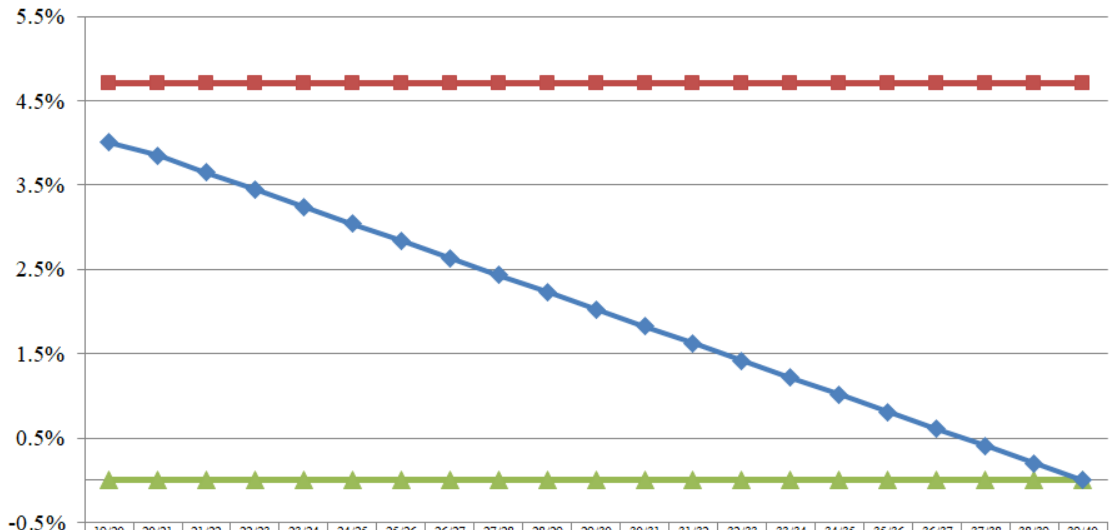
Miscellaneous: Projection of Post-1978 Normal Cost



	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40
Tier 1	4.355%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%	4.452%
PEPRA	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Combined	3.551%	3.497%	3.313%	3.129%	2.945%	2.761%	2.577%	2.393%	2.209%	2.025%	1.840%	1.656%	1.472%	1.288%	1.104%	0.920%	0.736%	0.552%	0.368%	0.184%	0.000%

Conclusion: When all active Miscellaneous members are in the PEPRA tier, none of the normal cost will be attributable to post July 1, 1978 benefit increases.

Safety: Projection of Post-1978 Normal Cost



	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40
Tier 1	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%	4.709%
PEPRA	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Combined	4.005%	3.853%	3.650%	3.447%	3.245%	3.042%	2.839%	2.636%	2.433%	2.231%	2.028%	1.825%	1.622%	1.420%	1.217%	1.014%	0.811%	0.608%	0.406%	0.203%	0.000%

Conclusion: When all active Safety members are in the PEPRA tier, none of the normal cost will be attributable to post July 1, 1978 benefit increases.

SECTION 4

UNFUNDED ACTUARIAL ACCRUED LIABILITY ANALYSIS

Allocation of Current Unfunded Actuarial Accrued Liability

The Plans' current unfunded actuarial accrued liability (UAAL) must be analyzed to determine what portion of that UAAL is attributable to benefit increases after July 1, 1978. We have used the following in our analysis:

- CalPERS actual investment returns:

Period	Investment Return
July 1, 1984 to June 30, 2019	Actual reported annual investment returns
July 1, 1978 to June 30, 1984	Estimated annual return based on the average annual return from 1984 through 2019 (actual investment returns for 1978 to 1984 were not available).

- City PERSable Payroll:

Period	PERSable Pay
July 1, 1997 to June 30, 2018	Actual annual reported PERSable pay from CalPERS actuarial valuation reports.
Before July 1, 1997	Projected backward from 1997/98 PERSable pay assuming 3.00% annual total payroll decrease.

- No adjustment was made for prior retirement property taxes different from our model's assumptions.

Methodology

We developed the UAAL allocation by calculating two amounts:

1) We applied the normal cost rate attributable to pre July 1, 1978 to the PERSable payroll for each year beginning in 1978/79. Normal cost amounts were accumulated to the present with the actual (or assumed, prior to 1984) investment return in each year
2) We applied the normal cost rate attributable to post July 1, 1978 benefit increases to the PERSable payroll in each year after the increase was effective. These amounts were accumulated to the present with the actual (or assumed, prior to 1984) investment return in each year

The June 30, 2017 and June 30, 2018 actual UAAL was then allocated to pre- and post-July 1, 1978 in proportion to the two accumulated balances (1) and (2) described above.

The projected June 30, 2019 UAAL was allocated following the same methodology. The total projected June 30, 2019 UAAL was based on actuarial accrued liability and assets from the June 30, 2018 valuation adjusted for the actual 2018/19 investment return.

SECTION 4
UNFUNDED ACTUARIAL ACCRUED LIABILITY ANALYSIS

The following tables show the resulting allocation of the UAAL at June 30, 2017, June 30, 2018 and June 30, 2019.

June 30, 2017

	Miscellaneous		Safety		Total	
	$ Million	**%**	**$ Million**	**%**	**$ Million**	**%**
■ Unfunded Liability Attributable to Pre-1978 Benefit Level	$44.8	90.8%	$78.6	96.4%	$123.4	94.3%
■ Unfunded Liability Attributable to Post-1978 Benefit Level	4.5	9.2%	3.0	3.6%	7.5	5.7%
■ Total	49.3	100.0%	81.6	100.0%	130.9	100.0%

June 30, 2018

	Miscellaneous		Safety		Total	
	$ Million	**%**	**$ Million**	**%**	**$ Million**	**%**
■ Unfunded Liability Attributable to Pre-1978 Benefit Level	$50.8	90.6%	$89.3	96.2%	$140.1	94.1%
■ Unfunded Liability Attributable to Post-1978 Benefit Level	5.3	9.4%	3.5	3.8%	8.8	5.9%
■ Total	56.1	100.0%	92.7	100.0%	148.9	100.0%

June 30, 2019

	Miscellaneous		Safety		Total	
	$ Million	**%**	**$ Million**	**%**	**$ Million**	**%**
■ Unfunded Liability Attributable to Pre-1978 Benefit Level	$51.8	90.4%	$91.9	96.2%	$143.8	94.0%
■ Unfunded Liability Attributable to Post-1978 Benefit Level	5.5	9.6%	3.7	3.8%	9.2	6.0%
■ Total	57.3	100.0%	95.6	100.0%	152.9	100.0%

SECTION 5
EMPLOYER CONTRIBUTION ANALYSIS

The previous two sections of the report described how the normal cost and unfunded actuarial accrued liability were attributed to pre- and post-July 1, 1978 benefit levels. Based on that attribution, the total employer contribution can be split.

- The UAAL amortization payment is allocated in proportion to the allocated UAAL.
- We have used a different attribution for Normal Cost and UAAL payments, as previously described
- Projected PERSable wages used to calculate the dollar normal costs are based on CalPERS 6/30/17 and 6/30/18 reports

Employer Costs for 2019/20 Fiscal Year

Normal Cost
2019/20 Fiscal Year

	Miscellaneous		Safety		Total	
	($'000)	%	($'000)	%	($'000)	%
■ Normal Cost Attributable to Pre-1978 Benefit Level	$1,173	66.2%	$1,999	80.7%	$3,172	74.7%
■ Normal Cost Attributable to Post-1978 Benefit Level	598	33.8%	479	19.3%	1,077	25.3%
■ Total	1,772	100.0%	2,477	100.0%	4,249	100.0%

UAAL Payments[4]
2019/20 Fiscal Year

	Miscellaneous		Safety		Total	
	($'000)	%	($'000)	%	($'000)	%
■ UAAL Payments Attributable to Pre-1978 Benefit Level	$3,940	90.8%	$5,668	96.4%	$9,608	94.0%
■ UAAL Payments Attributable to Post-1978 Benefit Level	399	9.2%	214	3.6%	614	6.0%
■ Total	4,339	100.0%	5,882	100.0%	10,221	100.0%

4 UAAL payments allocation based on June 30, 2017 UAAL allocation.

Employer Costs for 2019/20 Fiscal Year (Continued)

Employer Contribution Attribution
2019/20 Fiscal Year

	Miscellaneous		Safety		Total	
	($'000)	%	($'000)	%	($'000)	%
■ Total Employer Contribution Attributable to Pre-1978 Benefit Level	$5,113	83.7%	$7,667	91.7%	$12,780	88.3%
■ Total Employer Contribution Attributable to Post-1978 Benefit Level	998	16.3%	693	8.3%	1,691	11.7%
■ Total	6,111	100.0%	8,360	100.0%	14,470	100.0%

SECTION 5
EMPLOYER CONTRIBUTION ANALYSIS

Employer Costs for 2020/21 Fiscal Year

Normal Cost

2020/21 Fiscal Year

	Miscellaneous		Safety		Total	
	($'000)	%	($'000)	%	($'000)	%
■ Normal Cost Attributable to Pre-1978 Benefit Level	$1,293	68.6%	$1,998	81.8%	$3,291	76.0%
■ Normal Cost Attributable to Post-1978 Benefit Level	592	31.4%	445	18.2%	1,037	24.0%
■ Total	1,885	100.0%	2,443	100.0%	4,328	100.0%

UAAL Payments[5]

2020/21 Fiscal Year

	Miscellaneous		Safety		Total	
	($'000)	%	($'000)	%	($'000)	%
■ UAAL Payments Attributable to Pre-1978 Benefit Level	$4,324	90.6%	$6,248	96.2%	$10,571	93.9%
■ UAAL Payments Attributable to Post-1978 Benefit Level	448	9.4%	244	3.8%	692	6.1%
■ Total	4,772	100.0%	6,491	100.0%	11,263	100.0%

5 UAAL payments allocation based on June 30, 2018 UAAL allocation.

Employer Costs for 2020/21 Fiscal Year (Continued)

Employer Contribution Attribution

2020/21 Fiscal Year

	Miscellaneous		Safety		Total	
	($'000)	**%**	**($'000)**	**%**	**($'000)**	**%**
■ Total Employer Contribution Attributable to Pre-1978 Benefit Level	$5,617	84.4%	$8,246	92.3%	$13,863	88.9%
■ Total Employer Contribution Attributable to Post-1978 Benefit Level	1,041	15.6%	688	7.7%	1,729	11.1%
■ Total	6,657	100.0%	8,935	100.0%	15,592	100.0%

SECTION 6
SUMMARY OF DATA PROVIDED

The City provided the following information used in our calculation:

- Miscellaneous Plan
  - MyCalPERS benefit provisions and effective dates
  - 1999 - 2018 CalPERS actuarial valuation reports
  - 2.7% @ 55 Benefit Formula Contract Amendments Cost Analysis (CACA)
- Safety Plan
  - MyCalPERS benefit provisions and effective dates
  - 1999 - 2018 CalPERS actuarial valuation reports
  - 3%@50 CACA (separate for Police and Fire)

SECTION 7
DEFINITIONS

- **Present Value of Benefits (PVB)**: An actuarial valuation begins with participant data (including active employees, former employees not in payment status, participants and beneficiaries in payment status) at the valuation date. Using this data and actuarial assumptions, the actuary projects future benefit payments. The assumptions include, among other things, when people will retire, terminate, die or become disabled, as well as what future benefits might be, depending on such things as future salary increases and cost of living. Those future benefit payments are discounted, using expected future investment return and the likelihood of receiving a benefit, back to the valuation date. This discounted present value is the plan's present value of benefits. It represents the amount the plan needs as of the valuation date to pay all future benefits – if all assumptions are met and no future contributions (employee or employer) are made.
- **Normal Cost (NC)**: The Present Value of Benefits is not funded immediately upon an employee's hire. Instead it is funded over an employee's working career. The Normal Cost represents the portion of the present value of benefits allocated to, or expected to be earned (on an actuarial, not actual, basis) in the coming year. The Normal Cost is paid by employees and the employer each year as a percentage of PERSable payroll.
- **Actuarial Accrued Liability (AAL):** This represents the portion of the present value of benefits that participants have earned (on an actuarial, not actual, basis) through the valuation date. This includes the full PVB for retirees and inactive participants, and a portion of the PVB for current active employees.
- **Plan Assets:** This includes funds that have been accumulated in CalPERS' trust fund so they can pay plan benefits and expenses. Amounts are attributable to contributions made by employees and the employer, and to past investment earnings.
- **Unfunded Actuarial Accrued Liability (UAAL):** If all actuarial assumptions had always been exactly met, the accumulated plan assets would equal the actuarial accrued liability. The difference between the actuarial accrued liability and plan assets is the UAAL. It represents the amount of the actuarial accrued liability that must still be funded.

  In each actuarial valuation, the plan actuary calculates the increase or decrease in the UAAL from several sources including investment return and experience different than expected, and plan changes. Each of these is a new UAAL layer which is amortized – paid off over time by additional employer contributions. The total UAAL amortization payment is paid monthly as a separate portion of the employer contribution.

S&P Global Inc.
Rating Presentation

City of Montebello
2020 Pension Obligation Bonds
Credit Presentation

May 1, 2020

City of Montebello

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CalPERS Obligations & Pension Tax Override	C
2020 Pension Obligation Bonds	D

Introduction

Tab A

Presentation Participants

- **Rene Bobadilla, City Manager**
  - City Manager since June 2019, has served as City Manager for various San Gabriel Valley cities since 2009
  - Former Pico Rivera City Manager, 22 years of public sector experience
- **Arlene Salazar, Assistant City Manager**
  - 30 years of municipal experience at Cities such as Pico Rivera, Chino, Downey, & Norwalk
- **Michael Solorza, Finance Director**
  - Joined in Feb 2020
  - Former finance director / fiscal services for Irvine, Huntington Beach, & Pico Rivera

Municipal Advisor – Hilltop Securities Inc.

- Phillip Curls, Director
- Brian Whitworth, Director
- Mike Newman, Managing Director

Underwriter – Cabrera Capital Markets LLC

- Brian Corley, Senior Vice President
- Ben Cardenas, Senior Vice President

Bond Counsel – Norton Rose Fulbright

- Don Hunt, Partner
- Russ Trice, Partner

Disclosure Counsel – Quint & Thimmig

- Brian Quint, Partner

Financial Highlights

- Pension Tax Override provides substantial additional source of funding for City's CalPERS obligations
- Measure H Sales Tax passage on March 3, 2020
- Stable Assessed Values and Sales Tax Revenues
  - With future residential development projects underway expected increase both property tax and sales tax base
- FY 2019 strong General Fund financial performance, increasing the General Fund balance by ~$3 Million
- COVID-19 Mitigation plans

2020 Pension Obligation Bonds

- Issuance of Pension Obligation Bonds to prepay approximately $150 million of CalPERS Miscellaneous and Safety Plans secured by pension tax override and City General Fund
- Pension Funding Policy to be adopted on May 13, 2020
- Legal Documents/Preliminary Official State approval anticipated on May 13, 2020
- The City is requesting an issue credit rating by Wednesday, May 13, 2020

City Financial Update

Tab B

Passage of Measure H General Transactions and Use Tax

City Financial Update

- Measure H Sales tax measure approved March 3, 2020, effective July 1, 2020
  - 0.75% tax on retail transactions
  - Monies are received by the General Fund to:
    1. Maintain public safety services
    2. Street Improvements
    3. Improvements to parks and public areas
    4. Create fiscal stability

- No sunset on Measure H sales tax

- Measure was expected to generate roughly $6M annually pre-Covid-19

Financial Results – Audited FY 2016-19, Budgeted FY 2020

City Financial Update

	FY 2016 Audited	FY 2017 Audited	FY 2018 Audited	FY 2019 Audited	FY 2020 Budgeted
Revenues					
Sales Taxes	$ 13,992,347	$ 13,267,373	$ 13,118,981	$ 14,031,972	$ 13,146,732
Property Taxes	4,927,230	5,094,185	5,208,975	5,676,411	5,967,797
Other Taxes	503,173	553,462	585,960	614,485	658,201
Franchise Taxes	1,405,229	1,493,956	2,141,450	2,224,087	2,315,184
Licenses and Permits	4,733,752	4,374,761	4,452,210	6,220,483	5,137,999
Fines and Forfeitures	1,912,729	2,251,384	2,185,022	2,165,922	2,023,693
Investment income	42,685	29,419	74,742	162,487	179,506
Intergovernmental	5,730,251	5,950,400	6,157,030	6,526,569	6,784,372
Charges for Services	6,611,348	6,382,058	6,438,100	6,657,594	6,914,613
Proceeds from Sale of Property	1,968,213	-	-	-	-
Other Revenues	1,025,601	959,391	1,153,423	728,696	223,200
Total Revenues	**42,852,558**	**40,356,389**	**41,515,893**	**45,008,706**	**43,351,297**
Expenditures					
General Government	5,415,578	4,869,177	4,976,497	5,873,687	5,422,959
Public safety	32,297,261	31,438,293	31,487,454	29,433,153	30,814,212
Public Works	6,824,093	6,812,050	6,778,314	6,639,299	8,946,744
Parks and Recreation	3,889,366	3,658,338	3,813,599	3,827,559	4,741,296
Housing & Community Dev.	2,212,276	2,058,623	2,006,274	2,209,566	1,784,894
Sub-total	50,638,574	48,836,481	49,062,138	47,983,264	51,710,105
Capital Outlay	883,423	183,834	265,903	2,052,865	-
Interfund Revenue	(641,466)	130,090	(231,650)	(366,046)	(592,135)
Total Expenditures	**50,880,531**	**49,150,405**	**49,096,391**	**49,670,083**	**51,117,970**
SURPLUS (DEFICIT)	**(8,027,973)**	**(8,794,016)**	**(7,580,498)**	**(4,661,377)**	**(7,766,674)**
Other Financing Sources (Uses)					
Transfers In	8,550,134	9,978,439	12,257,329	6,758,437	5,888,806
Transfers Out	(72,695)	(1,255,867)	(1,381,915)	(778,644)	(962,613)
Unspent Bond Proceeds/Lease	-	4,666,731	-	1,547,962	-
Total	**8,477,439**	**13,389,303**	**10,875,414**	**7,527,755**	**4,926,193**
Net Change in Fund Balance	449,466	4,595,287	3,294,916	2,866,378	(2,840,481)
Beginning Fund Balance	8,998,132	9,447,598	14,042,885	17,337,801	20,204,179
Ending Fund Balance	**$ 9,447,598**	**$ 14,042,885**	**$ 17,337,801**	**$ 20,204,179**	**$ 17,363,697**

Audited FY 2019 and Budgeted FY 2020

City Financial Update

- Strong FY 2019 Financial Performance
  - Increase in General Fund balance of $2.9 million from FY 2018, up to $20.2 million
  - General fund tax revenues (property, sales, TOT, franchise, & other categories) increased by 7.1% from $21.1 million in FY 2018 to $22.5 million in FY 2019
- FY 2020 Budget indicates decrease in General Fund balance by $2.8 million due to:
  - Expected increases in Public Safety, Public Works, and Parks/Recreation costs
  - Budgeted lower tax revenue figures
- All City Negotiated Employee Contracts good through December 31, 2021
  - Employee CalPERS Pension contributions that had historically been covered by the City will be phased out over the next two years
- Pension Tax Override current balance of $8.93M as of March 31, 2020
  - FY 2019 ending balance of $11.79M

- Declaration of Local Emergency via multiple resolutions from March 12, 2020 to April 15, 2020

- The City has been in discussion with our Transit Union, that represents both full and part-time bus operators and other Transit personnel. Recent actions have been taken to furlough part-time bus operators since the City stopped running its bus line as of 04/06

- City awaiting updated sales tax figures for the current and next fiscal year from sales tax consultant
  - City Management prepared to address shortfalls with mitigating measures depending on severity of change
  - Management update as of April 23 previously provided

Summary of General Fund Debt as of March 2020

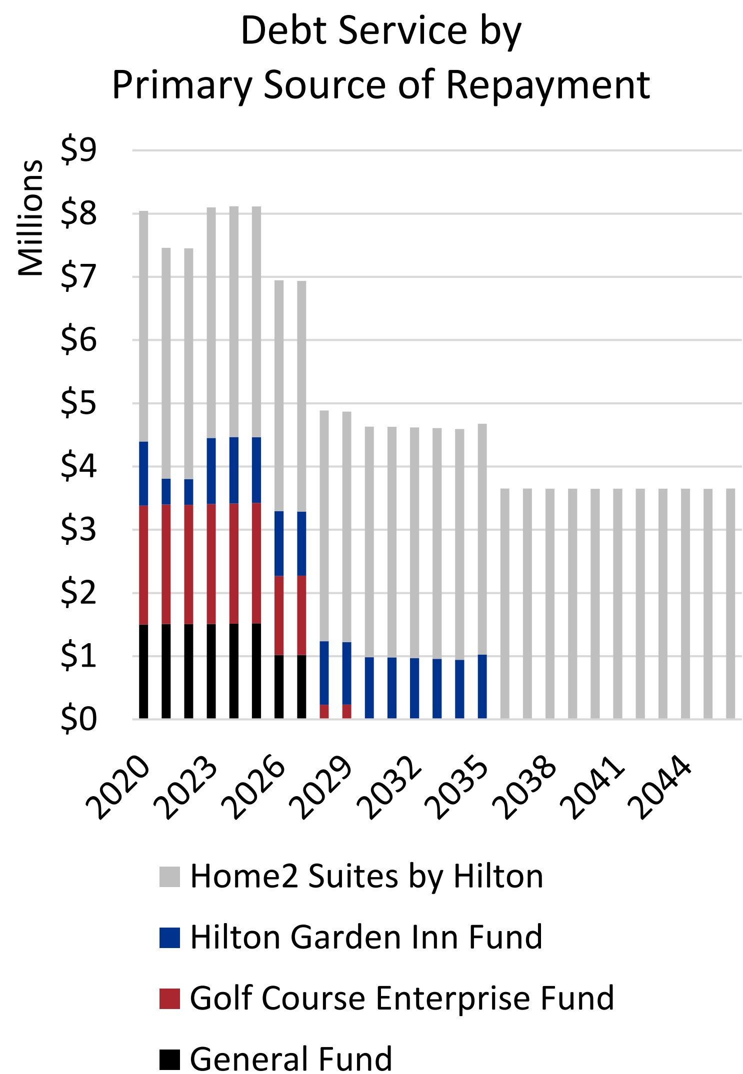
City Financial Update

Series	Outstanding Par Amount	Source of Repayment	Interest Rate Range	Final Maturity	Redemption Feature
2019A Lease Revenue Refunding Bonds (Hilton Garden Inn Project)	10,200,000	Hilton Garden Inn Net Revenues	Fixed Rate	12/1/2034	12/1/2029 @ par
2016 Lease Revenue Bonds (Home2Suites)	54,860,000	Home2Suites Hilton Net Revenues	Fixed Rate	6/1/2046	6/1/2026 @ par
2014 Lease Revenue Refunding Bonds, Series A	$1,810,000	Golf Course	Fixed Rate	11/1/2028	11/1/2024 @ par
2014 Lease Revenue Refunding Bonds, Series B	6,050,000	General Fund	Fixed Rate	11/1/2026	11/1/2024 @ par
2014 Lease Revenue Refunding Bonds, Series C	2,895,000	23.6% Golf Course; 76.4% General Fund	Fixed Rate (taxable)	11/1/2024	Make-whole Call
Total	**$75,815,000**				

Repayment Sources for General Fund Debt Service

City Financial Update

Fiscal Year	General Fund	Golf Course Enterprise Fund	Hilton Garden Inn Fund	Home2 Suites by Hilton	Total Debt Service
2020	$1,501,865	$1,879,967	$1,013,071	$3,647,200	$8,042,103
2021	$1,508,702	$1,890,958	$408,000	$3,651,950	$7,459,610
2022	$1,506,936	$1,887,512	$408,000	$3,648,950	$7,451,398
2023	$1,510,634	$1,894,953	$1,045,000	$3,648,450	$8,099,037
2024	$1,514,659	$1,899,114	$1,053,300	$3,650,200	$8,117,273
2025	$1,519,638	$1,904,435	$1,040,600	$3,648,950	$8,113,623
2026	$1,018,375	$1,249,188	$1,027,300	$3,649,700	$6,944,563
2027	$1,019,875	$1,254,119	$1,013,400	$3,647,200	$6,934,594
2028	$0	$231,900	$1,003,800	$3,651,450	$4,887,150
2029	$0	$234,025	$988,500	$3,646,950	$4,869,475
2030	$0	$0	$982,400	$3,648,950	$4,631,350
2031	$0	$0	$980,200	$3,646,950	$4,627,150
2032	$0	$0	$967,000	$3,650,950	$4,617,950
2033	$0	$0	$957,900	$3,650,450	$4,608,350
2034	$0	$0	$942,900	$3,650,450	$4,593,350
2035	$0	$0	$1,025,100	$3,650,700	$4,675,800
2036	$0	$0	$0	$3,650,950	$3,650,950
2037	$0	$0	$0	$3,650,950	$3,650,950
2038	$0	$0	$0	$3,650,450	$3,650,450
2039	$0	$0	$0	$3,649,200	$3,649,200
2040	$0	$0	$0	$3,646,950	$3,646,950
2041	$0	$0	$0	$3,648,450	$3,648,450
2042	$0	$0	$0	$3,648,200	$3,648,200
2043	$0	$0	$0	$3,648,400	$3,648,400
2044	$0	$0	$0	$3,648,400	$3,648,400
2045	$0	$0	$0	$3,648,000	$3,648,000
2046	$0	$0	$0	$3,652,000	$3,652,000
Total	**$11,100,684**	**$14,326,171**	**$14,856,471**	**$98,531,400**	**$138,814,726**



- Contingent liabilities in connection with the issuance of:
  - Montebello Public Financing Authority, Lease Revenue Bonds, Series 2016 (Home2Suites) (the "H2S Bonds") and;
  - Montebello Public Financing Authority, Lease Revenue Refunding Bonds, Series 2019 (Hilton Garden Inn) (the "HGI Bonds")

- City provides lease payments to cover shortfalls in debt service if net revenues from either hotel are insufficient to make debt service payments

- Prior to the COVID-19 pandemic, the Hilton Garden Inn had operated at approximately 90% occupancy and the net revenues of the Hilton Garden Inn were projected to fully cover upcoming 2020 debt service payments on the HGI Bonds. The hotel operator plans to make renovations while the HGI is temporarily closed and be available for reopening July 1st

- H2S remains open but has experienced substantial declines in occupancy rates due to circumstances arising from the COVID-19 Pandemic. The operator of the H2S has stated that occupancy levels at H2S has been approximately 30% during the COVID-19 Pandemic

CalPERS Obligations & Pension Tax Override

Tab C


- Discount rate of 7.0% is fully phased in as of 6/30/18 actuarial study, released July 2019

- CalPERS' has numerous "amortization bases" with different initial lengths and years remaining
  - This leads to irregular future amortization payments, commonly with peaks and valleys

CalPERS' Amortizations Bases for the City

CalPERS Obligations & Pension Tax Override

Miscellaneous Amortization Bases

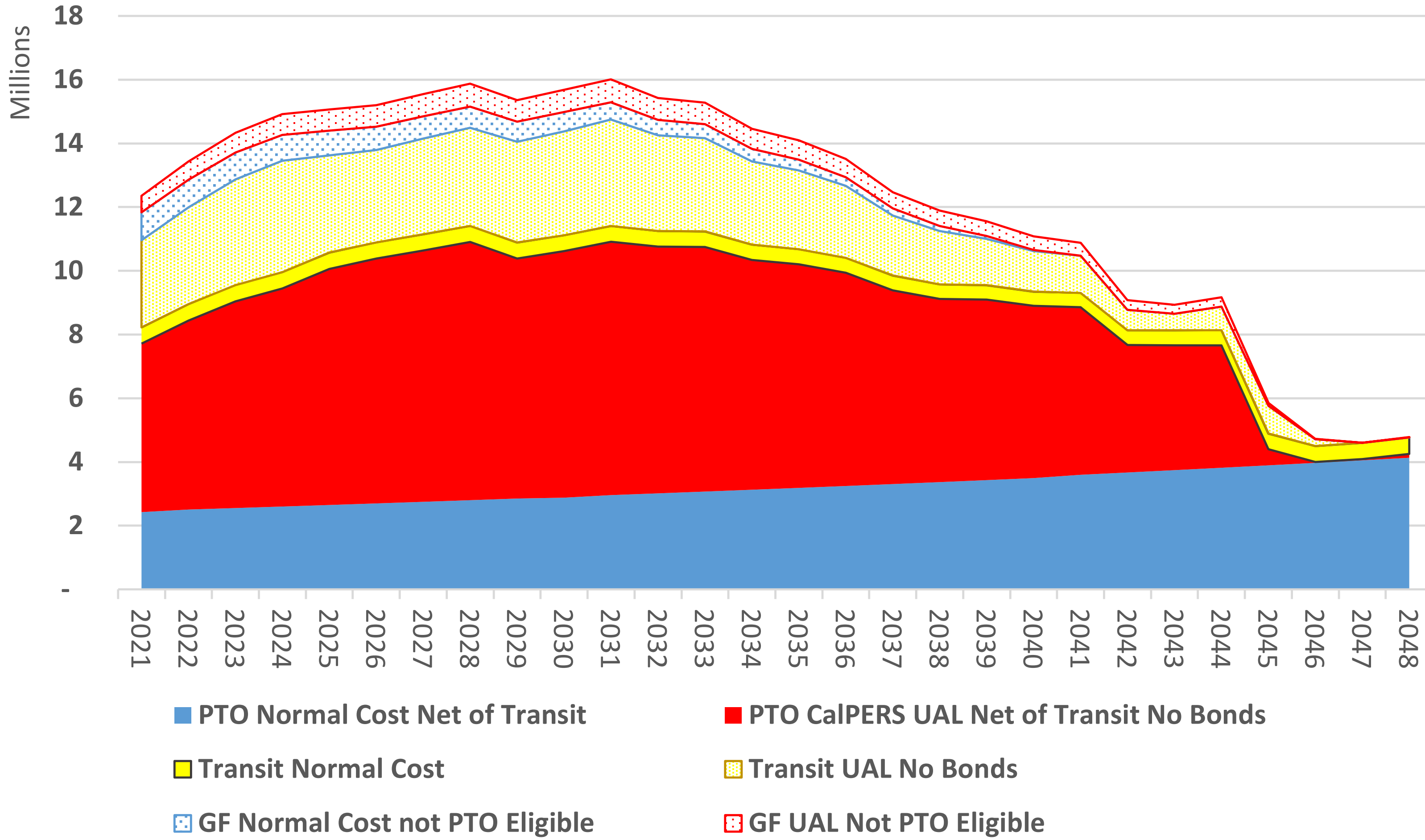
Reason for Base	Date Established	Ramp Up/Down 2020-21	Escalation Rate	Amortization Period	Balance 6/30/18	Expected Payment 2018-19	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Scheduled Payment for 2020-21
ASSUMPTION CHANGE	06/30/03	No Ramp	2.750%	5	$2,130,348	$356,491	$1,910,715	$365,995	$1,665,877	$373,126
BENEFIT CHANGE	06/30/03	No Ramp	2.750%	4	$4,886,639	$935,265	$4,261,258	$960,101	$3,566,410	$979,085
METHOD CHANGE	06/30/04	No Ramp	2.750%	6	$(277,679)	$(41,468)	$(254,222)	$(42,576)	$(227,977)	$(43,391)
ASSUMPTION CHANGE	06/30/09	No Ramp	2.750%	11	$5,386,718	$545,145	$5,199,886	$559,863	$4,984,751	$569,366
SPECIAL (GAIN)/LOSS	06/30/09	No Ramp	2.750%	21	$2,461,348	$168,942	$2,458,888	$173,551	$2,451,487	$175,760
SPECIAL (GAIN)/LOSS	06/30/10	No Ramp	2.750%	22	$(53,170)	$(3,559)	$(53,211)	$(3,656)	$(53,154)	$(3,701)
ASSUMPTION CHANGE	06/30/11	No Ramp	2.750%	13	$3,006,056	$273,752	$2,933,309	$281,162	$2,847,804	$285,685
SPECIAL (GAIN)/LOSS	06/30/11	No Ramp	2.750%	23	$(6,262,489)	$(409,456)	$(6,277,319)	$(420,645)	$(6,281,613)	$(425,671)
PAYMENT (GAIN)/LOSS	06/30/12	No Ramp	2.750%	24	$1,106,670	$70,780	$1,110,922	$72,715	$1,113,470	$73,557
(GAIN)/LOSS	06/30/12	No Ramp	2.750%	24	$2,311,235	$147,821	$2,320,115	$151,863	$2,325,434	$153,620
(GAIN)/LOSS	06/30/13	100% →	2.750%	25	$26,287,413	$1,393,851	$26,685,721	$1,789,997	$26,702,134	$1,811,392
ASSUMPTION CHANGE	06/30/14	100% →	2.750%	16	$10,189,642	$560,577	$10,323,052	$767,770	$10,251,478	$974,805
(GAIN)/LOSS	06/30/14	100% →	2.750%	26	$(16,102,666)	$(641,909)	$(16,565,857)	$(879,351)	$(16,815,859)	$(1,111,980)
(GAIN)/LOSS	06/30/15	80% ↗	2.750%	27	$5,020,655	$135,476	$5,231,963	$208,799	$5,382,217	$281,512
ASSUMPTION CHANGE	06/30/16	60% ↗	2.750%	18	$3,166,432	$59,752	$3,326,274	$122,775	$3,432,114	$186,861
(GAIN)/LOSS	06/30/16	60% ↗	2.750%	28	$7,965,450	$110,534	$8,408,694	$227,159	$8,762,328	$344,348
ASSUMPTION CHANGE	06/30/17	40% ↗	2.750%	19	$3,574,776	$(158,730)	$3,989,202	$75,351	$4,190,502	$152,808
(GAIN)/LOSS	06/30/17	40% ↗	2.750%	29	$(4,821,669)	$0	$(5,159,186)	$(71,677)	$(5,446,186)	$(144,769)
METHOD CHANGE	06/30/18	20% ↗	2.750%	20	$1,636,300	$16,527	$1,733,745	$16,981	$1,837,542	$34,260
ASSUMPTION CHANGE	06/30/18	20% ↗	2.750%	20	$5,252,230	$(121,624)	$5,745,695	$(124,968)	$6,277,162	$117,035
(GAIN)/LOSS	06/30/18	20% ↗	2.750%	30	$(750,656)	$0	$(803,202)	$0	$(859,426)	$(11,738)
TOTAL					**$56,113,583**	**$3,398,167**	**$56,526,442**	**$4,231,209**	**$56,106,495**	**$4,771,970**

Safety Amortization Bases

Reason for Base	Date Established	Ramp Up/Down 2020-21	Escalation Rate	Amortization Period	Balance 6/30/18	Expected Payment 2018-19	Balance 6/30/19	Expected Payment 2019-20	Balance 6/30/20	Scheduled Payment for 2020-21
FRESH START	06/30/06	No Ramp	2.750%	18	$(2,260,309)	$(169,168)	$(2,243,542)	$(173,771)	$(2,220,840)	$(176,195)
BENEFIT CHANGE	06/30/07	No Ramp	2.750%	8	$5,242,806	$651,260	$4,936,134	$668,756	$4,589,897	$680,990
ASSUMPTION CHANGE	06/30/09	No Ramp	2.750%	11	$4,161,740	$421,175	$4,017,395	$432,546	$3,851,184	$439,888
SPECIAL (GAIN)/LOSS	06/30/09	No Ramp	2.750%	21	$6,462,658	$443,583	$6,456,198	$455,685	$6,436,767	$461,487
SPECIAL (GAIN)/LOSS	06/30/10	No Ramp	2.750%	22	$(484,709)	$(32,445)	$(485,077)	$(33,331)	$(484,555)	$(33,742)
ASSUMPTION CHANGE	06/30/11	No Ramp	2.750%	13	$3,594,545	$327,344	$3,507,556	$336,204	$3,405,313	$341,613
SPECIAL (GAIN)/LOSS	06/30/11	No Ramp	2.750%	23	$(3,399,219)	$(222,249)	$(3,407,268)	$(228,322)	$(3,409,599)	$(231,050)
PAYMENT (GAIN)/LOSS	06/30/12	No Ramp	2.750%	24	$2,189,465	$140,033	$2,197,877	$143,862	$2,202,916	$145,526
(GAIN)/LOSS	06/30/12	No Ramp	2.750%	24	$19,140,204	$1,224,159	$19,213,738	$1,257,637	$19,257,790	$1,272,186
(GAIN)/LOSS	06/30/13	100% →	2.750%	25	$34,855,822	$1,848,178	$35,383,959	$2,373,449	$35,405,721	$2,401,817
ASSUMPTION CHANGE	06/30/14	100% →	2.750%	16	$13,111,600	$721,326	$13,283,267	$987,933	$13,191,169	$1,254,338
(GAIN)/LOSS	06/30/14	100% →	2.750%	26	$(22,331,961)	$(890,230)	$(22,974,337)	$(1,219,527)	$(23,321,052)	$(1,542,149)
(GAIN)/LOSS	06/30/15	80% ↗	2.750%	27	$9,309,783	$251,212	$9,701,613	$387,176	$9,980,227	$522,007
ASSUMPTION CHANGE	06/30/16	60% ↗	2.750%	18	$4,152,717	$78,363	$4,362,348	$161,018	$4,501,154	$245,065
(GAIN)/LOSS	06/30/16	60% ↗	2.750%	28	$11,825,840	$164,103	$12,483,899	$337,250	$13,008,918	$511,233
ASSUMPTION CHANGE	06/30/17	40% ↗	2.750%	19	$4,451,058	$(157,094)	$4,925,131	$93,031	$5,173,659	$188,660
(GAIN)/LOSS	06/30/17	40% ↗	2.750%	29	$(6,554,075)	$0	$(7,012,860)	$(97,431)	$(7,402,977)	$(196,783)
METHOD CHANGE	06/30/18	20% ↗	2.750%	20	$2,416,781	$(17,058)	$2,603,601	$(17,527)	$2,803,983	$52,279
ASSUMPTION CHANGE	06/30/18	20% ↗	2.750%	20	$7,128,505	$(149,805)	$7,782,460	$(153,925)	$8,486,453	$158,227
(GAIN)/LOSS	06/30/18	20% ↗	2.750%	30	$(264,433)	$0	$(282,943)	$0	$(302,749)	$(4,135)
TOTAL					**$92,748,818**	**$4,632,687**	**$94,449,148**	**$5,710,713**	**$95,153,379**	**$6,491,262**

CalPERS Payments on City's Misc. & Safety Plans 6/30/18 Actuarial *(cont'd)*

CalPERS Obligations & Pension Tax Override



PTO Sources and Uses Per to-be-adopted Pension Funding Policy

CalPERS Obligations & Pension Tax Override

- PTO Sources
  - City-wide Property Tax at 0.197875% of taxable AV ($12.61M in FY 2019)
    - Portion received in December & April property tax receipts
      - $8.87M in FY 2019
    - Remaining portion received via Successor Agency PTO RPTTF Distributions, January & June ROPS payments
      - If Successor Agency PTO not needed to pay tax allocation bond debt service due to surpluses in the RPTTF, the full PTO is returned to the City pension fund
        - Successor Agency MADS coverage currently in excess of 1.50x with closed lien excluding PTO revenue
        - Entire PTO deposited into RPTTF has been returned in every year historically
      - $3.74 million received in FY 2019
- PTO Eligible Uses
  - Eligible POB debt service, bond calls
  - Payment of PTO eligible CalPERS unfunded liabilities
  - Payment of PTO eligible CalPERS normal cost

City Transit System Contributes ~27% of City CalPERS Payment

CalPERS Obligations & Pension Tax Override

- Serviced by Southern California Rapid Transit District with connections to the Orange County Rapid Transit District
- City operated Montebello Bus Lines (since 1931) serves 13 communities outside of the City of Montebello
- MBL is the 3rd largest public transit agency in LA County with an annual ridership of over 8 million. Fleet of 66 buses
- City Transit system reimburses PTO fund; Transit expected to pay about 27% of POB debt service, normal cost, any new UAL

Montebello Bus Lines (MBL)

City of Montebello City Transit Fund	
Operating Revenues	
Charges for Services	$ 3,953,288
Other	103,019
Total Op Revenues	**4,056,307**
Operating Expenses	
Labor and Fringe Benefits	20,671,173
Material and Supplies	1,445,496
Utilities	271,643
Insurance Claims and Premiums	2,206,524
Contract Services	4,356,242
Depreciation Expense	4,851,967
Administrative Expense	1,587,048
Other Expenses	239,087
Total Op Expenses	**35,629,180**
Non-Operating Revenues	
Proposition A	$ 5,340,219
Proposition C	$ 3,769,706
Measure M	$ 3,388,471
Measure R	$ 3,356,209
State Transit Assistance	9,685,063
Total Operating Subsidies	**25,539,668**
Interest Income	102,927
Total Non-Op Revenues	**25,642,595**
Income (Loss) befor Capital Grants	**(5,930,278)**
Federal Operating Grants	1,665,500
Federal and State Capital Grants	4,802,972
Income	**538,194**
Beginning Fund Balance	21,124,249
Ending Fund Balance	**$ 21,662,443**

Pension Tax Override – Bartel & Associates “Carman” Calculations

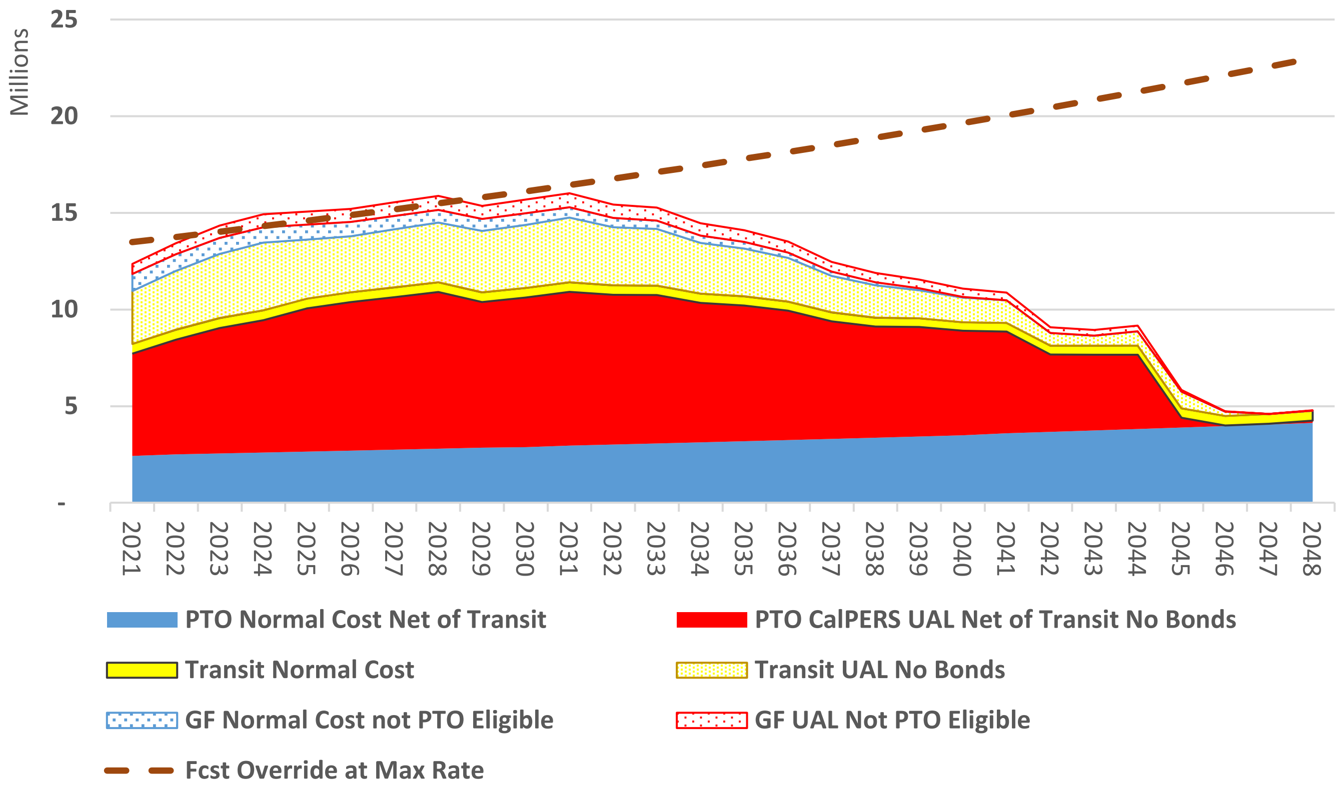
CalPERS Obligations & Pension Tax Override

- The City PTO is eligible to pay 94.1% of the City’s future unfunded liability
- These are sometimes call “Carman” calculations, 5.9% of UAL excluded from PTO payment due to benefit increases after 1978
- Bartel & Associates performed “Carman” calculations in its report from December 2019
  - 90.4% of UAL for Misc and 96.2% for Safety, 94.1% overall
  - 68.6% of Normal Cost in FYE 2021 for Misc and 81.8% for Safety in FYE 2021, and increasing amounts later; projected to cover all of normal cost for Misc and Safety by FYE 2040

Current Status of Pension Override Tax and Future General Fund Impact

CalPERS Obligations & Pension Tax Override

- Current CalPERS contribution projections vs. projected PTO show stable General Fund contributions toward expenses eligible for Override as long as City is reimbursed for Transit pension contributions
- Covid-19 impact to future projected CalPERS contributions and PTO tax receipts to expected increase to increase payment burden



2020 Pension Obligation Bonds

Tab D

- Issuing a carefully designed pension obligation bond to help the City:
  - Reduce & stabilize General Fund expenditures
  - Use Override capacity in a manner which is stable and provides ability to deal with unexpected future increases in pension costs or declines in assessed value
  - Help improve the City’s credit position
  - Take advantage of historically low interest rates available to municipalities
  - The proposed structure has “room” for increased payroll or lower than expected assessed values/pension tax override: not expected to use maximum override rate

- Annual Deposit to Bond Fund on August 1
  - City covenants to deposit amounts sufficient to pay POB debt service in current Fiscal Year on August 1 from:
    - Pension Tax Override Fund
    - Other Available Sources

- Trustee applies deposits to corresponding Principal and Interest Accounts

POBs to Smooth Out Future Pension Payments with Historically Low Interest Rates

- POBs to fund $150.67 million in UAL prepayments to CalPERS
  - Projected 3.973% all-in cost and 1.29x MADS coverage based on projected PTO revenues
  - No future year is projecting an increase in pension-related payments when compared to current CalPERS payment schedules
  - Fully funds the City's plan as of 6/30/18 actuarial study
  - City may procure bond insurance prior to pricing however not shown in preliminary numbers

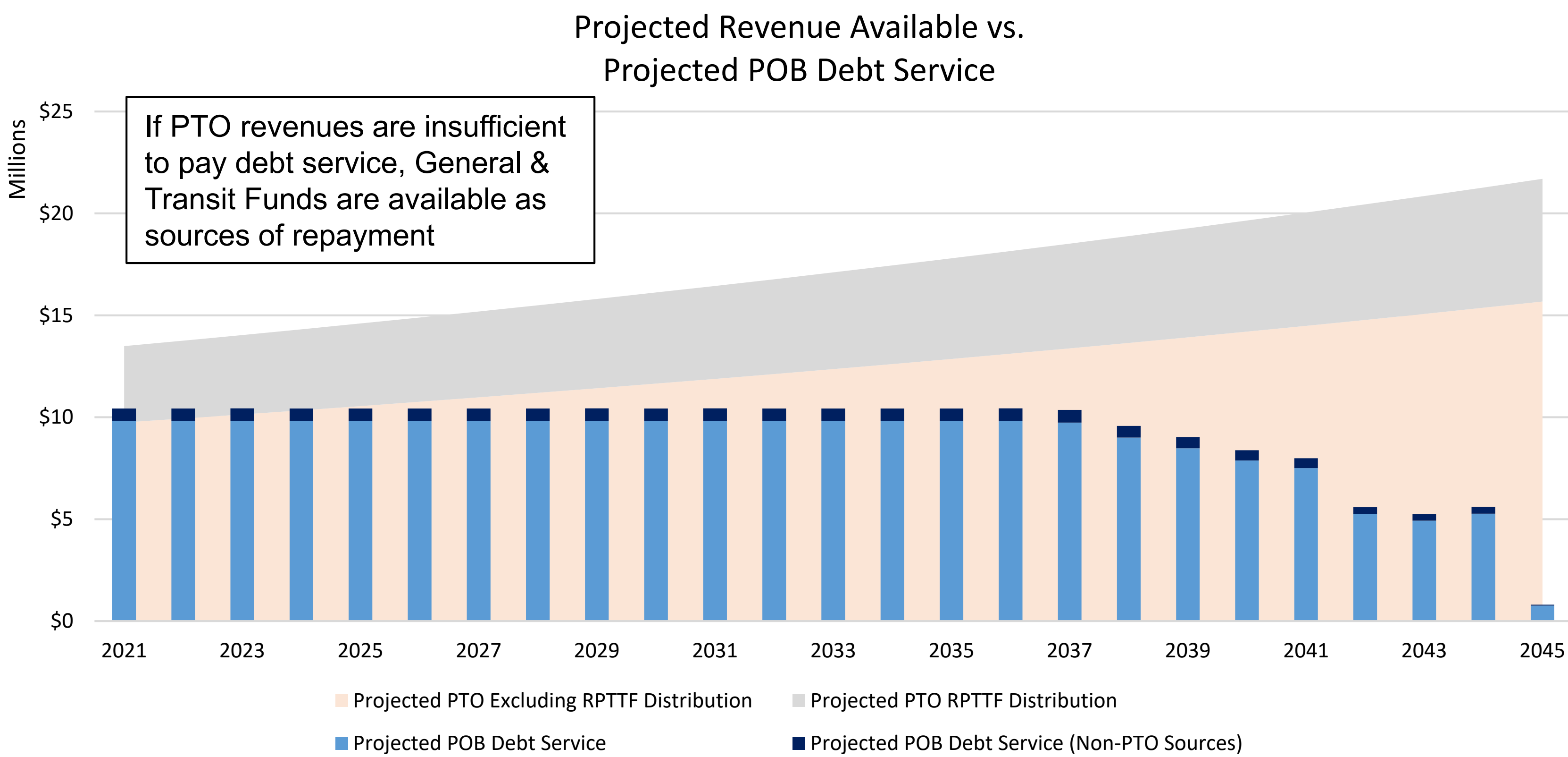
Projected Sources & Uses	
Par Amount	$152,295,000
Total Sources	**$152,295,000**
Deposit to CalPERS	150,672,612
Cost of Issuance	$1,622,388
Total Uses	**$152,295,000**

Projected Results	
MADS	$10,433,252
MADS Coverage from PTO	1.29x
Final Maturity	June 2045
D/S Structure	Level D/S FY 2021-2036 Declining D/S through FY 2045
All-in-Cost	3.973%

Projected POB Debt Service Coverage from PTO

2020 Pension Obligation Bonds

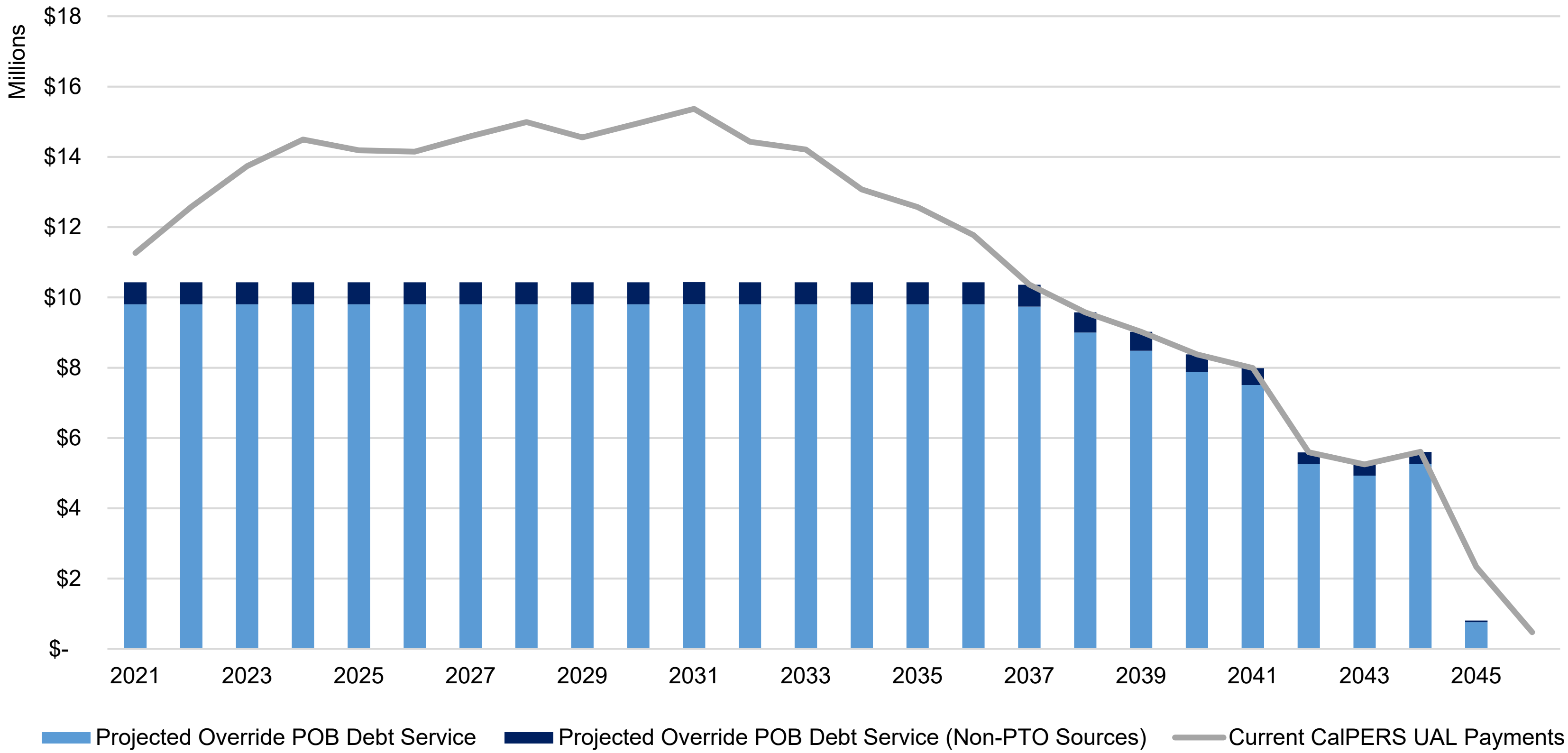
- POBs secured by Pension Tax Override and City General Fund
  - PTO received from property taxes and via RPTTF available for payment of POB debt service
  - For illustrative purposes, the graph below shows projected PTO from both property tax and RPTTF distribution assuming 2% annual growth



POB Secured by Override Tax Revenue with General Fund Back Stop

2020 Pension Obligation Bonds

- Interest rates are expected to produce substantial cost savings from issuing Override POBs with an estimated all-in TIC of 3.973%
- $150.67 million POB would move funded ratio to 100%
  - Estimated ~92.6% funded ratio if 4% FYE 2020 Loss at CalPERS



POB Structure Provides Benefits to the City's General Fund

- Current projected PTO revenue is sufficient to cover majority of CalPERS payments attributable to the City's General Fund, excluding payments on behalf of the City Transit System

- However, the City is susceptible to rising General Fund payments if:
  - Additional unfunded amortizations are layered in over the next 10 years
  - PTO revenue does not meet the 2% annual increase projection
  - City may change the allocations paid from Transit System

- Issuing POBs provides substantial reduction in projected General Fund payments through FY 2036 to mitigate the above risks to the General Fund

Financing Schedule

2020 Pension Obligation Bonds

Task	Date
S&P Credit Conference Call	Friday, May 1
End of 30-day Validation Contest Period	Thursday, May 7
City Council to Approve 2020 POBs	Wednesday, May 13
Receive Credit Rating	Week of May 11
Post Preliminary Official Statement	Week of May 11
Bond Sale	Week of May 25
Bond Closing	Week of June 8

ITEM #16

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council

FROM: René Bobadilla, City Manager

BY: Nicholas Razo, Director of Human Resources and IT

SUBJECT: Request for Proposals (RFP) for Classification and Total Compensation Study

DATE: May 13, 2020

RECOMMENDATION:

It is recommended that the City Council:

1) Authorize City Staff to issue a Request for Proposals (RFP) for a Classification and Total Compensation Study (RFP 20-12).

2) Take such additional, related action that may be desirable.

BACKGROUND:

The City of Montebello's ("City") current classification and compensation system has not been evaluated since 2008. It is best practice for organizations to routinely conduct these studies to ensure that classification methods continue to meet the organization's needs, and pay practices and strategies remain competitive, sustainable and equitable.

In addition, during the 2019 contract negotiations, each of the City's eight (8) bargaining units requested a classification and total compensation study. With this in mind, the overall goals of a classification and compensation study include:

- Ensure market/internal structure alignment
- Ensure accuracy of classification/job description structure
- Identify paths for career progression
- Modernize position titles
- Address recruitment and retention needs
- Update Americans with Disabilities Act (ADA) compliance requirements

RFP 20-12 seeks proposals from qualified consulting firms, experienced in the development of a job evaluation and compensation system. The City desires to obtain a consultant who will assist reviewing the existing job descriptions and compensation system including all benefits, analyze the current jobs performed by employees, determine the correct market pay for each position, establish the market value of the employee benefits package and provide a market analysis of the total compensation including salary and benefits.

The purpose of the classification and total compensation study is to review positions and determine appropriate classifications, modernize titles, and analyze the total compensation structure. The results of this study will not be used to reduce or increase salaries, or undertake any department restructuring at this time.

FISCAL IMPACT:

The solicitation of RFP 20-12 for this study poses no additional fiscal impact on the City.

SUMMARY:

A classification and total compensation study will allow the City to conduct an independent Citywide review of position classifications and total compensation market review that properly analyzes the current classification structure and compensation ranges for all positions.

ATTACHMENT: 1) Request for Proposal No. 20-12

REQUEST FOR PROPOSALS FOR

CITYWIDE CLASSIFICATION

AND

TOTAL COMPENSATION STUDY

RFP No. 20-12

Nicole Mooshagian, Sr. Human Resources Analyst

City of Montebello
1600 W. Beverly Boulevard
Montebello, CA 90640
(323) 887-1200 *419

Issued Date: May 14, 2020

Due Date: June 15, 2020

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EXHIBIT B: Schedule of Performance

EXHIBIT C: Schedule of Compensation

EXHIBIT D: Equal Opportunity Practices Provisions

I. INTRODUCTION

The City of Montebello (hereinafter referred to as "City" or "Montebello") is soliciting proposals from qualified consulting firms, experienced in the development of a job evaluation and compensation system. Our desire is to obtain a consultant who will assist the City in reviewing the existing job descriptions and compensation system including all benefits, analyze the current jobs performed by employees, determine the correct market pay for each position, establish the market value of the employee benefits package and provide a market analysis of the total compensation including salary and benefits. We expect the consultant to make recommendations for adjustments to pay and benefits that may be needed.

All prospective consultants will be afforded full opportunity to submit statements of qualifications in response to this request and will not be discriminated against on the grounds of age, ancestry, color, race, gender, gender identity, gender expression, genetic information, marital status, medical condition, military and veteran status, religion, national origin, sex, sexual orientation, religious creed, transgender status or disability in consideration for an award of any contract entered into pursuant to this notice.

This Request for Proposals (RFP) is an invitation by the City for consultants to submit an offer, which may be subject to subsequent discussion. Submittal of a proposal does not create any right or expectation to a contract with the City. The City reserves the right to reject any or all proposals and further declares that it will incur no financial obligations for any costs by any firm in preparation of their proposal.

II. Statement of Qualifications and Approach

To be considered, a vendor must be a consulting firm with expertise in evaluating pay scales, benefits, job descriptions and market pay/benefit analyses. The consulting firm should be able to provide references from other municipalities or government agencies where similar work was performed.

III. Criteria for Selection

The City will evaluate each proposal and select a firm.

All proposals submitted will be evaluated using the following criteria:

- Compliance with the RFP
- Understanding of the project
- Services to be provided
- Ability to complete the work within the time specified
- Qualifications of the firm, including but not limited to its experience and personnel assigned to the project and any subcontractors, if any.
- Cost

IV. Cost and Fee Arrangements

The consulting firm must provide a proposal with maximum cost for the project based on the project as described herein. To the extent desired, additional recommendations and services or options may be included as additions to the project on an optional basis. These optional items shall be priced separately from this RFP.

V. City of Montebello Background Information

The City of Montebello is a full-service, general law city, governed by a council – manager form of government and provides a full range of municipal services. The City employs approximately 526 employees (approximately 382 full-time employees and 144 part-time employees). Montebello was incorporated in 1920 and has a population of about 64,500. Encompassing approximately 8.25 square miles, Montebello is situated 10 miles east of Los Angeles, in Los Angeles County. The City is noted for its excellent residential areas and shopping facilities, such as Montebello Town Center and Montebello Town Square.

VI. Scope of Work

The City expects ongoing and open communications between the designated City representatives and the consulting firm over the course of each phase. All products and recommendations must comply with applicable State and Federal laws and enhance the City's ability to recruit and retain qualified personnel.

Proposed Timeline	DATE
Request for Proposals Issued	May 14, 2020
Due Date for Proposals	June 15, 2020
Evaluation of Proposals Period	Week of June 22, 2020
Interview(s)	Week of June 29, 2020
Recommendation to City Council	July 22, 2020

The City of Montebello will provide the following information to the successful consulting firm:

- Copies of all wage and salary schedules
- Copies of all employee benefit schedules
- Copy of City of Montebello's Organizational Chart

The City anticipates that the study will involve two (2) broad phases of work comprised of the following key tasks:

A. The Classification Study (Non-Sworn Only, Excluding Full-Time Bus Operators)

1. Review current classification specifications and analyze knowledge, skill, ability, education and experience relevance and hierarchical consistency, conformity with ADA language relative to essential job functions (including physical requirements); position definitions, distinguishing characteristics, supervision received and exercised, position duties and special requirements including license and certification requirements;

2. Conduct orientation and briefing sessions to explain the scope of the study to affected employees and association representatives;

3. Develop and distribute job analysis questionnaires;

4. Review and analyze completed job-related questionnaires;

5. Conduct interviews with a representative sample of covered employees;

6. Review various job series in terms of appropriateness;

7. As appropriate, recommend new classes and/or recommend deletion of outdated or unnecessary classes;

8. Draft up-to-date, accurate class specifications in a format approved by Human Resources; and

9. Provide periodic status reports as requested.

B. The Compensation Study (Non-Sworn and Sworn)

1. Review of current compensation practices and related issues;

2. Complete internal salary relationship analysis including the development of appropriate internal relationship guidelines (internal equity);

3. Recommend salary relationship/differentials between classes in each class series;

4. Recommend logical and defensible comparable agencies (external equity);

5. Make recommendations, if needed, to compensation plan based on Fair Labor Standards Act (FLSA) exempt or non-exempt designation;

6. Recommend salary survey benchmarks in conjunction with relevant benchmark classifications;

7. Develop externally competitive and internally equitable salary recommendations for each job class included in the study;

8. Present and explain proposed comparable agency list to employee associations and City Council (if requested);

9. Provide written documentation of assessment methodology; and

10. Train City staff in the methodology used to systematically assess job classifications in order to maintain internal compensation equity in the future when adding, changing, or deleting classifications.

VII. RFP Requirements

Responses to this request should include the following information:

1. Consulting firm name and/or business name, DBA (if applicable) and principal contact person, including office location, address, telephone number, fax number, and e-mail address.

2. Qualifications information, which demonstrates the knowledge, experience, and capability that will enable the respondent to provide the services outlined in the Scope of Services (Exhibit "A" to the draft *Professional Services Agreement*, below) including a brief description and history of the firm and/or individual including the number of years in business, number of classification and compensation studies completed and the range of services offered. Where relevant, key individuals who may be involved in providing or developing the services should be identified and listed. Please provide resumes for all proposed key personnel.

3. A description of the proposed study components. Identify the key steps. Describe how you plan to interface with employees and managers to validate job descriptions. Describe the scope of involvement of City staff.

4. Describe what factors you recommend be considered to assess comparable agencies.

5. Provide a timeline for this process.

6. Provide at least three (3) references that can be contacted for verification of the respondent's experience and qualifications. The references will be public agencies, for which you and/or your firm have provided classification and compensation services within the past three (3) years. Identify similar process on which the respondent has worked, and contact information.

7. Indicate the proposed compensation rate and fee structure for the described services and provide the price of each component including optional services.

VIII. FORMAT AND DELIVERY OF RESPONSE

Proposals will be received through 5:00 p.m. on June 15, 2020. Only one (1) electronic copy is required to be submitted via Planet Bids:

A. **Proposal Submittals:** All proposals must be electronically submitted through PlanetBids' Bidder Portal, accessed through the City of Montebello's official website at http://www.cityofmontebello.com/rfp-bids/bid-opportunities.html. All Prospective Proposers must register to bid through the PlanetBids Vendor Portal found on the City of Montebello's website at the link provided above.

There is no fee to register and bid on this Request for Proposals.

Questions during the solicitation period shall be submitted through PlanetBids or by e-mail, and may be addressed to:

City of Montebello
Human Resources
Nicole Mooshagian, Senior Human Resources Analyst
E-mail: nmooshagian@cityofmontebello.com

IX. Contact with City Personnel

At no time shall the consulting firm, its agents, representatives or contracted personnel contact or otherwise communicate with City department personnel without prior arrangement with the City's Senior Human Resources Analyst, Nicole Mooshagian, or her designee, for the purposes of negotiating, modifying, changing or interpreting the proposal or specifications. Any changes, modifications, or interpretations must be handled by one (1) source uniformly for all consultants. All questions relating to the statements contained in the RFP are to be addressed in writing to Senior Human Resources Analyst, Nicole Mooshagian at 1600 W. Beverly Blvd., Montebello, CA 90640 or via e-mail at nmooshagian@cityofmontebello.com.

X. Addenda to RFP

If it becomes necessary to revise any part of this RFP, addenda will be supplied to all firms receiving this Request for Proposal.

The selected provider will enter into a contract with the City of Montebello for consulting services for a term to be mutually agreed upon by the City and selected firm. For informational purposes, the City of Montebello's draft *Professional Services Agreement* is attached to this RFP as **Attachment B**.

XI. Review and Selection Criteria

City staff will evaluate the materials provided in response to the RFP, which shall be evaluated on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance. Therefore, the contract for professional services need not be awarded to the lowest responsible bidder; however, cost may be considered as one (1) factor. Specifically, proposals will be evaluated utilizing the following criteria:

1. Understanding of the scope of work and the overall classification and compensation study goals including consulting firm's strategy for carrying out the needed work tasks to meet the goals.
2. Skills and experience of assigned personnel, availability of staff; experience and performance of consulting firm on similar studies.
3. Consulting firm's expertise and ability to successfully handle communication with City staff relative to all phases of the process.
4. The present workload of the consulting firm and its ability to meet the proposed schedule.
5. Clarity of presentation and content of the responses to this request. Elaborate or costly submissions are not required.
6. Record of performance, including results of reference checks.
7. Proposed plan for completing the work in a timely and professional manner.
8. Cost of proposal.
9. Oral presentation, if applicable. An oral presentation by the proposers in final contention for award of a Professional Services Agreement may be required as a regular part of the bid process. The purpose of the oral presentation would be twofold: First, to allow the proposer to demonstrate capabilities of the firm and to clarify proposer's responses to the RFP; and second, to allow City staff to meet the proposer's key personnel who would be assigned to the project. Attendance at such a presentation shall be at the proposer's expense.

Right to Reject Proposals

The City of Montebello reserves the right to reject any or all proposals should it be deemed in its best interest to do so. Any award made for this engagement will be made to the bidder which, in the opinion of the City, is best qualified to conduct the classification and compensation study. The selection of the proposal will be made at the sole discretion of the City.

XII. Disclosure of Proposals/Public Records Act

Proposals will be kept confidential until such time as the City has completed its evaluation. Proposers are cautioned that the agreement and proposals submitted are public records in accordance with the California Public Records Act (Govt. Code Section 6250 et seq.).

All proposals submitted in response to this RFP will become the property of the City of Montebello and a matter of public record. The consulting firm must identify, in writing, all copyrighted material, trade secrets, or other proprietary information that it claims is exempt from disclosure. Any firm claiming such an exemption must also state in its proposal that the firm agrees to hold harmless, indemnify and defend the City and its agents, officials and employees in any action or claim brought against the City for its refusal to disclose such materials, trade secrets or other proprietary information to any party making a request therefore. Any firm failing to include such a statement shall be deemed to have waived its right to an exemption from disclosure.

XIII. Pre-Contractual Expenses

Any cost incurred by the proposer in preparation, transmittal, presentation of any proposal or material submitted in response to this RFP shall be borne solely by the proposer. The City of Montebello shall not, in any event, be liable for any pre-contractual expenses incurred by any bidder. In addition, no bidder shall include any such expenses as part of the price proposed.

XIV. Authority to Withdraw Request for Proposal and/or Not Award Contract

The City of Montebello reserves the right to withdraw this RFP at any time without prior notice. Further, the City expressly reserves the right to postpone the opening of proposal for its own convenience and to reject any and all proposals in response to this RFP without indicating any reasons for such rejection(s).

XV. Consultant's Independence

The consulting firm is an independent contractor with respect to all services performed under the contemplated contract. The consulting firm accepts full and exclusive liability for the payment of any and all premiums, contributions, or taxes for worker's compensation, Social Security, unemployment benefits, health benefits, sick leave or other employee benefits now and hereinafter imposed under any state or federal law which are measured as wages, salaries or other remuneration paid to persons employed by the consulting firm ton work performed under the terms of the final, executed contract. Consulting firm shall defend, indemnify and hold harmless the City from any claims or liability for such contributions or taxes. Nothing contained in this RFP and the contemplated contract documents nor any act of the City, or consultant, shall be deemed or construed to create any third-party beneficiary or principal and agent association or relationship involving the City. The Consulting firm is not the City's agent and Consulting firm has no authority to take any action or execute any documents on behalf of the City.

XVI. Sub-Contractor

The use of any sub-contractor must be approved in advance in writing by the City and must meet the requirements of this RFP. Use of sub-contractors must be clearly explained in the proposal, and major sub-consultants must be identified by name. Prime consulting firms shall be wholly responsible for the entire performance whether or not sub-consultants are used.

XVII. Price Changes

All prices shall be firm and not subject to increase during the period of the contemplated contract.

XVIII. Laws of Governance

The selected firm will be required to comply with all existing State and Federal laws including applicable equal opportunity employment provisions. The Contract shall also be construed and governed in accordance with the law of the State of California and the City of Montebello. Consulting firm shall comply with all federal, state and local laws, ordinances and regulations applicable to the work. Consulting firm, at its own expense, shall secure all occupational and professional licenses and permits from public or private sources necessary for the fulfillment of its obligations under the contemplated contract.

XIX. Modification, Mistakes or Withdrawal of Proposals

Responses to this RFP may be modified or withdrawn by written, e-mail or facsimile notice prior to the date specified for receipt of proposals. A proposal may be withdrawn by the consulting firm or its authorized representative prior to 5:00 p.m. on May 24, 2020. Telephone withdrawals are not permitted. If the apparent best qualified firm discovers a mistake, of a serious and significant nature, in its proposal which is unfavorable prior to the issuance of a contract, it may request consideration to modify or withdraw the proposal. The City reserves the right to reject any and all requests for correction or withdrawal of proposal received after the date shown in the specifications. In all cases, the decision of the City Council is final. A mistake in proposal will not be considered once a contract is issued.

XX. Reservation of Rights

The City of Montebello reserves the right to:

- Accept or reject any and all proposals received in response to this RFP, and to re-advertise for new submittals.
- Waive or modify any irregularities in proposals received after prior notification to the vendor.
- Request the submission of proposal modifications at any time before the award is made, if such is in the best interest of the City.
- Consider proposals or modifications received at any time before the award is made, if such is in the best interest of the City.
- Request clarification and/or additional information from the vendor during the evaluation process.

- In the event of contract termination, enter into contract negotiations with other qualified firms that submitted acceptable proposals, rather than redoing the proposal process for the project.
- Negotiate with the selected consultant to include further services not identified in this RFP.

XXI. Expiration of the Proposal

By submitting a proposal, and if awarded the RFP, the firm agrees to enter into a *Professional Services Agreement*, **Attachment B**, in which the content shall be agreed upon by both parties. The firm's proposal shall not be revocable for 90 days following the response deadline indicated in the RFP. The City of Montebello reserves the right to waive any defects in the offer of any vendor, to reject any or all offers and to request additional information from any or all vendors.

XXII. Work Results

The work results and the reports may not be released by the consulting firm without prior written consent of the City of Montebello.

Thank you in advance for your interest in the City of Montebello, California.

City of Montebello
Human Resources Department
1600 W. Beverly Boulevard
Montebello, CA 90640

ATTACHMENT A
AFFIDAVIT OF NON-COLLUSION

AFFIDAVIT OF NON-COLLUSION BY CONTRACTOR

STATE OF CALIFORNIA)

)

ss COUNTY OF LOS ANGELES)

____

, being first duly sworn deposes and says that he/she is

____

(Insert "Sole Owner", "Partner", "President, "Secretary", or other proper title)

of____

(Insert name of bidder)

who submits herewith to the City of Montebello a proposal;

That all statements of fact in such proposal are true;

That such proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation;

That such proposal is genuine and not collusive or sham;

That said bidder has not, directly or indirectly by agreement, communication or conference with anyone attempted to induce action prejudicial to the interest of the City of Montebello, or of any other bidder or anyone else interested in the proposed contract; and further

That prior to the public opening and reading of proposals, said bidder:

a. Did not directly or indirectly, induce or solicit anyone else to submit a false or sham proposal;

b. Did not directly or indirectly, collude, conspire, connive or agree with anyone else that said bidder or anyone else would submit a false or sham proposal, or that anyone should refrain from bidding or withdraw his proposal;

c. Did not, in any manner, directly or indirectly seek by agreement, communication or conference with anyone to raise or fix the proposal price of said bidder or of anyone else, or to raise or fix any overhead, profit or cost element of his proposal price, or of that of anyone else;

d. Did not, directly or indirectly, submit his proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of individuals, except the City of Montebello, or to any person or persons who have a partnership or other financial interest with said bidder in his business.

I certify under penalty of perjury under the laws of the State of California that the above information is correct

By:______________________________________Title:______________________

Date:_____________

ATTACHMENT B

(DRAFT)
PROFESSIONAL SERVICES AGREEMENT
CITY OF MONTEBELLO
PROFESSIONAL SERVICES AGREEMENT NO.
BY AND BETWEEN
CITY OF MONTEBELLO
AND
[CONSULTANT NAME]

CONSULTANTS

THIS AGREEMENT ("Agreement") is made and entered into on _______, 20__, by the CITY OF MONTEBELLO, a municipal corporation (hereinafter referred to as "CITY") and [NAME OF CONSULTANT] (hereinafter referred to as "CONSULTANT"). CITY and CONSULTANT are sometimes referred to herein individual as a "Party," and jointly as the "Parties."

RECITALS

WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to City to ______________, as more fully described herein; and

WHEREAS, CONSULTANT represents the degree of specialized expertise contemplated within California Government Code, Section 37103, and is qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees; and

WHEREAS, no official or employee of CITY has a financial interest, within the provisions of Sections 1090 – 1092 of the California Government Code, in the subject matter of this Agreement; and

WHEREAS, CONSULTANT responded to CITY's Request for Proposals dated [DATE] (RFP No. [X]), as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Consultant Proposal").

NOW THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

SECTION 1. <u>SERVICES / COMPENSATION.</u>

A. CONSULTANT shall provide to CITY those services that are set forth fully in the Scope of Services, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

B. CONSULTANT shall complete the Scope of Services within the time set forth in the Schedule of Performance, as such is set forth in **Exhibit "B"** hereto and incorporated fully herein by this reference.

B. CONSULTANT shall be compensated a sum not-to-exceed (the "Maximum Compensation") for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "C"** and incorporated fully herein by this reference ("Compensation"). CONSULTANT shall provide an itemized billing statement to CITY each month for Professional Services performed. CONSULTANT shall not incur fees or costs which exceed the Maximum Compensation without the prior written consent of CITY.

C. CITY will be invoiced at the end of the first billing period following commencement of work and at the end of each billing period thereafter. Payment in full of an invoice must be received by CONSULTANT within thirty (30) days of the date of such invoice.

D. Work performed shall be deemed approved and accepted by CITY as and when invoiced unless CITY objects within fifteen (15) days of invoice date by written notice specifically stating the details in which CITY believes such work is incomplete or defective, and the invoice amount(s) in dispute. CITY shall pay undisputed amounts as provided for in the preceding paragraph.

E. Failure of CITY to submit full payment of an invoice within thirty (30) days of the date thereof subjects this agreement and the work herein contemplated to suspension or termination at CONSULTANT's discretion.

SECTION 2. <u>TERM.</u>

This Agreement shall commence upon the date the last of the Parties executes this Agreement herein below ("Effective Date"), and shall terminate upon completion of the Scope of Services set forth herein, unless terminated sooner as provided in Section 7 herein.

[OPTIONAL LANGUAGE IF EXTENSIONS PERMITTED]: Thereafter, this Agreement may be extended for a maximum of [SPELL OUT NUMBER] (#) successive one (1) year periods. Such extensions, if any, will be evidenced by a written amendment to this Agreement].

The Parties agree that Sections 4(B), 9, 10, 11, 13, 16, 17, 18, and 19 shall survive for three (3) years following the expiration or termination of this Agreement.

SECTION 3. PERFORMANCE.

A. CONSULTANT shall at all times, faithfully, competently, and to the best of its ability, experience and talent, perform all tasks described herein.

B. CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of CONSULTANT hereunder, in meeting its obligations under this Agreement.

C. CONSULTANT shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.

D. CONSULTANT shall have the right to retain, subject to CITY's written approval, additional individuals, consultants or subcontractors to assist in the completion of services as herein defined. Compensation for additional individuals, consultants or subcontractors shall be the sole and exclusive responsibility of CONSULTANT.

E. CONSULTANT shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three (3) years, unless otherwise provided for in **Exhibit "A."** Upon CITY providing twenty-four (24) hours advanced prior notice, CONSULTANT shall make all records, invoices, time cards, cost control sheets and other records maintained by CONSULTANT in connection with this Agreement available during CONSULTANT's regular working hours to CITY for review and audit by CITY.

F. All reports, documents or other written material developed by CONSULTANT in the performance of this Agreement shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. Such material shall not be the subject of a copyright application by CONSULTANT. Any alteration or reuse by CITY of any such materials on any project other than the Project shall be at CITY's sole risk, unless CITY compensates CONSULTANT for such reuse.

SECTION 4. WORK PRODUCT.

A. CONSULTANT hereby agrees that all work produced pursuant to this Agreement, and provided to CITY during and upon completion of this Agreement, shall be the property of CITY, and ownership of said work product shall be retained by CITY. CONSULTANT may take and retain copies of such written products as desired.

B. All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT agrees that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

C. Documents are provided in CONSULTANT's standard software formats. CITY recognizes that electronic or magnetic data and its transmission can be easily damaged, may not be compatible with CITY's software formats and systems, may develop inaccuracies during conversion or use, and may contain viruses or other destructive programs, and that software and hardware operating systems may become obsolete. As a condition of delivery of electronic or magnetic data, CITY agrees to defend indemnify and hold CONSULTANT, its sub-contractors, agents and employees harmless from and against all claims, loss, damages, expense and liability arising from or connected with its use, reuse, misuse, modification or misinterpretation. In no event shall CONSULTANT be liable for any loss of use, profit or any other damage.

SECTION 5. <u>EXTRA SERVICES.</u>

No extra services over and above the Compensation shall be rendered by CONSULTANT under this Agreement unless such extra services first shall have been duly authorized in writing by CITY's City Manager ("City Manager").

SECTION 6. <u>CITY SUPERVISION.</u>

The City Manager shall have the right of general supervision of all work performed by CONSULTANT and shall be CITY's agent with respect to obtaining CONSULTANT's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Manager.

SECTION 7. <u>TERMINATION.</u>

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

A. Termination for Cause. In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by CONSULTANT which cannot be corrected within ten (10) days, said contract shall at the option of CITY cease and terminate upon the giving of like notice. In the event of any such termination for default by CONSULTANT, CITY may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of CONSULTANT. CONSULTANT and his sureties shall be liable to CITY for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, CONSULTANT shall only be entitled to the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

B. Termination for Convenience. CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, after giving written notice to CONSULTANT at least five (5) business days before the termination is to be effective. Upon the termination of this Agreement as provided herein, CITY shall provide to CONSULTANT the part of Compensation which would otherwise be payable to CONSULTANT for services CONSULTANT had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by CITY, the Parties agree that CONSULTANT shall be reimbursed for any "non-refundable" costs that CONSULTANT has incurred for its services under this Agreement, provided that: (1) such "non- refundable" costs were incurred by CONSULTANT prior to the date of termination; (2) that CONSULTANT provides CITY with adequate proof that CONSULTANT incurred the costs, and is unable to be seek a refund for such costs; and (3) such costs were within the scope of work or services to be performed under this Agreement. Such "non-refundable" costs may include, but are not limited to, travel reservations incurred by CONSULTANT for its performance of services under this Agreement. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

SECTION 8. <u>EMPLOYMENT OF CITY EMPLOYEES.</u>

No regular employee of CITY shall be employed by CONSULTANT during the Term of this Agreement.

SECTION 9. <u>NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.</u>

No official or employee of CITY shall be personally liable to CONSULTANT in the event of any default or breach by CITY, or for any amount which may become due to CONSULTANT.

SECTION 10. <u>INDEPENDENT CONTRACTOR.</u>

A. CONSULTANT is and shall, at all times, remain as to CITY a wholly independent contractor. Neither CITY nor any of its elected officials, officers, employees or agents shall have control over the conduct of CONSULTANT except as expressly set forth in this Agreement. CONSULTANT shall not at any time or in any manner represent that he is in any manner an elected official, officer, employee or agent of CITY. No employee benefits shall be available to CONSULTANT in connection with the performance of this Agreement. Except as provided in this Agreement, CITY shall not pay salary, wages, or other compensation to CONSULTANT for performance hereunder for CITY. CITY shall not be liable for compensation to CONSULTANT, CONSULTANT's employees or CONSULTANT's subcontractors for injury or sickness arising out of performing services hereunder.

B. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

C. CITY shall not deduct from the Compensation paid to CONSULTANT any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to CONSULTANT. CITY shall have no responsibility to provide CONSULTANT, its employees or subcontractors with workers' compensation insurance or any other insurance.

SECTION 11. PERS ELIGIBILITY INDEMNITY.

A. In the event that CONSULTANT or any employee, agent, or subcontractor of CONSULTANT providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of CITY, CONSULTANT shall indemnify, defend, and hold harmless CITY for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONSULTANT or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of CITY.

B. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONSULTANT and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in PERS as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contribution and/or employee contributions for PERS benefits.

SECTION 12. LEGAL RESPONSIBILITIES.

CONSULTANT shall at all times observe and comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments including, but not limited to the Montebello Municipal Code. CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of CONSULTANT to comply with this section.

SECTION 13. INDEMNIFICATION.

CONSULTANT agrees to, and shall defend, indemnify, protect and hold harmless, CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of CONSULTANT'S negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of CITY.

SECTION 14. INSURANCE COVERAGE.

During the Term of this Agreement, CONSULTANT shall carry, maintain, and keep in full force and effect all of the following minimum scope of insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONSULTANT's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- **Commercial General Liability (CGL)**: Broad-form, Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including premise-operations, products-completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury, and advertising injury, with limits no less than **Two Million Dollars and Zero Cents** ($2,000,000), combined single limits, per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.

- **Business Automobile Liability Insurance:** For owned vehicles, hired, and non-owned vehicles, Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury and property damage.

- **Worker's Compensation** insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury or disease. CONSULTANT agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers for losses arising from work performed by CONSULTANT for CITY and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

By executing this Agreement, CONSULTANT further certifies as follows:

> **I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work contemplated herein.**

- **Professional Errors and Omissions (E&O) Liability** insurance appropriate to the CONSULTANT's profession, with limit no less than **Two Million**

Dollars and Zero Cents ($2,000,000.00) per occurrence or claim, **Two Million Dollars and Zero Cents** ($2,000,000.00) aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retroactivity date shall be prior to the start of work set forth herein, CONSULTANT shall obtain and maintain said E&O liability insurance during the Term of this Agreement and for five (5) years after completion of work hereunder. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, CONSULTANT shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work.

If CONSULTANT maintains higher limits than the minimums shown above, CITY requires and shall be entitled to coverage for the higher limits maintained by CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to CITY.

CONTACTOR shall require each of its subcontractors, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California, with a current rating of at least A:VII in the latest edition of Best's Insurance Guide, and approved by CITY.

Each insurance policy required herein shall state that coverage shall not be canceled, except after providing CITY thirty (30) days' (or ten [10] calendar days' for non-payment) prior written notice. CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either: (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at CONSULTANT'S expense, the premium thereon.

At all times during the Term of this Agreement, CONSULTANT shall maintain on file with CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming CITY, its officers, agents, employees and volunteers as an additional insured. CONSULTANT shall, prior to commencement of work under this Agreement, file with CITY's Risk Manager such certificate(s).

CONSULTANT shall provide proof that policies of insurance required herein expiring during the Term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two (2) weeks prior to the expiration of the coverages.

The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to CITY. CONSULTANT agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word “endeavor” with regard to any notice provisions.

Except for professional liability and workers’ compensation policies, the policies herein are primary and non-contributing with any insurance that may be carried by CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONSULTANT’s insurance and shall not contribute with it.

All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT, and CONSULTANT’s employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not CITY has received a waiver if subrogation endorsement from the insurer.

Coverage not affected. Any failure to comply with the reporting provisions of the policies contemplated herein, shall not affect coverage provided to CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers.

Coverage applies separately. CONSULTANT’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

Procurement of insurance by CONSULTANT shall not be construed as a limitation of CONSULTANT's liability or as fall performance of CONSULTANT’s duties to indemnify, hold harmless and defend under Section 9 of this Agreement.

CITY, its officers and employees shall not be responsible for any claims in law or in equity occasioned by failure of CONSULTANT to comply with this section.

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

SECTION 15. SUBCONTRACT, ASSIGNMENT OR DELEGATION.

CONSULTANT shall not subcontract, delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-contractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of CONSULTANT and shall not bind or purport to bind CITY and shall not release CONSULTANT from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-contractors. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to CONSULTANT under the Agreement.

SECTION 16. NO WAIVER.

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition or covenant hereof.

SECTION 17. DISPUTE RESOLUTION; GOVERNING LAW.

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney’s fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

SECTION 18. ATTORNEY’S FEES AND COSTS.

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

SECTION 19. WARRANTIES.

Each of the parties represents and warrants to one another as follows:

A. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;

B. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of *any* matter whatsoever; and

C. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

SECTION 20. MISCELLANEOUS.

A. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.

B. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.

C. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

D. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.

E. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.

F. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party’s failure to perform under this Agreement or any agreement referred to in this Agreement.

G. To the extent of a conflict between the terms of this Agreement and those set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

SECTION 21. NOTICE.

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

CITY MANAGER	CONSULTANT
City of Montebello	________________
1600 West Beverly Boulevard	________________
Montebello, California 90640	________________

SECTION 22. NON-DISCRIMINATION AND EQUAL OPPORTUNITY EMPLOYER.

In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, sub-contractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. CONSULTANT will take affirmative action to ensure that sub-contractor and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

SECTION 23. CONFLICT OF INTEREST.

CONSULTANT and its officers, employees, associates and subconsultants, if any, shall comply with all California conflict of interest statutes applicable to Consultant’s Services under this Agreement, including, but not limited to, the Political Reform Act (Gov. Code, § 81000 et seq.) and Government Code Section 1090. CONSULTANT further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by CONSULTANT under this Agreement, or which would conflict in any manner with the performance of its services hereunder. CONSULTANT further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, CONSULTANT shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

CONSULTANT covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to CITY as a result of the performance of this Agreement, or the services that may be procured by CITY as a result of the recommendations made by CONSULTANT. CONSULTANT's covenant under this section shall survive the termination of this Agreement.

SECTION 24. <u>ENTIRE AGREEMENT.</u>

This Agreement contains the entire understanding between CITY and CONSULTANT. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

CITY OF MONTEBELLO	**CONSULTANT**
______________________	______________________
René Bobadilla City Manager	Name and Title
Dated: _____________	Dated: _____________

ATTEST:

____
Irma Barajas
City Clerk

APPROVED AS TO FORM

____
Arnold M. Alvarez-Glasman
City Attorney

Exhibit “A”

Scope of Services

Exhibit “B”

Schedule of Performance

Exhibit “C”

Schedule of Compensation

EXHIBIT D TO CONTRACT

EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS

A. Contractor certifies and represents that, during the performance of this Agreement, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.

B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.

C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their membership in a protected class.

D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.

E. Nothing contained in this Agreement shall be construed in any manner as to require or permit any act which is prohibited by law.

ITEM #17

CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: David Sosnowski, Director of Recreation & Community Services

SUBJECT: Award a Purchase Order Contract for Janitorial Supplies

DATE: May 13, 2020

RECOMMENDATION

That the City Council:

1) Approve the purchase of cleaning and janitorial supplies in an amount not to exceed $80,000 with Clean Sweep Supply Company for the current Fiscal Year (FY 2019-20); and

2) Authorize the City Manager to approve the purchase order.

BACKGROUND

Each Department in the City purchases their own cleaning and janitorial supplies to maintain and upkeep City facilities. A comprehensive list of thirty-four of the most commonly purchased items along with estimated annual quantities across all Departments was compiled into a Request for Quotes (RFQ) and advertised in efforts to obtain better pricing for all Departments' janitorial and cleaning supply needs.

In August of 2018, the City issued and posted RFQ No. 19-12 – Janitorial Supplies on Planet Bids and on the City website. In total, twenty-three (23) vendors registered to view the bid and the City received thirty-four quotations from eight (8) companies. Clean Sweep Supply Company was awarded an annual purchase order for needed supplies.

In response to COVID-19, there has been an increased amount of purchases for necessary supplies. Therfore, the City is in need of increasing the current purchase order with Clean Sweep by $30,000. This requested increase would set the purchase order at a not to exceed amount of $80,000 for the remainder of the fiscal year for purchases from Clean Sweep. Since this amount is above the $50,000 limit, it is being presented to the City Council per the City's purchasing regulations.

This amount ($80,000 total) will cover various Departments and Divisions within the City, including Police, Fire, Transportation, Parks and Facility Maintenance.

Departments have experienced an increase in needed cleaning and sanitizing supplies due to the COVID-19 pandemic. Clean Sweep has continued to keep pricing consistent with the originally quoted pricing and staff are preparing purchases for the reopening of City facilities to ensure proper cleaning and sanitization for safe reentry of staff and citizens.

Staff plans on preparing an RFQ to update pricing for FY 2020-21 and enter into a new purchasing agreement in July.

FISCAL IMPACT

Approval of a Citywide Purchase Order with Clean Sweep in an amount not to exceed $80,000 will allow for Departments to purchase needed items from their respective janitorial supply accounts. The additional $30,000 being requested will be charged on a pro-rata share to each Department, depending on their supply needs. Each Department has the necessary funds to cover the additional purchases. Staff are also tracking reimbursable expenses for COVID-19 related recovery efforts and will submit for reimbursement of all applicable purchases made for COVID-19 cleaning and sanitizing.

SUMMARY

That the City Council consider approving for the purchase of supplies through Clean Sweep Supply Company (Clean Sweep) in an amount not to exceed $80,000 for cleaning and janitorial supplies for the current Fiscal Year (FY 2019-20); and authorize the City Manager to approve the purchase order change by increasing it by $30,000 from its current $50,000 amount.

ITEM #18

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Young-Gi Kim Harabedian, Director of Transportation

SUBJECT: **Acceptance of Work and Filing of Notice of Completion for the Citywide Bus Stop Improvement Design and Installation Project**

DATE: May 13, 2020

RECOMMENDATION

It is recommended that the City Council accept the Citywide Bus Stop Improvement Design and Installation Project as complete, authorize the City Engineer to prepare a Notice of Completion and the City Clerk to file the Notice of Completion with the Los Angeles County Recorder and Direct the Finance Director to release retained funds.

BACKGROUND

The City of Montebello currently maintains 163 bus stops throughout its jurisdiction, varying in type and size. Amenities at bus stops include varying combinations of shelters, bus stop benches, trash receptacles, signage, and solar powered bus stop poles.

ANALYSIS

On November 30, 2016, the City Council authorized the award of a contract to AP Construction (the “Contractor”) for Citywide Bus Stop Improvement Design and Installation Services (the “Project”). The Project included three (3) phases. Phase 1 included survey and site assessment of all 163 bus stop locations for American Disability Act (ADA) compliance; Phase 2 included the shelter and amenity design process; and Phase 3 included the fabrication and installation of the bus stop amenities and shelters, and associated ADA site improvements.

Upon completion of Phase 1 of the project scope, the Contractor prepared a detailed scope for removal and replacement of non-ADA compliant portions of sidewalk, damaged bus pads, damaged curb and gutter, and asphalt patch. Additionally, the City requested that all sheltered bus stop red curbs be painted and all sheltered sites be power washed. Simultaneously, the Contractor began Phase 2 developing the shelter design. On October 25, 2017, the City Council reviewed and approved the Bus Shelter Design and complimentary bench and trash receptacles.

Various sheltered locations were removed from the inventory list. In some cases, the removal from the list pertained to the shelters located at the Shops of Montebello and along Montebello Boulevard. The sheltered sites located on the property of the Shops were identified to be left as-is and the Montebello Boulevard shelter at Sears was left as-is due to the pending street improvement project in that area. An additional sheltered bus stop was added to the Project. In total, 50 bus shelters with associated amenities were installed throughout the City. Additional improvements included ADA compliant sidewalk segments, repair of damaged bus pads, damaged curb and gutter, and asphalt patching.

At this time, staff has determined that the Contract Work is complete.

FISCAL IMPACTS

There is no impact on the General Fund. The Citywide Bus Stop Improvement Project is funded by a $3,212,500 Federal Transit Authority Grant.

Project Budget	**$2,107,149.00**
AP Contract	$1,749,549.00
Change Order #1 - ADA improvement	$ 349,614.00
Change Order #2 - Added stop	$ 3,376.80
Changer Order #2 - Credit for shelters not installed	($ 25,732.00)
Total	**$2,076,807.80**
Retention	$ 103,840.39

SUMMARY

The City was awarded $2.57 Million of Federal Transit Authority funding for Bus Stop Improvements. Inclusive of the local match and California Transportation Toll Credits, the total project budget is $3,212,500. The Bus Stop Improvement Project included the design, fabrication and replacement of Montebello Bus Line bus shelters, associated bus stop benches, trash receptacles, signage, and solar powered bus stop poles within the City of Montebello. The new bus shelters and bus stop amenities include agency branding, enhanced lighting and amenities, and compliance with ADA requirements.

The Contractor completed the scope of work within the projected budget. The total cost of the Contractor' services is $2,076,807.80. It is recommended that the City Council accept the Citywide Bus Stop Improvement Design and Installation Project as complete, authorize the City Engineer to prepare a Notice of Completion and the City Clerk to file the Notice of Completion with the Los Angeles County Recorder, and Direct the Finance Director to release the retained funds.

ATTACHMENTS

Notice of Completion

RECORDING REQUESTED BY
CITY OF MONTEBELLO
AND WHEN RECORDED MAIL TO

NAME CITY OF MONTEBELLO
CITY CLERK
STREET ADDRESS 1600 W Beverly Blvd.
CITY Montebello,
STATE CA
ZIP 90640

SPACE ABOVE LINE FOR RECORDERS USE

NOTICE OF COMPLETION

Notice pursuant to Civil Code Section 3093, must be filed within 10 days after completion. (See reverse side for complete requirements.)

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:
2. The full name of the owner is City of Montebello
3. The full address of the owner is 1600 W Beverly Blvd., Montebello, CA 90640
4. The nature of the interest or estate of the owner is: in fee.

   (if other than Fee, strike "In fee" and insert, for example, "purchaser under contract of purchase", or "lessee")
5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common are:

   NAMES ADDRESSES
6. The full names and addresses of the predecessors in interest of the undersigned, if the property was transferred subsequent to the commencement of the work or improvements herein referred to:

   NAMES ADDRESSES
7. A work of improvement on the property hereinafter described was completed on December 28, 2017. The general scope of work consisted of traffic signal modifications, signage, traffic striping & markings and associated electrical improvements.
8. The name of the contractor, if any, for such work of improvement was

   AP Construction March 31, 2017

   (If no contractor for work of improvement as a whole, insert "None") (Date of Contract)
9. The property on which said work of improvement was completed is in the City of Montebello County of Los Angeles, State of CA, and is described as follows **Citywide Bus Stop Improvement Design and Installation, Bid No. 15-11, Federally Funded Project FTA CA-90-Y974**
10.

Samuel T Kouri, City Engineer, City of Montebello

(Signature of Owner or corporate officer of Owner named in paragraph 2, or his agent)

VERIFICATION

I, the undersigned, say: I am the City Clerk of the City of Montebello, the declarant of the foregoing Notice of Completion:
I have read said Notice of Completion and know the contents thereof; the same is true to my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.
Executed on________________ , 2020 at City of Montebello, Montebello, CA
____(Personal signature of the individual who is swearing that the contents of the Notice of Completion are true)

DO NOT RECORD

REQUIREMENTS AS TO NOTICE OF COMPLETION

A notice of completion must be filed for record WITHIN 10 DAYS after completion of the work of improvement (to be computed exclusive of the day of completion), as provided in Civil Code Section 3093.

The “owner” who must file for record a notice of completion of a building or other work of improvement means the owner (or his successor in-interest at the date the notice is filed) on whose behalf the work was done, though his ownership is less than the fee title. For example, if A is the owner in fee, and B, lessee under a lease, causes a building to be constructed, then B, or whoever has succeeded to his interest at the date the notice is filed, must file the notice.

If the ownership is in two or more persons as joint tenants or tenants is common, the notice may be signed by any one of the co-owners (in fact, the foregoing form is designed for giving of the notice by only one cotenant), but the names and addresses of the other co-owners must be stated in paragraph 5 of the form.

Note that any Notice of Completion signed by a successor in interest shall recite the names and addresses of his transferor or transferors.

In paragraphs 3, 5 and 6, the full address called for should include street number, city, county and state.

As to paragraphs 7 and 8, this form should be used only where the notice of completion covers the work of improvement as a whole. If the notice is to be given only of completion of a particular contract, where the work of improvement is made pursuant to two or more original contracts, then this form must be modified as follows: (1) Strike the words “A work of improvement” from paragraph 6 and insert a general statement of the kind of work done or materials furnished pursuant to such contract (e.g., “The foundations for the improvements”); (2) Insert the name of the contractor under the particular contract in paragraph 7.

In paragraph 8 of the notice, insert the name of the contractor for the work of improvement as a whole. No contractor’s name need be given if there is no general contractor, e.g., on so-called “owner-builder jobs.”

In paragraph 9, insert the full, legal description, not merely a street address or tax description. Refer to deed or policy of title insurance. If the space provided for description is not sufficient, a rider may be attached.

In paragraph 10, show the street address, if any, assigned to the property by any competent public or governmental authority.

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager
Arnold M. Alvarez-Glasman, City Attorney

SUBJECT: **ADOPTION OF ORDINANCE APPROVING CHANGES TO MONTEBELLO MUNICIPAL CODE CHAPTER 2.04 RELATING TO POWERS, DUTIES AND RESPONSIBILITY OF THE CITY MANAGER**

DATE: May 13, 2020

RECOMMENDATION

It is recommended that the City Council:

1) Review the attached Ordinance relating to the position of City Manager and approve the clarifications of the Montebello Municipal Code (MMC); and

2) Adopt the Ordinance at Second Reading.

BACKGROUND / ANALYSIS

At previous City Council meetings, there has been discussion by members of the City Council relative to the role, duties, and responsibilities of the City Manager. The City of Montebello, like a majority of cities in the State of California, operate under a council-manager form of government. At the April 15, 2020, meeting the City Council considered the introduction of the ordinance. After making one clarification relating to the ability of City Councilmembers to communicate directly with department heads and staff for inquiries or information, the Council approved the introduction of the ordinance.

The amendments to Chapter 2.04 are modeled after powers, duties and responsibilities found in municipal codes from other cities, both regionally and throught the State. Pursuant to City Council direction, the ordinance presented clarifies Section 2.04.050 E, by providing that City Councilmembers have the abilitiy to communicate with directors and staff for purposes of obtaining information or city materials. The following language has been added in the ordinance:

> City Councilmembers may make inquiries directly to directors, department heads or employees for information and materials, but may not unilaterally order or instruct department heads or other employees.

FISCAL IMPACT

None

SUMMARY

The City Council will consider adopting the attached Ordinance. If adopted, it would then take affect thirty (30) days thereafter.

ATTACHMENTS

Ordinance relating to Montebello Municpal Code, Chapter 2.04

ORDINANCE NO. _________

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AMENDING CHAPTER 2.04 – CITY MANAGER OF THE MONTTEBELLO MUNICIPAL CODE

WHEREAS, the City of Montebello operates under a Council-Manager form of government as set forth in Chapter 2.04 of the Montebello Municipal Code (MMC);

WHEREAS, the current provisions of the MMC are outdate and need clarification; and

WHEREAS, the City Council desires to address, revise and clarify the duties and responsibilities of the City Manager;

NOW, THEREFORE, The City Council of the City of Montebello ordains that:

SECTION 1. INCORPORATION OF RECITALS. The City Council for the City of Montebello finds and declares the foregoing are true and correct and incorporates said recitals fully into this Ordinance as substantive findings.

SECTION 2. ADOPTION OF CHAPTER 2.04 – CITY MANAGER. The City hereby adopts revisions to Chapter 2.04 of the MMC by amending said Chapter in its entirety and replacing it with the following:

Chapter 2.04 - CITY MANAGER

2.04.000 – Form of Government. Pursuant to California Government Code Sections 34851(a) and 34852, the City Council of the City of Montebello hereby establishes a Council - City Manager form of government.

2.04.010 - Office created—Basis for appointments.

The office of the city manager of the city is created and established. The holder of this office shall be appointed by the city council solely on the basis of his/her executive and administrative qualifications, ability and previous governmental experience, and shall hold office at the pleasure of the city council excepting as hereinafter provided in Section 2.04.060.

2.04.020 - The section intentionally omitted.

2.04.030 - Eligibility of council members.

No member of the city council of the city shall be eligible for an appointment as city manager until one year has elapsed after he/she has ceased to be a member of the council.

2.04.040 - Compensation.

The city manager shall receive such compensation as the city council shall from time to time determine and fix by resolution or contract.

2.04.050 - Duties.

The city manager shall be the administrative head of city government under the direction and control of the city council. He/she shall be responsible for the efficient administration of all affairs, both administrative and managerial, of the city. In addition to his/her general powers as the administrative and management head, and not as a limitation thereon, it shall be his duty and authority for the following:

A. Supervise and oversee the preparation and submission to the city council of a detailed proposed annual city budget and to offer his/her recommendations as to such increases, decreases, cancellations, transfers or changes in any items included in the proposed budget before adoption of the final budget and its administration after its final adoption, and to keep the city council informed with respect thereto;

B. Prepare and submit to the city council at the end of each fiscal year a comprehensive report of the financial and administrative activities of the city for the preceding year;

C. Advise the city council of the financial condition and future needs of the city;

D. Prepare such general rules and regulations as are necessary or proper for the general conduct of the administrative offices and departments of the city under his express jurisdiction and submit the same to the city council for its approval;

E. Serve as personnel officer of the city, however, in exercising this authority, neither the council nor any of its members shall direct or request the appointment of any person, promotion/demotion/discipline of or removal from employment any department head or employee in the administrative services of the city. In addressing personnel matters of the city, the city council and its members shall inquire or seek information solely through the city manager or his/her designee and neither the city council nor any of its members shall give orders to any subordinates of the city manager, either publicly or privately. Notwithstanding the foregoing, City Councilmembers may make inquiries directly to directors, department heads or employees for information and materials, but may not unilaterally order or instruct department heads or other employees.

F. Be responsible for public relations and the dissemination of information to the citizens of the city.

G. Attend all meetings of the city council and such other boards and commissions as may be designated by the city council and to report upon any matter concerning the affairs of the departments, services or activities under his/her supervision upon which, in his/her judgement, the city council should be informed, or upon which reports are request by a majority of the city council;

H. Be responsible to see that all franchises, permits and privileges granted by the city council are faithfully performed and all due conditions met and observed;

I. Exercise general supervision over all public buildings, public parks and public property under the control and jurisdiction of the city council and not specifically delegated to a particular board or other department head;

J. Devote his/her entire time to the duties of this office and to the interests of the city;

K. Perform such other duties and exercise such other powers as are necessarily incident to the powers contained in this section, or as may be assigned, delegated or required of him from time to time by the action of the city council:

L. Oversee the development and organization of public improvement projects and programs, and to aid and assist the city council and other city departments and offices of the city;

M. To appoint competent, qualified officers, department heads and employees to the administrative service (which term is inclusive of all persons governed by the City's Civil Service/Personnel System as established and defined in Chapter 2.60 "Civil Service System," excepting the City Council, City Clerk and City Attorney), and to dismiss, suspend and/or discipline such officers and employees in accordance with the Chapter 2.60 and the Civil Service Commission process defined therein. To recommend to the city council such reorganization of officers, departments or divisions as may be in the best interests of efficient and economical conduct of the city's business, and affect such reorganization when authorized by ordinance, resolution or other approval of the city council; and to employ such temporary or part-time employees as may be required, in his/her opinion, subject to the Civil Service/Personnel System;

N. To control, order and manage all department heads, subordinate officers and employees of the city;

O. Prepare and recommend to the city council from time to time desirable revisions to the Compensation Plan of the city;

P. As agent for the city council, and within the authority established by the Municipal Code and in accordance with the municipal budget adopted by the city council, to exercise the power of approval or rejection of expenditures for all departments, divisions, services and offices of the city government; this shall include the authority to authorize minor deviations from the municipal budget, and transfer funds and appropriations from accounts to accounts, within the same department or office, where the exigencies of the situation or practical needs of the city's operations require such action, but in all such cases the city manager shall report the exercise of such authority established herein to the city council within thirty (30) days or sooner, thereafter;

Q. To prescribe such rules, regulations and policies as he/she deems necessary or expedient for the conduct of administrative services and, within authorized limits of law, policies and/or regulations, to revoke, suspend or amend any rule, regulations or policy established by any department head or other person in the position of providing administrative services for the city;

R. The city manager shall have the power and authority to sign any contract or conveyance as authorized by California Government Code Section 40602.

2.04.060 - Removal.

A. The city manager shall not be removed from office ninety (90) days prior to or within a period of ninety (90) days after any municipal election at which time a member of the city council is elected. At any other time the city manager may be removed only at a regular meeting of the city council and upon affirmation votes of at least three members of the city council. Even if there are less than five (5) members seated, removal can only occur if there at least three (3) affirmative votes. Any abstention will not be counted as an affirmative vote. At least thirty days prior to the effective date of his/her removal, the city manager shall be furnished with a written notice stating the council's intention to remove him/her and reasons therefor. Within seven days after receipt of such notice, the city manager may, by written notification to the city clerk, request a hearing before the city council, in which event the city council shall fix a time for a public hearing which shall be held at its regular meeting place before the expiration of the thirty-day period referred to. The city manager shall appear and be heard at such hearing.

B. After furnishing the city manager with written notice of his/her intended removal, the city council may suspend him/her from duty, but his/her compensation shall continue until his/her removal as herein provided. In removing the city manager, the city council shall use its uncontrolled discretion, and its actions shall be final and shall not depend upon any particular showing or degree of proof at the hearing, the purpose of which is to allow the city manager and city council to present to each other and the public all pertinent facts prior to the final action of removal.

2.04.070 - Exclusion from civil service and personnel system.

The office of city manager is specifically excluded from the civil service or personnel system of the city, and the city manager shall not be entitled to the benefits, advantages or protection of the civil service or personnel system of the city; he/she shall not be subject to the procedures outlined or prevailing in the system.

SECTION 5. SEVERABILITY. If any action, subsection, line, sentence, clause, phrase, or word of this Ordinance is for any reason held to be invalid or unconstitutional, either facially or as applied, by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, and each and every individual section, subsection, line, sentence, clause, phrase, or word without regard to any such decision.

SECTION 6. EFFECTIVE DATE. This Ordinance shall become effective thirty (30) days after approval by the City Council.

SECTION 7. PUBLICATION. The City Clerk shall certify to the adoption of this Ordinance causing it to be posted as required by law.

PASSED, APPROVED AND ADOPTED this ___ day of May, 2020.

Salvador Melendez, Mayor

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman
City Attorney

ATTEST:

Irma Barajas
City Clerk

ITEM #20

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla P.E., City Manager

BY: Fernando Pelaez, Fire Chief

SUBJECT: Authorization to enter into a Site Access Agreement with Los Angeles Regional Interoperable Communications System (LA-RICS) for Installation of a Wireless Communication Facility Location

DATE: May 13, 2020

RECOMMENDATIONS:

It is recommended that the City Council:

1) Authorize the City Manager to enter into a Land Lease Agreement with LA-RICS for the installation of a wireless communication facility; and

2) Authorize the City Manager to negotiate terms and enter into a License Agreement with AT&T FirstNet for the operation and maintenance of a wireless communication facility; and

3) Approve the Land Lease Agreement between the City and LA-RICS for a certain designated space on the City's facility located at 1600 W. Beverly Blvd.

4) Take such additional, related, action that may be desirable.

BACKGROUND

In the early 1990's, the Montebello Fire Department's Communications Division began building a radio system to provide enhanced radio coverage for the Montebello Police and Fire Departments. In 2003, the Montebello Fire Department joined its system with seven (7) other cities to create a Joint Powers Authority (JPA), which is now referred to as Interagency Communications Interoperability (ICI) System. This JPA created a system of radio towers and infrastructure allowing for the uninterrupted use of radios throughout the entire County of Los Angeles, and beyond.

Currently the Department's radio infrastructure is proving a wider coverage and better service radio system access to eight (8) cities. It is also is in the process of expanding to include additional cities into the system.

As a current provider of the ICI System, the City has been approached by the Los Angeles Regional Interoperable Communications System (LA-RICS) to enter into a a Land Lease Agreement for the installation of a wireless communication facility. LA-RICS is a radio and broadband communication for police, firefighters, paramedics and other emergency responders in Los Angeles County. It supports the Public Safety Broadband Network (PSBN) which has the capability to send and receive large amounts of data.

This network was completed on October 1, 2015 and is currently in use by various agencies throughout Los Angeles County. It consists of sixty-three (63) fixed towers and fifteen (15) temporary sites that use Long-Term Evolution (LTE) technology. The Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA) awarded AT&T, a contract to build out the network and support the Disaster Telecommunications Services. In July 2018, LA-RICS transferred the network to AT&T for integration into the Nationwide Public Safety Broadband (NPSBN) under FirstNet.

Land Lease Agreement

LA-RICS has proposed to replace and improve an existing wireless communication facility at the City's Police Department property located at 1600 W. Beverly Blvd. The design and construction of the proposed communication facility would be overseen by LA-RICS. Once the new wireless communication facility is installed, LA-RICS will seek authority from federal agencies to transfer, ownership and maintenance responsibilities to AT&T FirstNet. The proposed Land Lease Agreement will allow AT&T to access the new wireless communication facility located on the City's property at 1600 W. Beverly Blvd. The initial lease will be for a five (5) year term. The lease will include a monthly rent fee of Three Thousand Dollars and Zero Cents ($3,000) per month that will be paid by AT&T FirstNet to the City in exchange for the land necessary for the facility and related equipment.

The City's staff has discussed the proposal with LA-RICS, and determined that there are no direct conflict(s), nor competing services, as its been determined that AT&T will be offering cellular data. The installation will serve as an additional resource of communication during an emergency, such as a large earthquake. The wireless communication facility will ensure first responders have the ability to communicate during a disaster.

Delegating to the City Manager or his designee the authority execute this contract will allow an expedited agreement process to procure and expeditiously facilitate the construction of the wireless communication facility. The agreement will be in the form previously reviewed and approved as to form by the City Attorney's office.

ENVIRONMENTAL

The replacement and improvements to the existing wireless communication facility is considered a "project," per the California Environmental Quality Act ("CEQA") definition of a "project." In accordance with CEQA, the project is Categorically Exempt pursuant to §15301 (a) (Existing Facilities), because Class 1 consists of existing facilities of both investor and publically owned utilities used to provide public utility services as well as the restoration or rehabilitation of deteriorated or damaged structures, facilities or mechanical equipment to meet current standards of public health and safety.

FISCAL IMPACTS

Pending approval by the City Council, it is anticipated that the requested agreement will generate projected General Fund revenue of Thirty-Six Thousand Dollars and Zero Cents ($36,000) annually. This amount will be included in the Fiscal Year 2020-21 General Fund budget.

SUMMARY

It is being requested that the City Council approve the proposed Site Access Agreement with LA-RICS and authorize the City Manager to take such additional, related action related to the Site Access Agreement.

Attachments: 1) Attachment A – LA-RICS Land Lease Agreement
2) Attachment B- LTE Site Service Agreement

ITEM #21

RESOLUTION NO. ________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO APPROVING AND ALLOWING CERTAIN CLAIMS AND DEMANDS

THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the reference is hereby made to that certain Register of Audited Demand Nos. 1490, consisting of 16 pages, and including

Warrant No. 588415 through 588835;
Warrant No. 1464 and Warrant No. 1465

On file in the office of the City Clerk, the same having been audited and approved by the Controller as required by law.

SECTION 2. That the said City Council having examined each such demand does hereby approve and direct the payment of same, as set forth in said Register, except the following Warrant No.

____

____

____

SECTION 3. That the City Clerk shall certify to the adoption of this resolution and thence forth and thereafter the same shall be in full force and effect.

APPROVED AND ADOPTED THIS 13th DAY OF MAY, 2020.

____
SALVADOR MELENDEZ, Mayor

ATTEST:

____
IRMA BARAJAS, City Clerk

City of Montebello
Register of Demands No. 1490
From Payment Date: 4/2/20 - To Payment Date: 5/6/20

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
4331 - General Account					
588415	04/02/2020	$42.51	SUPPLIES	2586	AMAZON CAPITAL SERVICES, INC.
588416	04/02/2020	$308,728.00	RUBBISH SERVICES	40970	ARAKELIAN ENTERPRISES/ATHENS
588417	04/02/2020	$2,387.20	VEHICLE MAINTENANCE/EXPENSES	278	ATLAS RADIATOR, INC.
588418	04/02/2020	$480.00	MEDICAL REPORTING SERVICES	1643	COMPANY NURSE
588419	04/02/2020	$150.00	ADVERTISING/PRINTING SERVICES	2123	ENDEAVOR BUSINESS MEDIA LLC.
588420	04/02/2020	$95.00	REFUND	2820	ANNA GOV
588421	04/02/2020	$191.58	VEHICLE MAINTENANCE/EXPENSES	29680	INLAND KENWORTH, INC.
588422	04/02/2020	$429.85	SUPPLIES	2788	JON-DON LLC
588423	04/02/2020	$1,650.00	CONTRACT SERVICES	952	RELIANT IMMEDIATE CARE MEDICAL GROUP INC
588424	04/02/2020	$13.62	CONTRACT SERVICES	51460	RIO HONDO COMMUNITY COLLEGE
588425	04/02/2020	$21,729.50	CLAIMS ADMINISTRATION SERVICES	1631	YORK RISK SERVICES GROUP, INC.
588426	04/02/2020	$382.06	FUEL	2186	ACEGAS LLC
588427	04/02/2020	$1,219.47	CONTRACT SERVICES	423	AIR EXCHANGE, INC.
588428	04/02/2020	$10.90	SUPPLIES	2586	AMAZON CAPITAL SERVICES, INC.
588429	04/02/2020	$2,442.37	VEHICLE MAINTENANCE/EXPENSES	47980	AMERICAN MOVING PARTS
588430	04/02/2020	$1,267.01	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
588431	04/02/2020	$105.51	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
588432	04/02/2020	$175.00	CONTRACT SERVICES	2759	D. F. POLYGRAPH
588433	04/02/2020	$4,948.08	UNIFORM EXPENSE	55650	GALLS, LLC
588434	04/02/2020	$1,705.42	UNIFORM EXPENSE	1106	GRP2 UNIFORMS, INC.
588435	04/02/2020	$239.75	SUPPLIES	26670	LIFE-ASSIST, INC.
588436	04/02/2020	$130.16	SUPPLIES	15620	OFFICE DEPOT
588437	04/02/2020	$62.90	SUPPLIES	1120	NESTLE WATERS NORTH AMERICA
588438	04/02/2020	$1,719.57	UTILITY SERVICES	14730	SAN GABRIEL VALLEY WATER CO.
588439	04/02/2020	$635.58	UTILITY SERVICES	14730	SAN GABRIEL VALLEY WATER CO.
588440	04/02/2020	$1,153.82	REIMBURSEMENT - SUPPLIES	33960	DAVID SOSNOWSKI
588441	04/02/2020	$500.00	COST RECOVERY	2635	SPERTUS, LANDES & UMHOFER LLP

City of Montebello
Register of Demands No. 1490
From Payment Date: 4/2/20 - To Payment Date: 5/6/20

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
588442	04/02/2020	$12,635.59	METROLINK SECURITY SERVICES	37	U.S. SECURITY ASSOCIATES, INC.
588443	04/02/2020	$53.76	UTILITY SERVICES	23610	VERIZON WIRELESS
588444	04/02/2020	$360.00	CONTRACT SERVICES	328	ANNE L. DONOFRIO/WRITERANNE
588445	04/06/2020	$3,681.44	BUILDING MATERIAL SUPPLIES	48400	HOME DEPOT CREDIT SERVICES
588446	04/07/2020	$500.00	GENERAL GOVERNMENT	2832	MARIO ACOSTA
588447	04/07/2020	$135.00	GENERAL GOVERNMENT	2829	NERY CABRERA
588448	04/07/2020	$250.00	REFUND	2831	DESIGNATED EXCEPTIONAL SERVICES
588449	04/07/2020	$2,211.00	REFUND	2838	TY FUKUNAGA
588450	04/07/2020	$250.00	REFUND	2833	TINA GONZALEZ
588451	04/07/2020	$141,574.00	TAYLOR RANCH GREENSCAPE	2815	GREEN GIANT LANDSCAPE INC.
588452	04/07/2020	$130.00	REFUND	2830	ALFREDO GUTIERREZ
588453	04/07/2020	$80.00	REFUND	2835	RANDY HERNANDEZ
588454	04/07/2020	$2,142.00	CONTRACT SERVICES	2144	MARIPOSA LANDSCAPES, INC.
588455	04/07/2020	$600.00	REFUND	2837	SIMON MATHEW
588456	04/07/2020	$80.00	REFUND	2834	ROBERT MONTES
588457	04/07/2020	$190.00	REFUND	2836	STEPHANIE RAMIREZ
588458	04/07/2020	$520.00	REFUND	2839	SOCIAL MODEL RECOVERY SYSTEMS, INC.
588459	04/07/2020	$12,216.00	AUDIT SERVICES	75020	VASQUEZ & CO.,LLP
588460	04/07/2020	$1,954.34	VEHICLE MAINTENANCE/EXPENSES	47980	AMERICAN MOVING PARTS
588461	04/07/2020	$794.70	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
588462	04/07/2020	$704.35	TRAINING	31360	DAVID J. KIM
588463	04/07/2020	$26,882.50	POLICE RELATED FEES	692	LOS ANGELES COUNTY SUPERIOR COURT
588464	04/07/2020	$644.76	CONTRACT SERVICES	386	NET TRANSCRIPTS INC.
588465	04/07/2020	$17,181.02	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
588466	04/07/2020	$8,280.00	GRANT REA PARK REPAIRS	1166	TURF TEAM INC.
588467	04/07/2020	$4,845.62	INSURANCE PREMIUMS	58990	VISION SERVICE PLAN
588468	04/09/2020	$18,043.75	CDBG ADMINISTRATION SERVICES	38010	ADVANCED AVANT-GARDE CORPORATION
588469	04/09/2020	$1,299.50	FUEL	19700	SYNCHRONY BANK

City of Montebello
Register of Demands No. 1490
From Payment Date: 4/2/20 - To Payment Date: 5/6/20

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
588470	04/09/2020	$15,557.38	FUEL	1059	AMBER RESOURCES LLC/SAWYER PETROLEUM
588471	04/09/2020	$264.43	VEHICLE MAINTENANCE/EXPENSES	1963	SUEZ WTS SERVICES USA, INC.
588472	04/09/2020	$10,024.96	FIRE STATION DOOR REPAIR	47600	VORTEX INDUSTRIES
588473	04/14/2020	$40.00	CARPOOL INCENTIVE	289	ANDREA ANDRADE
588474	04/14/2020	$40.00	CARPOOL INCENTIVE	61470	ERIKA L. ANDRADE
588475	04/14/2020	$30.00	CARPOOL INCENTIVE	2636	RENE BOBADILLA
588476	04/14/2020	$30.00	CARPOOL INCENTIVE	17880	ANI CHUKHURYAN
588477	04/14/2020	$40.00	CARPOOL INCENTIVE	598	RONI L CISNEROS
588478	04/14/2020	$70.00	CARPOOL INCENTIVE	2572	MARLENE GIL
588479	04/14/2020	$30.00	CARPOOL INCENTIVE	4280	NADINE HERNANDEZ
588480	04/14/2020	$30.00	CARPOOL INCENTIVE	73180	MONICA HUERTA
588481	04/14/2020	$40.00	CARPOOL INCENTIVE	11280	MICHAEL LOPEZ
588482	04/14/2020	$30.00	CARPOOL INCENTIVE	71590	LUZ MARIA
588483	04/14/2020	$30.00	CARPOOL INCENTIVE	138	BRIANNON PADILLA
588484	04/14/2020	$70.00	CARPOOL INCENTIVE	1620	VERONICA PALAFOX
588485	04/14/2020	$55.00	CARPOOL INCENTIVE	1668	MEL PASTION
588486	04/14/2020	$30.00	CARPOOL INCENTIVE	2138	ELVA PHAM
588487	04/14/2020	$20.00	CARPOOL INCENTIVE	34240	ROBERT PORTILLO
588488	04/14/2020	$30.00	CARPOOL INCENTIVE	69960	NICOLE I. SAUCEDO
588489	04/14/2020	$40.00	CARPOOL INCENTIVE	24280	MARTIN SOLANO
588490	04/14/2020	$40.00	CARPOOL INCENTIVE	1091	JANELLE TORRES
588491	04/14/2020	$30.00	CARPOOL INCENTIVE	395	MARIA TERESA VASQUEZ
588492	04/14/2020	$636.54	UTILITY SERVICES	1732	AT&T CORP.
588493	04/14/2020	$636.54	UTILITY SERVICES	1732	AT&T CORP.
588494	04/14/2020	$685.52	UTILITY SERVICES	2257	AIRESPRING INC.
588495	04/14/2020	$906.81	SUPPLIES	20350	ALLSTAR FIRE EQUIPMENT INC.
588496	04/14/2020	$443.70	FEES	68300	CALIFORNIA BUILDING STANDARDS COMMISSION
588497	04/14/2020	$2,990.31	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO. INC

City of Montebello
Register of Demands No. 1490
From Payment Date: 4/2/20 - To Payment Date: 5/6/20

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
588498	04/14/2020	$3,400.00	CONTRACT SERVICES	41130	MIHM INC./EMERGENCY RESPONSE CRIME CLEANING
588499	04/14/2020	$2,460.00	STORMWATER PUMP REPAIR	371	FLO-SERVICES, INC.
588500	04/14/2020	$95.18	VEHICLE MAINTENANCE/EXPENSES	455	GOLDEN STATE FASTENERS & SUPPLY, INC.
588501	04/14/2020	$463.68	SUPPLIES	9470	GRAINGER, INC.
588502	04/14/2020	$7,032.22	GUARD RAIL REPAIR SERVICES	43860	MYERS & SONS HI-WAY SAFETY INC.
588503	04/14/2020	$68.84	SUPPLIES	15440	HOSE-MAN, INC.
588504	04/14/2020	$8,680.07	TRANSIT COMPUTER SERVER	2763	INSIGHT PUBLIC SECTOR, INC.
588505	04/14/2020	$4,013.43	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES, INC./MONTEBELLO TIRE PROS
588506	04/14/2020	$10,306.08	BUS STOP CLEANING SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
588507	04/14/2020	$695.00	CONTRACT SERVICES	23340	ORANGE COUNTY TANK TESTING INC
588508	04/14/2020	$10,560.38	CONTRACT SERVICES	2787	S & S LABARGE GOLF INCORPORATED
588509	04/14/2020	$120.00	CONTRACT SERVICES	1848	SECURITY DESIGN SYSTEMS
588510	04/14/2020	$345.00	SUPPLIES	419	SOCAL COMPLIANCE SERVICES
588511	04/14/2020	$12,495.00	FIRE TEAM BUILDING SERVICES	2721	MARIO SOTO
588512	04/14/2020	$4,169.72	UTILITY SERVICES	526	T-MOBILE USA, INC.
588513	04/14/2020	$600.00	CONTRACT SERVICES	49910	TRANSTRACK SYSTEMS, LLC
588514	04/14/2020	$296.62	CONTRACT SERVICES	57140	UNDERGROUND SERVICE ALERT OF SOUTHERN CA
588515	04/14/2020	$3,198.72	CONTRACT SERVICES	37	U.S. SECURITY ASSOCIATES, INC.
588516	04/14/2020	$38.01	UTILITY SERVICES	23610	VERIZON WIRELESS
588517	04/14/2020	$456.55	UTILITY SERVICES	23610	VERIZON WIRELESS
588518	04/14/2020	$200.09	UTILITY SERVICES	23610	VERIZON WIRELESS
588519	04/14/2020	$1,164.30	UTILITY SERVICES	23610	VERIZON WIRELESS
588520	04/14/2020	$3,218.61	UTILITY SERVICES	23610	VERIZON WIRELESS
588521	04/14/2020	$2,001.20	UTILITY SERVICES	23610	VERIZON WIRELESS
588522	04/14/2020	$32,202.00	TREE TRIMMING SERVICES	40860	WEST COAST ARBORISTS, INC.
588523	04/14/2020	$595.90	ADVERTISING/PRINTING SERVICES	61850	X-IGENT PRINTING INC.
588524	04/14/2020	$495.10	SUPPLIES	16030	AAA ELECTRICAL SUPPLY
588525	04/14/2020	$253.80	CONTRACT SERVICES	37720	ADVANCED APPLIED ENGINEERING, INC.

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588526	04/14/2020	$1,919.80	VEHICLE MAINTENANCE/EXPENSES	269	ADVANCED ELECTRONICS SOLUTIONS INC.
588527	04/14/2020	$10.08	SUPPLIES	2586	AMAZON CAPITAL SERVICES, INC.
588528	04/14/2020	$728.25	PERMITS/FEES	43590	THE AMERICAN SOCIETY OF COMPOSERS, AUTHORS
588529	04/14/2020	$120.45	ADVERTISING/PRINTING SERVICES	35980	SAEED RADMEHR/ARTE PRINTING
588530	04/14/2020	$5,816.25	PLUMBING MATERIALS	31270	STARBOARD TACK SUPPLY INC./ASTRO PLUMBING
588531	04/14/2020	$1,476.48	CONTRACT SERVICES	1237	AZTECA LANDSCAPE
588532	04/14/2020	$1,605.06	VEHICLE MAINTENANCE/EXPENSES	23330	BATTERY SYSTEMS
588533	04/14/2020	$160.00	REFUND	2842	MANUEL DIAZ BERMUDEEZ
588534	04/14/2020	$530.00	REFUND	1328	ANGELA CARLIN
588535	04/14/2020	$281.46	CONTRACT SERVICES	36870	CINTAS CORPORATION
588536	04/14/2020	$783.00	CONTRACT SERVICES	49400	U.S. MOBILE WIRELESS
588537	04/14/2020	$50.00	CONTRACT SERVICES	1569	DISCOVERY BENEFITS
588538	04/14/2020	$736.10	SUPPLIES	805	EMPIRE CHEMICAL CO, INC.
588539	04/14/2020	$195.93	CONTRACT SERVICES	1586	TALX CORPORATION
588540	04/14/2020	$3,844.67	TRANSIT SECURITY CAMERAS	1914	EXPO IT, LLC.
588541	04/14/2020	$84.80	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
588542	04/14/2020	$1,662.47	SUPPLIES	33780	P.W. GILLIBRAND COMPANY, INC.
588543	04/14/2020	$120.00	CONTRACT SERVICES	1650	GOLDEN STATE ELEVATOR SERVICE INC.
588544	04/14/2020	$1,295.00	DUES & SUBSCRIPTIONS	7020	GOVERNMENT FINANCE OFFICERS ASSOCIATION
588545	04/14/2020	$2,802.98	COPIER REPAIR/SERVICES	2793	IBE DIGITAL
588546	04/14/2020	$3,136.65	VEHICLE MAINTENANCE/EXPENSES	29680	INLAND KENWORTH, INC.
588547	04/14/2020	$80.00	REFUND	2843	VIRGINIA KATANGIAN
588548	04/14/2020	$3,300.00	CONTRACT SERVICES	2263	LAW ENFORCEMENT SOCIAL, LLC.
588549	04/14/2020	$145.69	BUILDING SUPPLIES	2811	LIGHT BULB DEPOT 38 LLC
588550	04/14/2020	$23,527.77	JANITORIAL SERVICES	1886	LINCOLN TRAINING CENTER AND REHABILITAION WORKSHOP
588551	04/14/2020	$2,520.00	CONTRACT SERVICES	1585	DR. ANGELICA LOZA-GOMEZ, M.D., PC
588552	04/14/2020	$160.00	REFUND	2844	SABRINA MARTINEZ
588553	04/14/2020	$4,200.00	TRANSIT HYBRID SERVICES	1797	MARTINEZ CONSULTING SERVICE LLC

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588554	04/14/2020	$7,005.00	WASTE REDUCTION/RECYCLING	19040	MUNICIPAL CONTRACT ADMINISTRATORS, INC
588555	04/14/2020	$798.08	CONTRACT SERVICES	74640	MISSION LINEN SUPPLY
588556	04/14/2020	$15,000.00	TRANSIT ADVERTISE/OUTREACH SERVICES	14890	MONTEBELLO TOWN CENTER INVESTORS, LLC
588557	04/14/2020	$18,290.64	PLUMBING SERVICES	26880	SEBASTIAN WATERWORKS, INC./MR. ROOTER
588558	04/14/2020	$71,330.12	STREET SWEEPING/BUS STOP CLEANING	35250	NATIONWIDE ENVIRONMENTAL SERVICES
588559	04/14/2020	$540.63	SUPPLIES	15620	OFFICE DEPOT
588560	04/14/2020	$166.00	REFUND	1694	OUR LADY OF THE MIRACULOUS MEDAL SCHOOL
588561	04/14/2020	$1,050.00	RETIREMENT SERVICES	13680	PEERY & ASSOCIATES, INC.
588562	04/14/2020	$300.00	REFUND	2841	SAUL POOT
588563	04/14/2020	$20,000.00	RED LIGHT CAMERA SERVICES	61050	REDFLEX TRAFFIC SYSTEMS
588564	04/14/2020	$2,192.77	CONTRACT SERVICES	2787	S & S LABARGE GOLF INCORPORATED
588565	04/14/2020	$7,625.00	PLANNING SERVICES	65440	TIERRA WEST ADVISORS
588566	04/14/2020	$7,140.00	BUS CLEANING SERVICES	74850	UNIQUE GENERAL SERVICES
588567	04/14/2020	$279.55	CONTRACT SERVICES	131	UNITED SITE SERVICES, INC.
588568	04/14/2020	$3,397.72	METROLINK SECURITY SERVICES	37	U.S. SECURITY ASSOCIATES, INC.
588569	04/14/2020	$800.00	REFUND	2845	GUADALUPE VALENZUELA
588570	04/14/2020	$4,500.00	AUDIT SERVICES	75020	VASQUEZ & CO.,LLP
588571	04/14/2020	$2,065.90	CONTRACT SERVICES	20060	WATER REPLENISHMENT DISTRICT
588572	04/15/2020	$135.00	REFUND	2829	NERY CABRERA
588573	04/16/2020	$1,400.00	ADVERTISING/PRINTING SERVICES	1293	923 MEDIA GROUP INC.
588574	04/16/2020	$54,909.72	LEGAL SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
588575	04/16/2020	$1,250.00	ACCOUNTS RECEIVABLE	40240	ARBITRAGE COMPLIANCE SPECIALISTS, INC
588576	04/16/2020	$13,170.15	LEGAL SERVICES	16710	ATKINSON, ANDELSON, LOYA, RUUD & ROMO
588577	04/16/2020	$50.00	REFUND	2849	JUDITH BAEZ
588578	04/16/2020	$359.94	CONTRACT SERVICES	2102	JOHN P BEROKOFF/BEROKOFF ELECTRIC
588579	04/16/2020	$679.00	CONTRACT SERVICES	2678	CARPET ONE FLOOR & HOME
588580	04/16/2020	$80.00	REFUND	2847	ADELITA CUELLAR
588581	04/16/2020	$311.85	SUPPLIES	38020	FLEET PRIDE, INC.

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588582	04/16/2020	$10,746.92	HVAC SERVICES	2443	FM THOMAS AIR CONDITIONING, INC.
588583	04/16/2020	$38,940.51	JAIL FACILITY SERVICES	76070	GEO CORRECTIONS & DETENTION INC.
588584	04/16/2020	$18,770.00	HOLIFIELD PARK LIGHT REPLACEMENTS	1175	GRAPHIC ELECTRIC, INC.
588585	04/16/2020	$167.64	VEHICLE MAINTENANCE/EXPENSES	15440	HOSE-MAN, INC.
588586	04/16/2020	$525.88	CONTRACT SERVICES	2852	ICE STAR REFRIGERATION, LLC
588587	04/16/2020	$265.00	CONTRACTORS	2851	IE, INC.
588588	04/16/2020	$7,325.15	LEGAL SERVICES	2001	LAW OFFICES OF DAVID J. WEISS
588589	04/16/2020	$91.08	LEGAL SERVICES	8130	RICHARD D. JONES, A PROFESSIONAL LAW CORP.
588590	04/16/2020	$660.00	REFUND	2850	JOHN M. MARTINEZ
588591	04/16/2020	$2,688.13	CONTRACT SERVICES	1200	MOBILITY ADVANCEMENT GROUP
588592	04/16/2020	$4,361.87	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES, INC./MONTEBELLO TIRE PROS
588593	04/16/2020	$13,453.75	PLUMBING SERVICES	26880	SEBASTIAN WATERWORKS, INC./MR. ROOTER
588594	04/16/2020	$2,025.00	CONTRACT SERVICES	26370	NAVARRO'S TOWING SERVICE
588595	04/16/2020	$1,413.51	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY, LLC
588596	04/16/2020	$95.00	REFUND	2848	GERARDO REYES
588597	04/16/2020	$1,200.00	CONTRACT SERVICES	2295	RG PACIFIC LLC.
588598	04/16/2020	$189.75	CONTRACT SERVICES	9270	TANK SPECIALIST OF CALIFORNIA
588599	04/16/2020	$3,450.83	CONTRACT SERVICES	20070	UC REGENTS
588600	04/16/2020	$5,216.00	BUS CLEANING SERVICES	74850	UNIQUE GENERAL SERVICES
588601	04/16/2020	$4,119.83	CLEANING SUPPLIES	67320	WINZER CORPORATION
588602	04/16/2020	$1,458.00	CROSSING GUARD SERVICES	40670	ALL CITY MANAGEMENT SERVICES
588603	04/16/2020	$1,304.16	UTILITY SERVICES	38380	AT&T
588604	04/16/2020	$835.64	UTILITY SERVICES	39550	AT&T
588605	04/16/2020	$2,133.40	PERMITS AND FEES	2307	CALIFORNIA DEPARTMENT OF
588606	04/16/2020	$7,033.21	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
588607	04/16/2020	$6,867.94	WATER PURCHASE RESALE	19120	CENTRAL BASIN MUNICIPAL WATER DISTRICT
588608	04/16/2020	$1,508.26	WATER SERVICES	19120	CENTRAL BASIN MUNICIPAL WATER DISTRICT
588609	04/16/2020	$164,763.00	CITY HALL ROOF REPAIR	1303	CERTIFIED ROOFING APPLICATORS, INC.

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588610	04/16/2020	$437.08	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO. INC
588611	04/16/2020	$298.40	PERMITS/FEES	76360	DIVISION OF THE STATE ARCHITECT
588612	04/16/2020	$4,696.74	FIRE RADIO GENERATORS MAINTENANCE	47770	DUTHIE ELECTRIC SERVICE CORPORATION
588613	04/16/2020	$6,290.00	PARKS VEHICLE LEASE	74920	EXECUTIVE CAR LEASING COMPANY
588614	04/16/2020	$3,351.97	SUPPLIES	43860	MYERS & SONS HI-WAY SAFETY INC.
588615	04/16/2020	$1,800.00	MACHINERY & EQUIPMENTS	2763	INSIGHT PUBLIC SECTOR, INC.
588616	04/16/2020	$41,343.00	ELECTRICAL SERVICES	2156	LEED ELECTRIC INC.
588617	04/16/2020	$4,535.71	MEDICAL SUPPLIES	26670	LIFE-ASSIST, INC.
588618	04/16/2020	$15,320.85	UTILITY SERVICES	4760	MONTEBELLO LAND & WATER CO.
588619	04/16/2020	$848.70	SUPPLIES	3280	MONTEBELLO CITY TRANSIT PETTY CASH
588620	04/16/2020	$821.25	VEHICLE MAINTENANCE/EXPENSES	1385	MUNCIE RECLAMATION AND SUPPLY COMPANY
588621	04/16/2020	$14,926.23	FIRE SAFETY TURNOUT GEAR	450	MUNICIPAL EMERGENCY SERVICES, INC.
588622	04/16/2020	$1,123.03	SUPPLIES	2480	SOCAL AUTO & TRUCK PARTS, INC.
588623	04/16/2020	$652.85	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY, LLC
588624	04/16/2020	$1,018.32	SUPPLIES	2812	OROMILL LUMBER, INC.
588625	04/16/2020	$39,903.60	METROLINK RAILFEEDER SERVICES	42180	PCAM, LLC
588626	04/16/2020	$34.05	UTILITY SERVICES	100	PICO WATER DISTRICT
588627	04/16/2020	$45,529.98	UTILITY SERVICES	14730	SAN GABRIEL VALLEY WATER CO.
588628	04/16/2020	$5,563.47	UTILITY SERVICES	51430	SOUTH MONTEBELLO IRRIGATION DISTRICT
588629	04/16/2020	$37,155.07	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
588630	04/16/2020	$18,567.46	UTLITY SERVICES	40520	SOUTHERN CALIFORNIA GAS CO.
588631	04/16/2020	$5,176.41	SUPPLIES	2573	TELEFLEX LLC
588632	04/16/2020	$431.92	SUPPLIES	395	MARIA TERESA VASQUEZ
588633	04/16/2020	$160,000.00	CITY HALL BUILDING RENOVATION	2710	VINCOR CONSTRUCTION
588634	04/20/2020	$13,228.02	INSURANCE PREMIUMS	55860	AFLAC
588635	04/20/2020	$462.00	CONTRACT SERVICES	1287	ALTA LANGUAGE SERVICES, INC.
588636	04/20/2020	$7,411.12	SUPPLIES	2586	AMAZON CAPITAL SERVICES, INC.
588637	04/20/2020	$3,848.75	UTILITY SERVICES	39550	AT&T

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588638	04/20/2020	$3,840.42	UTILITY SERVICES	39550	AT&T
588639	04/20/2020	$431.00	CONTRACT SERVICES	58240	STATE OF CALIFORNIA-DEPARTMENT OF JUSTICE
588640	04/20/2020	$3,245.08	ANNUAL STREET AUDIT REPORT	34760	CALIFORNIA STATE CONTROLLER'S OFFICE
588641	04/20/2020	$34.48	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
588642	04/20/2020	$7.96	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
588643	04/20/2020	$1,580.92	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
588644	04/20/2020	$285.99	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
588645	04/20/2020	$1,779.13	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
588646	04/20/2020	$9,186.11	CONTRACT SERVICES	52710	CLEAN ENERGY FUELS
588647	04/20/2020	$360.00	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
588648	04/20/2020	$2,578.76	PERMITS AND FEES	31150	DEPARTMENT OF CONSERVATION
588649	04/20/2020	$228.95	UNIFORM EXPENSE	3560	ENTENMANN-ROVIN CO.
588650	04/20/2020	$6,000.00	CONTRACT SERVICES	2784	PHILLIP GALLEGOS
588651	04/20/2020	$222,437.03	TAYLOR RANCH GREENSPACE	2815	GREEN GIANT LANDSCAPE INC.
588652	04/20/2020	$500.00	REFUND	2858	PATTY GUZMAN GRAJEDA
588653	04/20/2020	$7,879.13	BUSINESS LICENSE SOFTWARE	9390	HDL SOFTWARE, LLC
588654	04/20/2020	$163.99	CONTRACT SERVICES	2852	ICE STAR REFRIGERATION, LLC
588655	04/20/2020	$607.12	CONTRACT SERVICES	2152	JOHNSON CONTROLS, INC.
588656	04/20/2020	$20,252.00	DUES & SUBSCRIPTIONS	26920	LEAGUE OF CALIFORNIA CITIES
588657	04/20/2020	$156.63	SUPPLIES	26670	LIFE-ASSIST, INC.
588658	04/20/2020	$32.78	SUPPLIES	2811	LIGHT BULB DEPOT 38 LLC
588659	04/20/2020	$243.42	SUPPLIES	2855	CONRAD LOPEZ
588660	04/20/2020	$5.00	DUES & SUBSCRIPTIONS	9200	LOS ANGELES COUNTY ASSESSOR OFFICE
588661	04/20/2020	$384.98	CONTRACT SERVICES	74640	MISSION LINEN SUPPLY
588662	04/20/2020	$36,608.61	GRAFFITI SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
588663	04/20/2020	$114.39	SUPPLIES	15620	OFFICE DEPOT
588664	04/20/2020	$1,494.00	CONTRACT SERVICES	26460	ORBIT RENTALS, INC.
588665	04/20/2020	$116.68	SUPPLIES	1938	P & R PAPER SUPPLY COMPANY INC.

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588666	04/20/2020	$89,962.00	SEWER REPAIR SERVICES	6070	QUALITY JET ROOTER
588667	04/20/2020	$224.28	CONTRACT SERVICES	51850	SECURITY SIGNAL DEVICES INC.
588668	04/20/2020	$137.44	CONTRACT SERVICES	36350	SHRED-IT USA
588669	04/20/2020	$8,063.00	WATER SYSTEM EVALUATION SERVICES	1633	STETSON ENGINEERS INC.
588670	04/20/2020	$154.65	CONTRACT SERVICES	64140	TURNOUT MAINTENANCE COMPANY, LLC
588671	04/20/2020	$495.00	CONTRACT SERVICES	74850	UNIQUE GENERAL SERVICES
588672	04/20/2020	$932.77	UTILITY SERVICES	23610	VERIZON WIRELESS
588673	04/20/2020	$1,274.61	UTILITY SERVICES	23610	VERIZON WIRELESS
588674	04/20/2020	$9.01	UTILITY SERVICES	23610	VERIZON WIRELESS
588675	04/20/2020	$2,143.13	ADVERTISING/PRINTING SERVICES	61850	X-IGENT PRINTING INC.
588676	04/23/2020	$42,263.83	MONTEBELLO BLVD IMPROVEMENT	2860	AT&T
588677	04/23/2020	$1,797.89	LEASE PAYMENT	2405	JCB FINANCE
588678	04/23/2020	$61,067.50	COV-19 BUS ROUTE SERVICES	75950	FIESTA TAXI COOPERATIVE, INC.
588679	04/27/2020	$13,002.96	FIRE SAFETY GEAR	20350	ALLSTAR FIRE EQUIPMENT INC.
588680	04/27/2020	$627.88	SUPPLIES	31270	STARBOARD TACK SUPPLY INC./ASTRO PLUMBING
588681	04/27/2020	$184.83	UTILITY SERVICES	73760	AT&T TELECONFERENCE SERVICES
588682	04/27/2020	$21,330.00	STREET REPAIRS	1624	CALIFORNIA PAVING AND GRADING, INC.
588683	04/27/2020	$33,235.80	CONTRACT SERVICES	52070	THOMAS CAMACHO
588684	04/27/2020	$9,619.58	TRANST CNG STATION SERVICES	52710	CLEAN ENERGY FUELS
588685	04/27/2020	$214.31	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO. INC
588686	04/27/2020	$325.00	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
588687	04/27/2020	$2,577.30	LEASE PAYMENT	73470	ENTERPRISE FM TRUST
588688	04/27/2020	$3,529.83	SCBA MAINTENANCE SERVICES	2616	EXTREME SAFETY INC.
588689	04/27/2020	$710.01	UNIFORM EXPENSE	55650	GALLS, LLC
588690	04/27/2020	$300.00	CONTRACT SERVICES	2407	OSCAR HERNANDEZ PLUMBING
588691	04/27/2020	$2,843.64	DUES	28160	INDEPENDENT CITIES ASSOCIATION
588692	04/27/2020	$226.20	SUPPLIES	46770	INDUSTRIAL PIPE & STEEL, LLC
588693	04/27/2020	$1,914.00	BUILDING IMPROVEMENTS	2156	LEED ELECTRIC INC.

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588694	04/27/2020	$5,067.50	WASTE REDUCTION SERVICES	19040	MUNICIPAL CONTRACT ADMINISTRATORS, INC
588695	04/27/2020	$65.40	CONTRACT SERVICES	74640	MISSION LINEN SUPPLY
588696	04/27/2020	$166.63	SUPPLIES	15620	OFFICE DEPOT
588697	04/27/2020	$263.12	SUPPLIES	1938	P & R PAPER SUPPLY COMPANY INC.
588698	04/27/2020	$185.00	TRAVEL & MEETINGS	34240	ROBERT PORTILLO
588699	04/27/2020	$352.92	CONTRACT SERVICES	56260	PRUDENTIAL OVERALL SUPPLY
588700	04/27/2020	$28.75	SUPPLIES	1120	NESTLE WATERS NORTH AMERICA
588701	04/27/2020	$104.54	SUPPLIES	42210	SAFETY-KLEEN SYSTEMS, INC.
588702	04/27/2020	$1,254.97	CONTRACT SERVICES	51850	SECURITY SIGNAL DEVICES INC.
588703	04/27/2020	$659.12	CONTRACT SERVICES	36350	SHRED-IT USA
588704	04/27/2020	$495.00	SUPPLIES	419	SOCAL COMPLIANCE SERVICES
588705	04/27/2020	$65.70	CONTRACT SERVICES	64140	TURNOUT MAINTENANCE COMPANY, LLC
588706	04/27/2020	$3,450.83	FIRE NURSE EDUCATOR SERVICES	20070	UC REGENTS
588707	04/29/2020	$698.58	UTILITY SERVICES	1732	AT&T CORP.
588708	04/29/2020	$698.58	UTILITY SERVICES	1732	AT&T CORP.
588709	04/29/2020	$3,954.00	TAYLOR RANCH GREENSPACE	37720	ADVANCED APPLIED ENGINEERING, INC.
588710	04/29/2020	$2,682.65	TRAINING SUPPLIES	2586	AMAZON CAPITAL SERVICES, INC.
588711	04/29/2020	$117.93	SUPPLIES	31270	STARBOARD TACK SUPPLY INC./ASTRO PLUMBING
588712	04/29/2020	$16,959.56	SUPPLIES/TRAINING	13240	BANKCARD CENTER
588713	04/29/2020	$4,054.24	SOFTWARE RENEWAL	1922	BORDERLAN, INC.
588714	04/29/2020	$330.00	DUES & SUBSCRIPTIONS	41840	CALIFORNIA PARK AND RECREATION SOCIETY (CPRS)
588715	04/29/2020	$81.65	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
588716	04/29/2020	$599.00	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
588717	04/29/2020	$968.24	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO. INC
588718	04/29/2020	$45,386.20	INSURANCE PREMIUM	4110	DELTA DENTAL OF CALIFORNIA
588719	04/29/2020	$238.44	BUILDING IMPROVEMENTS	40920	DIAMOND ENVIRONMENTAL SERVICES
588720	04/29/2020	$3,336.00	TRANSIT FARE BOXES	2802	DIAMOND MANUFACTURING, INC.
588721	04/29/2020	$1,100.00	CONTRACT SERVICES	1595	FROG ENVIRONMENTAL, INC

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CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
588722	04/29/2020	$400.74	VEHICLE MAINTENANCE/EXPENSES	3350	GARVEY EQUIPMENT COMPANY
588723	04/29/2020	$12,182.00	TRANSIT CONSULTING SERVICES	11070	LPM CONSULTING, INC.
588724	04/29/2020	$2,142.00	CONTRACT SERVICES	2144	MARIPOSA LANDSCAPES, INC.
588725	04/29/2020	$320.97	VEHICLE MAINTENANCE/EXPENSES	479	MCMASTER-CARR SUPPLY COMPANY
588726	04/29/2020	$375.00	CONTRACT SERVICES	23340	ORANGE COUNTY TANK TESTING INC
588727	04/29/2020	$76.63	SUPPLIES	2866	ANGELICA PALMEROS
588728	04/29/2020	$110,548.09	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
588729	04/29/2020	$4,859.32	UTILITY SERVICES	40520	SOUTHERN CALIFORNIA GAS CO.
588730	04/29/2020	$29,978.44	INSURANCE PREMIUM	25850	STANDARD INSURANCE COMPANY
588731	04/29/2020	$475.74	INSURANCE PREMIUM	1990	STANDARD INSURANCE COMPANY
588732	04/29/2020	$739.83	UTILITY SERVICES	72570	U.S. TELEPACIFIC CORP
588733	04/29/2020	$226.00	CONTRACT SERVICES	387	TRANSUNION RISK AND ALTERNATIVE DATA SOLUTIONS,INC.
588734	04/29/2020	$1,243.15	INSURANCE PREMIUM	58990	VISION SERVICE PLAN
588735	04/29/2020	$1,385.30	UNIFORM EXPENSE	49660	RUBEN ZABALA
588736	04/29/2020	$475.84	UNIFORM EXPENSE	55650	GALLS, LLC
588737	04/29/2020	$1,766.02	VEHICLE MAINTENANCE/EXPENSES	33720	ARKAY ACQUISITION LLC/GILLIG
588738	04/29/2020	$655.96	SUPPLIES	9470	GRAINGER, INC.
588739	04/29/2020	$798.00	REFUND	2868	MARCOS GUZMAN
588740	04/29/2020	$140.00	REFUND	2864	ALEXIS GIL MARAVILL
588741	04/29/2020	$252.00	REFUND	2862	EDDIE SALDANA
588742	04/29/2020	$1,825.00	REFUND	2867	PAOLA LIZETH SANCHEZ
588743	04/29/2020	$1,141.00	CONTRACT SERVICES	71170	YOUNG ELECTRIC SIGN COMPANY
588744	05/04/2020	$3,127.41	SUPPLIES	2840	ACDC APPAREL
588745	05/04/2020	$528.54	SUPPLIES	2586	AMAZON CAPITAL SERVICES, INC.
588746	05/04/2020	$2,673.04	SUPPLIES	2676	BKM OFFICE FURNITURE
588747	05/04/2020	$256.00	PUBLIC SAFETY	58240	STATE OF CALIFORNIA-DEPARTMENT OF JUSTICE
588748	05/04/2020	$643.83	SUPPLIES	21690	COLUMBIA BUSINESS FORMS, INC.
588749	05/04/2020	$750.00	CONTRACT SERVICES	47770	DUTHIE ELECTRIC SERVICE CORPORATION

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CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
588750	05/04/2020	$50.00	REFUND	2873	BRHEA EDWARDS
588751	05/04/2020	$117,802.28	CV-19 BUS ROUTE SERVICES	75950	FIESTA TAXI COOPERATIVE, INC.
588752	05/04/2020	$50.00	REFUND	2870	JUAN HERNANDEZ
588753	05/04/2020	$1,044.35	CONTRACT SERVICES	2407	OSCAR HERNANDEZ PLUMBING
588754	05/04/2020	$5,993.00	HVAC MAINTENANCE	2152	JOHNSON CONTROLS, INC.
588755	05/04/2020	$1,265.00	CONTRACT SERVICES	19040	MUNICIPAL CONTRACT ADMINISTRATORS, INC
588756	05/04/2020	$550.00	CONTRACT SERVICES	42750	PSYCHOLOGICAL CONSULTING ASSOCIATES, INC.
588757	05/04/2020	$50.00	REFUND	2871	CHRISTINA ROMERO
588758	05/04/2020	$83,962.32	FIRE ENGINE LEASE PAYMENT	2846	SANTANDER BANK, N.A.
588759	05/04/2020	$1,485.10	FUEL	1059	AMBER RESOURCES LLC/SAWYER PETROLEUM
588760	05/04/2020	$50.00	REFUND	2872	JOSE SILVA
588761	05/04/2020	$500.00	COST RECOVERY	2635	SPERTUS, LANDES & UMHOFER LLP
588762	05/04/2020	$47.33	CONTRACT SERVICES	74640	MISSION LINEN SUPPLY
588763	05/04/2020	$528.37	SUPPLIES	70710	NIVEL PARTS & MFG CO., LLC
588764	05/04/2020	$105.73	CONTRACT SERVICES	56260	PRUDENTIAL OVERALL SUPPLY
588765	05/04/2020	$50.00	REFUND	2875	WILLY RAMIREZ
588766	05/04/2020	$70.00	REFUND	2876	PAUL ROA
588767	05/04/2020	$800.00	REFUND	2877	PEDRO NORIEGA VEGA
588768	05/05/2020	$50.00	REFUND	2886	ELIZABETH BLACK
588769	05/05/2020	$50.00	REFUND	2883	CARLA DEL RIO
588770	05/05/2020	$50.00	REFUND	2885	LISBETH ELVIR
588771	05/05/2020	$100.00	REFUND	2884	MAURA MCDONALD
588772	05/05/2020	$539.86	INSURANCE REIMBURSEMENT	42490	LINDA PAYAN
588773	05/05/2020	$1,501.90	INSURANCE REIMBURSEMENT	9340	GEORGE S. SIMONIAN
588774	05/05/2020	$535.60	RETIREMENT	27300	ROBERT C. TUFANO
588775	05/05/2020	$884.78	CONTRACT SERVICES	2057	CIGNA BEHAVIORAL HEALTH
588776	05/05/2020	$341.75	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO. INC
588777	05/05/2020	$18,054.34	TRANSIT BUS TIRE LEASE	110	MICHELIN NORTH AMERICA, INC

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CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
588778	05/05/2020	$3,150.00	ADVERTISING/PRINTING SERVICES	51550	MONTEBELLO CHAMBER OF COMMERCE
588779	05/05/2020	$6,989.60	COPIER REPAIR/SERVICES	2747	U.S. BANK EQUIPMENT FINANCE
588780	05/05/2020	$636.54	UTILITY SERVICES	1732	AT&T CORP.
588781	05/05/2020	$698.58	UTILITY SERVICES	1732	AT&T CORP.
588782	05/05/2020	$698.58	UTILITY SERVICES	1732	AT&T CORP.
588783	05/05/2020	$698.58	UTILITY SERVICES	1732	AT&T CORP.
588784	05/05/2020	$636.54	UTILITY SERVICES	1732	AT&T CORP.
588785	05/05/2020	$245.00	VEHICLE MAINTENANCE/EXPENSES	46090	AIRWAVE COMMUNICATIONS ENTERPRISES
588786	05/05/2020	$36.48	SUPPLIES	2586	AMAZON CAPITAL SERVICES, INC.
588787	05/05/2020	$1,059.77	UTILITY SERVICES	38380	AT&T
588788	05/05/2020	$3,593.19	UTILITY SERVICES	39550	AT&T
588789	05/05/2020	$2,129.45	CONTRACT SERVICES	2102	JOHN P BEROKOFF/BEROKOFF ELECTRIC
588790	05/05/2020	$11,000.00	DUES	32970	CALIFORNIA TRANSIT ASSOCIATION
588791	05/05/2020	$1,779.13	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
588792	05/05/2020	$718.48	SUPPLIES	1294	CINTAS CORPORATION NO. 2
588793	05/05/2020	$1,058.49	SUPPLIES	21690	COLUMBIA BUSINESS FORMS, INC.
588794	05/05/2020	$29,952.00	SEAACA ANIMAL SERVICES	30170	CITY OF DOWNEY
588795	05/05/2020	$223.53	MAIL/ POSTAL EXPENSE	22400	FEDERAL EXPRESS CORPORATION
588796	05/05/2020	$52,815.00	CV-19 TRANSIT BUS ROUTE SERVICES	75950	FIESTA TAXI COOPERATIVE, INC.
588797	05/05/2020	$4,167.00	CONTRACT SERVICES	21260	FLAIR DATA SERVICES, INC.
588798	05/05/2020	$8,902.00	CONTRACT SERVICES	2827	FOUR STAR INVESTIGATIONS, LLC
588799	05/05/2020	$474.80	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
588800	05/05/2020	$765.68	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
588801	05/05/2020	$1,048.47	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
588802	05/05/2020	$794.70	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
588803	05/05/2020	$88.70	SUPPLIES	9470	GRAINGER, INC.
588804	05/05/2020	$55.87	SUPPLIES	15440	HOSE-MAN, INC.
588805	05/05/2020	$23.71	SUPPLIES	2788	JON-DON LLC

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CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
588806	05/05/2020	$2,310.00	LEGAL SERVICES	16760	LIEBERT CASSIDY WHITMORE
588807	05/05/2020	$563.40	CONTRACT SERVICES	934	MISSION COMMUNICATIONS, LLC
588808	05/05/2020	$425.00	CONTRACT SERVICES	23340	ORANGE COUNTY TANK TESTING INC
588809	05/05/2020	$630.46	CONTRACT SERVICES	952	RELIANT IMMEDIATE CARE MEDICAL GROUP INC
588810	05/05/2020	$41,315.35	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
588811	05/05/2020	$864.16	RETIREMENT	58990	VISION SERVICE PLAN
588812	05/05/2020	$135.00	CONTRACT SERVICES	2865	WEBSTERS BEE REMOVAL SERVICES
588813	05/05/2020	$3,225.00	CONTRACT SERVICES	70050	JTD CONSULTING, INC./WIRELESS INFRASTRUCTURE SERVICES
588814	05/05/2020	$557.00	CONTRACT SERVICES	52250	WON-DOOR CORPORATION
588815	05/06/2020	$31,035.72	PLAN CHECK SERVICES	37720	ADVANCED APPLIED ENGINEERING, INC.
588816	05/06/2020	$500.00	CONTRACT SERVICES	72	COGRAN SYSTEMS LLC
588817	05/06/2020	$1,299.40	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
588818	05/06/2020	$60.00	CONTRACT SERVICES	23660	DAIOHS USA
588819	05/06/2020	$6,000.00	CONTRACT SERVICES	2784	PHILLIP GALLEGOS
588820	05/06/2020	$1,772.89	VEHICLE MAINTENANCE/EXPENSES	2480	SOCAL AUTO & TRUCK PARTS, INC.
588821	05/06/2020	$240.88	SUPPLIES	15620	OFFICE DEPOT
588822	05/06/2020	$188.30	SUPPLIES	1120	NESTLE WATERS NORTH AMERICA
588823	05/06/2020	$4,922.03	VEHICLE MAINTENANCE/EXPENSES	3450	VALLEY POWER SYSTEMS, INC.
588824	05/06/2020	$2,368.63	CONTRACT SERVICES	47600	VORTEX INDUSTRIES
588825	05/06/2020	$736.39	VEHICLE MAINTENANCE/EXPENSES	25860	WAYNE HARMEIER INC.
588826	05/06/2020	$1,476.48	CONTRACT SERVICES	1237	AZTECA LANDSCAPE
588827	05/06/2020	$325.00	CONTRACT SERVICES	34230	PHIL CULBERTSON
588828	05/06/2020	$240.00	MEDICAL REPORTING SERVICES	1643	COMPANY NURSE
588829	05/06/2020	$56.34	SUPPLIES	325	COMPLETE OFFICE OF CALIFORNIA, INC.
588830	05/06/2020	$265.25	PREVENTIVE MAINTENANCE	70140	GNA-BROOK FIRE PROTECTION, INC.
588831	05/06/2020	$368.26	COPIER REPAIR/SERVICES	2793	IBE DIGITAL
588832	05/06/2020	$5,420.26	VEHICLE MAINTENANCE/EXPENSES	2856	LANDI RENZO USA CORPORATION
588833	05/06/2020	$27.04	SUPPLIES	15620	OFFICE DEPOT

City of Montebello
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CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
588834	05/06/2020	$20,000.00	RED LIGHT CAMERA SERVICES	61050	REDFLEX TRAFFIC SYSTEMS
588835	05/06/2020	$2,421.70	VEHICLE MAINTENANCE/EXPENSES	168	SOUTHERN COACH MFG. CO, INC.
	Subtotal	**$3,179,609.21**			
6093 - Successor Agency					
1464	04/16/2020	$1,597.50	LEGAL SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
1465	04/16/2020	$2,050.00	CONTRACT SERVICES	15180	STEARNS, CONRAD AND SCHMIDT CONSULTING ENG.
	Subtotal	**$3,647.50**			
	Total	**$3,183,256.71**			

ITEM #22

CITY OF MONTEBELLO — **FEBRUARY 12, 2020**
1600 WEST BEVERLY BLVD. — **WEDNESDAY**
MONTEBELLO CALIFORNIA — **5:40 P.M.**

MINUTES

THE CITY OF MONTEBELLO MET AT THE ABOVE TIME AND PLACE IN A REGULAR SESSION.

OPENING CEREMONIES

1. CALL MEETING TO ORDER: **Mayor Melendez called the meeting to order at the hour of 5:40 p.m.**

2. ROLL CALL: **City Clerk I. Barajas**
MEMBERS PRESENT: **Cobos-Cawthorne, Jimenez, Torres, Hadjinian, Melendez**
STAFF PRESENT: **City Manager Bobadilla, City Attorney Alvarez-Glasman**

3. STATEMENT OF PUBLIC ORAL COMMUNICATIONS FOR CLOSED SESSION ITEMS:
City Attorney Alvarez-Glasman

ORAL COMMUNICATIONS ON CLOSED SESSION ITEMS

None.

Mayor Melendez recessed the meeting into Closed Session at the hour of 5:41 p.m. At the hour of 6:35 p.m., Mayor Melendez reconvened the meeting.

CLOSED SESSION - 5:30 P.M.

The City Attorney provided a briefing on the item listed for Closed Session as follows. All five members were present for Closed Session.

4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Government Code Section 54956.8
Property: 901 Via San Clemente
Agency: Rene Bobadilla
Negotiating Parties: Kix Soccer
Under negotiation: Terms of payment or price

City Councilmembers received a briefing from the City Manager. Direction was provided. No final action taken. Nothing further to report.

5. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
City of Montebello v. All Persons (Athens)
Superior Court Case No. BC713533

The City and Athens have reached a final settlement agreement to resolve all outstanding disputes between the City and Arakelian Enterprises or Athens Services. Parties have signed the agreement and was approved 5-0 by members of the City Council.

REGULAR SESSION – 6:30 P.M.

6. INVOCATION **CITY CLERK BARAJAS**

PLEDGE OF ALLEGIANCE

7. **PRESENTATIONS:**

a. **MY MONTEBELLO APP - BY DIRECTOR DAVID SOSNOWSKI**
b. **VSAP VOTING PRESENTATION BY LOS ANGELES COUNTY REGISTRAR-RECORDER REPRESENTATIVE.**

8. **STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST**

9. **CORRECTIONS TO THE AGENDA – CITY MANAGER**

Item Nos, 16 and 19 have typographical corrections. Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne to add 24B. Motion carried unanimously.

10. **STATEMENT OF PUBLIC ORAL COMMUNICATIONS:** City Attorney Alvarez-Glasman

11. **PUBLIC ORAL COMMUNICATIONS ON OPEN SESSION ITEMS (30 MINUTES)**

Mr. Estrada spoke about the lighting at the basketball court at City Park.

Rosa Tamayo spoke about stated that some parents at Montebello High School are concerned that programs for their kids are expensive that Pico Rivera programs. The parents are also concerned about drug use in the City.

Will Cervera asked about the cost of litigation for the Athens matters. Mr. Cervera also state that he had not seen Measure H flyers other than from the Police and Fire Associations.

Margot Eiser spoke about the new voting machines.

Levan Prothero spoke about drug lab in his neighborhood.

Frank Milan, Katherine Milan Golf Foundations, spoke about golf tournaments held by his foundation for the past 16 years and was assisted by Tommy Camacho and staff.

12. **APPROVAL OF AGENDA:** Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos Cawthorne, that all items be approved in a single motion with the exception Item Nos. 19, 22, 23, and 26. Such approval will also waive the reading of any ordinance. Motion carried unanimously.

<u>CONSENT MATTERS (13-24)</u>

13. **REQUEST FOR QUALIFICATIONS FOR DESIGN AND ENGINEERING SERVICES FOR BEACH STREET IMPROVEMENT PROJECT (RFQ NO. 20-2)**

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council: Authorize City Staff to issue a Request for Qualifications for Design and Engineering Services for Beach Street Improvement Project. Motion carried unanimously.

14. **REQUEST FOR PROPOSALS FOR PUBLIC WORKS INSPECTION AND CONSTRUCTION MANAGEMENT SERVICES FOR BEVERLY BOULEVARD STREET IMPROVEMENT PROJECT (RFQ NO. 20-6)**

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council: Authorize City Staff to issue a Request for Qualifications for Public Works Inspection and Construction Management Services for Beverly Boulevard Street Improvement Project. Motion carried unanimously.

15. REQUEST FOR PROPOSALS FOR PUBLIC WORKS INSPECTION AND CONSTRUCTION MANAGEMENT SERVICES FOR ARROYO DRIVE IMPROVEMENT PROJECT (RFP NO. 20-5)

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council: Authorize City Staff to issue a Request for Proposals for Public Works Inspection and Construction Management Services for Arroyo Drive Improvement Project. Motion carried unanimously.

16. AWARD A CONSTRUCTION CONTRACT FOR C.P. # 866 – BEVERLY BOULEVARD STREET IMPROVEMENTS PROJECT FROM 21ST STREET TO HOWARD AVENUE (FY 2018/2019), RFP NO. 19-25 TO GENTRY BROTHERS, INC.

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

1) Approve Resolution No. 20-12 of appropriation reallocating all funds from the proposed Montebello Boulevard Improvement Project (Paramount Boulevard to Plaza Drive) and reallocating the funds to other capital improvement projects to ensure adequate funding;

2) Award a Construction Contract for C.P. # 866 – Beverly Boulevard Street Improvements Project ("The Project") from 21st Street to Howard Avenue (FY 2018/2019 and RFP No. 19-25) in the amount of $739,951.20 to Gentry Brothers, Inc.;

3) Authorize the Director of Public Works to review and approve change orders within a 25% contingency of the contract amount as recommended by the City Engineer; and

4) Authorize the City Manager to execute Contract Agreement No. 3746, on behalf of the City.

Motion carried unanimously.

17. AWARD A CONSTRUCTION CONTRACT FOR C.P. # 858 – ARROYO DRIVE IMPROVEMENTS PROJECT FROM ASTRA DRIVE TO ROSE GLEN AVENUE, (FY 2019/20), RFP NO. 18-28 TO SEQUEL CONTRACTORS, INC.

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

1) Award a Construction Contract for C.P. # 858 – Arroyo Drive Improvements Project ("The Project") from Astra Drive to Rose Glen Avenue (FY 2016/2017 and RFP No. 18-28) in the amount of $984,215.00 to Sequel Contractors, Inc.;

2) Authorize the Director of Public Works to review and approve change orders within a 10% contingency of the contract amount as recommended by the City Engineer; and

3) Authorize the City Manager to execute Contract Agreement Mo. 3747, on behalf of the City.

Motion carried unanimously.

18. CITY OF MONTEBELLO WATER SYSTEM REPAIRS AT 7709 TELEGRAPH ROAD

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

That the City Council approve the recommended repairs to the City Water System at 7709 Telegraph Road in the amount of $77,740, which includes a twenty-five percent (15%) repairs contingency and authorized the City Manager to execute the proposal,

Agreement No. 3748 from San Gabriel Valley Water Company (SGVWC) to coordinate and oversee the repairs, under the Water System Operations Agreement (Agreement No. 2883).

Motion carried unanimously.

19. AWARD A CONTRACT TO FIESTA TAXI MONTEBELLO'S FOR DIAL-A-TAXI PROGRAM BID NO. (19-42)

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

1) Award a contract to Fiesta Taxi Cooperative, Inc. for the Dial-A-Taxi Program for a total project cost not to exceed four hundred twenty-nine dollars and no cents ($429,000.00); and
2) Authorize the City Manager to execute Contract Agreement No. 3749 on behalf of the City.

Motion carried unanimously.

20. AWARD A CONTRACT TO PCM GOV. INC., FOR MODEM PARTS FOR BID NO. (RFQ-19-41)

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

1) Award a contract to PCMG, Inc. dba "PCM Gov. Inc." for Modem Parts for a total cost not to exceed one hundred sixty-one thousand, five hundred fifty-seven dollars and ninety seven cents ($161,557.97); and

2) Authorize the City Manager to execute Contract Agreement No. 3750 on behalf of the City; and

3) Adopt Resolution No. 20-13 appropriating $108,086 CalOES fund balance to fund the cost of this project.

Motion carried unanimously.

21. AWARD A PROFESSIONAL SERVICES CONTRACT FOR PARK FACILITIES MASTER PLAN (PFMP) AND FACILITIES NEEDS ASSESSMENT (FNA), RFP #19-56

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

1) Award a Professional Services Agreement to KTUA in the amount not-to-exceed $383,749 for the development of a Park Facilities Master Plan (PFMP) and Facility Needs Assessment (FNA); and

2) Authorize the City Manager to execute Agreement No. 3751 on behalf of the City.

Motion carried unanimously.

22. RESOLUTION OF THE CITY OF MONTEBELLO APPROVING THE BLANKET AUTHORITY TO FILE APPLICATIONS FOR GRANT FUNDS FROM THE LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT FOR MEASURE A FUNDING FOR PROJECTS AND PROGRAMS

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

Adopt and approve Resolution 20-14 approving the blanket authority to file applications for grant funds from the Los Angeles County Regional Park and Open Space District (RPOSD) for Measure A funding for projects and programs. Motion carried unanimously.

23. ADOPT A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO ELECTING TO BECOME SUBJECT TO THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES SET FORTH IN THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT AND CONCURRENTLY CONDUCT A PUBLIC HEARING AND INTRODUCE ON FIRST READING AN ORDINANCE AMENDING CHAPTER 3.20 OF THE MONTEBELLO MUNICIPAL CODE TO REVISE THE PURCHASING SYSTEM AND PROVIDE BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) Adopt Resolution 20-15 electing for the City to become subject to uniform public construction cost accounting procedures set forth in the Uniform Public Construction Cost Accounting Act ("UPCCA" or the "Act"); and

2) Directing the City Clerk to notify the State Controller of this election; and

3) Introduce and conduct a first reading of an ordinance amending the City of Montebello Municipal Code to revise Chapter 3.20 outlining the informal bidding procedures pursuant to the requirements of the Uniform Public Construction Cost Accounting Act.

Motion carried 4-1 on the following roll call vote:

AYES: Cobos-Cawthorne, Jimenez, Hadjinian, Melendez
NOES: Torres

24a. PAYMENT OF BILLS: RESOLUTION APPROVING THE CITY/SUCCESSOR AGENCY WARRANT REGISTER OF DEMANDS DATED FEBRUARY 12, 2020

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

(1) Adopt the Resolution No. 20-16 approving the Warrant Register dated February 12, 2020.

Motion carried unanimously.

24a. HILTON GARDEN INTERFUND LOAN

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne to add to the agenda. Item approved unanimously on a 5-0 vote of the City Council

25. PUBLIC ORALS – IF NEEDED

26. INTERGOVERNMENTAL AGENCY MEETINGS UPDATE

COUNCIL ORALS

27. MAYOR PRO TEM COBOS-CAWTHORNE

None.

28. COUNCILMEMBER JIMENEZ

None.

29. COUNCILMEMBER TORRES

a. Urban forest triage and management plan
b. Augmenting Montebello Police Department crime prevention and detection vis-a-vis government monitoring and community collaboration

30. COUNCILMEMBER HADJINIAN

None.

31. MAYOR MELENDEZ

Updates on committees/conferences.

ADJOURNMENT

Upon motion carried unanimously, Mayor Melendez adjourned the meeting in memory of Ralph Gregorian who recently passed away.

APPROVAL OF MINUTES: Upon motion carried unanimously, the minutes of February 12, 2020 were approved as written on May 13, 2020.

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IRMA BARAJAS, City Clerk

NOTES

CITY OF MONTEBELLO
1600 W. BEVERLY BLVD.
MONTEBELLO, CA 90640

FEBRUARY 26, 2020
WEDNESDAY
5.32 P.M.

MINUTES

THE CITY OF MONTEBELLO CITY COUNCIL MET AT THE ABOVE TIME AND PLACE IN A REGULAR MEETING.

1. CALL MEETING TO ORDER: **Mayor Melendez called the meeting to order at the hour of 5:32 p.m.**

2. ROLL CALL: **City Clerk I. Barajas**
MEMBERS PRESENT: **Jimenez, Torres, Hadjinian, Cobos-Cawthorne, Melendez**

3. STATEMENT OF PUBLIC ORAL COMMUNICATIONS FOR CLOSED SESSION ITEMS: City Attorney Cardinale

ORAL COMMUNICATIONS ON CLOSED SESSION ITEMS

None.

Mayor Melendez recessed the meeting into Closed Session at the hour of 5:35 p.m. to discuss the following items. At the hour of 6:40 p.m., Mayor Melendez reconvened the meeting.

CLOSED SESSION - 5:30 P.M.

The City Attorney provided a briefing on the item listed for Closed Session as follows:

4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(4)
One matter

Considered initiation of litigation. City Councilmembers received a briefing, direction was provided, nothing reportable.

5. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Creswell v. City of Montebello
LASC Case No. BC673051

City Councilmembers received a briefing from Special Counsel, direction provided, nothing further to report.

6. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Government Code Section 54956.8
Property: 901 Via San Clemente
Agency: Rene Bobadilla
Negotiating Parties: Kix Soccer
Under negotiation: Terms of payment or price

Not discussed.

7. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Government Code section 54956.8
Property: 901 Via San Clemente, Montebello, CA
Agency's Negotiator: René Bobadilla, City Manager
Negotiating Party: Transports
Under Negotiation: Price and Terms

City Councilmembers received briefing from the City Manager, no direction provided, no action.

7a. PUBLIC EMPLOYMENT
Government Code Section 54957
Dismissal, Discipline, Release

Matter of anticipated litigation regarding A former City Manager. City Attorney Cardinale and Councilmember Hadjinian did not participate in discussion as there may be possible conflicts of interest. No final action.

7b. PUBLIC EMPLOYEE APPOINTMENT
Government Code Section 54957
Title: Director of Public Works

Matter will be discussed under Regular Session. No action taken.

REGULAR SESSION – 6:30 P.M.

8. INVOCATION **City Clerk Barajas**

PLEDGE OF ALLEGIANCE **City Treasurer Gutierrez**

9. PRESENTATIONS:

a) MEMORIAL DAY AND VETERAN'S DAY RECOGNITION: RAY ANDRADE AND JOSOF SANCHEZ
b) YOUTH IN GOVERNMENT RECOGNITION: YOUTH SPEAKERS: ARIATNA REYES, ALANA GONZALES, AND MARCO ALCAZAR

10. STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

None.

11. CORRECTIONS TO THE AGENDA – CITY MANAGER

None.

12. STATEMENT OF PUBLIC ORAL COMMUNICATIONS: City Attorney Cardinale

13. PUBLIC ORAL COMMUNICATIONS ON OPEN SESSION ITEMS (30 MINUTES)

Mr. LaCrosse submitted a letter and a petition with 50 signatures from one of the many players at the Montebello Golf Course.

Delia Delgado, resident for 44 years, spoke about the City's essential services and stated that Montebello's dollars need to remain in Montebello.

Linda Nicklas, Co-founder of Measure H, stated her support of Measure H.

Tila Gregorian spoke about the work going on in the Montebello Hills.

Yvonne Watson, Chair of the Environmental Justice Committee, Sierra Club Task Force, handed out flyers regarding a meeting to speak to the representatives of CALGEM about oil and gas facilities issues.

Levar Prothero spoke about a drug lab on South 4th Street.

Bill Walters, Montebello Lions Club, spoke about the upcoming 2nd Annual Diabetes Health Screening.

14. **APPROVAL OF AGENDA:** Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that all items may be approved in a single motion with the exception of Item No. 15, 18 and 20 (pulled from the Agenda), and 30. Such approval will also waive the reading of any ordinance. Motion carried unanimously.

CONSENT MATTERS (15-22)

15. PUBLIC HEARING: ZONE CODE AMENDMENT (ZCA 07-19) TO AMEND TITLE 17 OF THE MONTEBELLO MUNICIPAL CODE TO ALLOW ELECTRIC FENCE TECHNOLOGY IN COMMERCIAL AND INDUSTRIAL ZONES

A brief summary was given by City Manager Bobadilla.

The public hearing opened at the hour of 7:40 p.m.

Keith Kanko spoke about the Zone Amendment.

The public hearing closed at the hour of 7:45 p.m.

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

Approve an Ordinance approving Zone Code Amendment (ZCA 07-19) to amend Title 17 of the Montebello Municipal Code to allow electric fence technology to be implemented within the City's Commercial and Industrial zones with development standards. Motion carried unanimously.

16. APPROVE A PARTNERSHIP AGREEMENT WITH LOS ANGELES COUNTY FOR EAST LOS ANGELES SUSTAINABLE MEDIAN STORMWATER CAPTURE PROJECT

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

1) Approve a Partnership Agreement with Los Angeles County for the East Los Angeles Sustainable Median Stormwater Capture Project in the amount of $5,080,000 in contributions from the City of Montebello.

2) Authorize the City Manager to execute Agreement No. 3752 on behalf of the City.

Motion carried unanimously.

17. ADOPT A RESOLUTION APPROVING PROGRAM SUPPLEMENT NO. F012 TO ADMINISTERING AGENCY-STATE AGREEMENT FOR FEDERAL-AID PROJECTS NO. 07-5247F15

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

1) Adopt Resolution No. 20-18 approving Program Supplement No. F012 to Administering Agency-State Agreement for Federal-Aid Projects No. 07-5247F15 for Arroyo Drive Road Rehabilitation from Astra Drive to Rose Glen Avenue, Project No. STPL-5247(025).

2) Authorize the City Manager to execute Program Supplement Agreement No. 3753 for State funding for Arroyo Drive Road Rehabilitations, Project No. STPL-5247(025).

Motion carried unanimously.

18. BEVERLY BOULEVARD AND 20TH STREET AND BEVERLY BOULEVARD AND 21ST STREET CROSSWALKS IMPROVEMENTS

This item was pulled from the agenda and not discussed.

19. REQUEST FOR PROPOSALS FOR CITYWIDE RADIO SHOP SERVICES

This item was pulled from the agenda and not discussed.

20. CONDUCT A SECOND READING AND ADOPT AN ORDINANCE AMENDING CHAPTER 3.20 OF THE MONTEBELLO MUNICIPAL CODE TO REVISE THE PURCHASING SYSTEM AND PROVIDE BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

Councilmember Torres stated that the City just recently approved the City Manager's authority to $50,000 about a year ago and said that it is too soon to raise the limit to four times that amount. He also asked about how many cities with a similar amendment have had a recent audit, and added that there needs to be strict oversight. Councilmember Torres also stated that he realizes the purchasing process needs to be streamlined.

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

Conduct a second reading, unless waived, and adopt Ordinance No. 2419 amending the City of Montebello Municipal Code to revise Chapter 3.20 outlining the bidding procedures pursuant to the requirements of the Uniform Public Construction Cost Accounting Act. Motion carried 4-1 on the following roll call vote of the City Council:

AYES: Jimenez, Hadjinian, Cobos-Cawthorne, Melendez
NOES: Torres

21. MONTHLY INVESTMENT REPORT – JANUARY 2020

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

Approve and file said report. Motion carried unanimously.

22. PAYMENT OF BILLS: RESOLUTION APPROVING THE CITY/SUCCESSOR AGENCY WARRANT REGISTER OF DEMANDS DATED FEBRUARY 26, 2020

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

Adopt the Resolution No. 20-19 approving the Warrant Register dated February 26, 2020. Motion carried unanimously.

23. PUBLIC ORALS – IF NEEDED

24. INTERGOVERNMENTAL AGENCY MEETINGS UPDATE

COUNCIL ORALS

25. COUNCILMEMBER JIMENEZ

None.

26. COUNCILMEMBER TORRES

None.

27. COUNCILMEMBER HADJINIAN

None.

28. MAYOR PRO TEM COBOS-CAWTHORNE

Consensus to add an item to the City Council Agenda to answer questions from prior meeting.

29. MAYOR MELENDEZ

None.

30. GOLF COURSE MANAGEMENT AGREEMENT

This item came up after the posting of the Agenda. Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne to add to the agenda. Motion carried unanimously to add. Staff report is available.

Ralph Valdez, President of the Southern California Rams Booster Club stated support of Eddie Fierro as a Manager as he has always assisted with the Booster Club golf tournaments.

Garry Applebee stated support of Eddie Fierro.

Eddie Fierro stated that he has been playing and working at the Golf Course for 41 years.

Rich Ruelas, former resident, stated support of Eddie Fierro.

Frank Millan, Co-Founder of the Catherin Millan Foundation stated support of Eddie Fierro as he has assisted him with many golf tournaments.

Zachary Valdez stated support of Eddie Fierro.

Alex Jordan stated support of Eddie Fierro.

Ken Fierro, brother of Eddie Fierro, stated support of Eddie Fierro as a Golf Course Manager.

Dan Kamamoto stated that he was born in Boyle Heights and is a record producer. He stated that no one has a better vision than Eddie Fierro.

Andrew Ontiveros spoke in support of Eddie Fierro and stated that the Men's Club wants to promote the Golf Course.

Marv Fleming stated support of Eddie Fierro.

Councilmember Hadjinian moved, seconded by Councilmember Cobos-Cawthorne that the City Council approved Golf Course Management No. 3756 with La Barge. Motion carried unanimously on a 5-0 roll call vote.

31. PUBLIC EMPLOYEE AGREEMENT: DIRECTOR OF PUBLIC WORKS AGREEMENT WITH JAMES ENRIQUEZ

This item came up after the posting of the Agenda. Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne to add to the agenda. Motion carried unanimously to add. A Staff Report is available.

Councilmember Hadjinian moved, seconded by Councilmember Cobos-Cawthorne that the City Council approve the Employment Agreement No. 3757 with James Enriquez to the position of Director of Public Works. By approving this Agreement, the City Council also authorizes the City Manager to execute the Employment Agreement and bind the City to the terms contained therein.

ADJOURNMENT

Upon motion carried unanimously, Mayor Melendez adjourned the meeting at the hour of 8:30 p.m.

APPROVAL OF MINUTES: Upon motion carried unanimously, the minutes of February 26, 2020, were approved as written on May 13, 2020.

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IRMA BARAJAS, City Clerk

NOTES

CITY OF MONTEBELLO
1600 WEST BEVERLY BLVD.
MONTEBELLO, CALIFORNIA 90640

MARCH 11, 2020
WEDNESDAY
5:35 P.M.

MINUTES

THE CITY OF MONTEBELLO MET AT THE ABOVE TIME AND PLACE IN A REGULAR SESSION.

1. **CALL MEETING TO ORDER:** **Mayor Melendez called the meeting to order at the hour of 5:35 p.m.**

2. **ROLL CALL:** **City Clerk I. Barajas**
MEMBERS PRESENT: **Torres, Hadjinian, Cobos-Cawthorne, Melendez**
MEMBERS ABSENT: **Jimenez**
STAFF PRESENT: **City Manager Bobadilla, City Attorney Alvarez-Glasman**

3. **STATEMENT OF PUBLIC ORAL COMMUNICATIONS FOR CLOSED SESSION ITEMS:**
City Attorney Alvarez-Glasman

ORAL COMMUNICATIONS ON CLOSED SESSION ITEMS

None.

Mayor Melendez recessed the meeting into Closed Session at the hour of 5:37 p.m. to discuss the following items. Mayor Melendez reconvened the meeting at the hour of 6:30 p.m.

CLOSED SESSION - 5:30 P.M.

The City Attorney provided a briefing on the item listed for Closed Session as follows:

4. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Government Code Section 54956.9(d)(4)
Four matters

Prior in to recessing into Closed Session the City Council added three additional matters for a total of four matters. No action was taken on any matters, direction provided to City Attorney and City Staff. Nothing required to be reported.

5. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Government Code Section 54956.8
Property: 901 Via San Clemente
Agency: Rene Bobadilla
Negotiating Parties: Kix Soccer
Under negotiation: Terms of payment or price

Received briefing from Agency's negotiator, no action taken, nothing further to report.

6. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Government Code section 54956.8
Property: 901 Via San Clemente, Montebello, CA
Agency's Negotiator: René Bobadilla, City Manager
Negotiating Party: Transports
Under Negotiation: Price and Terms

Received briefing from Agency's negotiator, no final action.

REGULAR SESSION – 6:30 P.M.

7. INVOCATION: CITY TREASURER GUTIERREZ

PLEDGE OF ALLEGIANCE: JAVIER VARGAS, BOARD MEMBER, LOS ANGELES COUNTY WATER DISTRICT.

8. PRESENTATIONS:

a. INTRODUCTION OF NEW POLICE OFFICERS

9. STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

City Manager Bobadilla gave an update on the Corona Virus crisis and stated that at this time the City is following CDC orders until the State of County announce orders regarding Corona Virus.

10. CORRECTIONS TO THE AGENDA – CITY MANAGER

Addition to the Agenda – Employment Agreement with Young-Gi Kim Harabedian.

11. STATEMENT OF PUBLIC ORAL COMMUNICATIONS: City Attorney Alvarez-Glasman

12. PUBLIC ORAL COMMUNICATIONS ON OPEN SESSION ITEMS (30 MINUTES)

13. APPROVAL OF AGENDA: Mayor Pro Tem Cobos-Cawthorne moved, seconded by Councilmember Torres that all items be approved in a single motion with the exception of Item No. 14. Such approval will also waive the reading of any ordinance. Motion carried 4-0.

SCHEDULED MATTER

14. FISCAL YEAR 2019-20 MID YEAR BUDGET UPDATE

Councilmember Torres moved, seconded by Mayor Pro Tem Torres that the Salary Schedule be moved to approve at the March 25, 2020 City Council meeting. Motion failed on the following roll call vote:

AYES:	Torres, Cobos-Cawthorne
NOES:	Hadjinian, Melendez
ABSENT:	Jimenez

Councilmember Hadjinian moved, seconded by Councilmember Melendez to approve the Resolution. Motion failed on the following roll call vote:

AYES:	Hadjinian, Melendez
NOES:	Torres, Cobos-Cawthorne
ABSENT:	Jimenez

Mayor Pro Tem Cobos-Cawthorne moved, seconded by Mayor Melendez to continue the approval of the Salary Resolution to the March 25, 2020 City Council Meeting. Motion carried on the following roll call vote:

AYES:	Torres, Hadjinian, Cobos-Cawthorne, Melendez
NOES:	None
ABSENT:	Jimenez

CONSENT MATTERS

15. FOURTH AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT NO. 3066 FRO CITY ENGINEERING SERVICES WITH INFRASTRUCTURE ENGINEERS FOR MONTH-TO-MONTH SERVICES

Councilmember Hadjinian moved, seconded by Councilmember Melendez that the City Council:

1) Approve the Fourth Amendment to the Professional Services Agreement No. 3066 for City Engineering Services with Infrastructure Engineers; and

2) Authorize the City Manager to execute on the City's behalf the Fourth Amendment allowing month to month service extension of the Agreement.

16. REQUEST FOR SERVICES (RFS) FOR ENGINEERING AND DESIGN SERVICES FOR FISCAL YEAR 2019-20 CAPITAL IMPROVEMENT PROGRAM (CIP)

Mayor Pro Tem Cobos-Cawthorne moved, seconded by Councilmember Torres that the City Council:

1) Approve Amendment No. 4 and authorize the City Manager to execute on behalf of the City two (2) Requests for Services from Infrastructure Engineers, under Agreement No. 3066, for design and engineering services related to the proposed street improvement projects at Carmelita Avenue; Minson Way, Jacmar Drive, East Allston Street, Medford Way, Kensington Way and Millis Street.
2) Authorize the City Manager to execute the Request for Services on behalf of the City.

Motion carried unanimously.

17. REQUEST FOR PROPOSALS (RFP) FOR EMPLOYEE SCREENING OCCUPATIONAL HEALTH SERVICES

Mayor Pro Tem Cobos-Cawthorne moved, seconded by Councilmember Torres that the City Council authorize City Staff to issue a Request for Proposals (RFP) for Employee Screening and Occupational Health Services.

Motion carried unanimously.

18. PAYMENT OF BILLS: RESOLUTION APPROVING THE CITY/SUCCESSOR AGENCY WARRTANT REGISTER OF DEMANDS DATED MARCH 11, 2020

Mayor Pro Tem Cobos-Cawthorne moved, seconded by Councilmember Torres that the City Council:

Adopt Resolution No. 20-20 approving the Warrant Register dated March 11, 2020.
Motion carried unanimously.

19. APPROVAL OF MINUTES: DECEMBER 18, 2019 JANUARY 8, JANUARY 22, AND FEBRUARY 3, 2020

Councilmember Hadjinian moved, seconded by Councilmember Melendez to approve said minutes as written. Motion carried unanimously.

19b. EMPLOYMENT AGREEMENT WITH YOUNG-GI KIM HARABEDIAN

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne to add to the Agenda. Motion carried to add to the Agenda. Agreement No. 3764 with Young-Gi Kim Harabedian for the position of Director of Transportation was approved on a 4-0 vote of the City Council.

20. PUBLIC ORALS – IF NEEDED

None.

21. INTERGOVERNMENTAL AGENCY MEETINGS UPDATE

Councilmember Torres will serve as Alternate Representative on the Gateway Cities Council of Governments.

COUNCIL ORALS

22. COUNCILMEMBER TORRES

a. Second Request for town hall regarding Montebello Boulevard projects including Montebello Hills Specific Plan, Taylor Ranch and road improvements.
b. Ideas for allocation funds from Measure H e.g. 4th of July Fireworks, Centennial celebration, replenishing emergency reserves, ongoing road maintenance, limited bonding
c. Establish a plan for ongoing road maintenance.

23. COUNCILMEMBER HADJINIAN

None.

24. MAYOR PRO TEM COBOS-CAWTHORNE

a. Neighborhood Watch meeting on March 17 at the Senior Center at 6:30p.m.
b. Measure H

25. COUNCILMEMBER JIMENEZ

None.

26. MAYOR MELENDEZ

None.

ADJOURNMENT

Upon motion carried unanimously, Mayor Melendez adjourned the meeting at the hour of

APPROVAL OF MINUTES: Upon motion carried unanimously, the minutes of March 11, 2020 were approved as written on May 13, 2020.

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IRMA BARAJAS, City Clerk

CITY OF MONTEBELLO
1600 WEST BEVERLY BLVD.
MONTEBELLO, CALIFORNIA

MARCH 12, 2020
WEDNESDAY
4:40 P.M.

MINUTES

THE CITY OF MONTEBELLO CITY COUNCIL MET AT THE ABOVE TIME AND PLACE IN AN EMERGENCY SESSION.

1. **CALL MEETING TO ORDER:** **Mayor Melendez called the meeting to order at the hour of 4:45 p.m.**

2. **ROLL CALL:** **City Clerk I. Barajas**
MEMBERS PRESENT: **Hadjinian, Cobos-Cawthorne, Jimenez (by phone), Torres (by phone), Melendez**
STAFF PRESENT: **City Manager Bobadilla, City Attorney Alvarez-Glasman**

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne to hold this Emergency Meeting per Government Code Section No. 54956.5, whereby an emergency exists. Motion carried unanimously.

3. **STATEMENT OF PUBLIC ORAL COMMUNICATIONS:** City Attorney Alvarez-Glasman

4. **PUBLIC ORAL COMMUNICATIONS**

John Velasco, Heart of Compassion spoke about an upcoming food distribution event for the Homeless on March 21, 2020.

City Manager Bobadilla gave a brief update and stated that goal is for employees and the public to slow down the spread of the Covid-19. The virus is very aggressive.

Mayor Melendez recessed the meeting into Closed Session at the hour of 4:55 p.m. At the hour of 5:58 p.m., Mayor Melendez reconvened the meeting.

CLOSED SESSION

5. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Government Code Section 54956.9(d)(2)
One matter

Councilmember Hadjnian moved, seconded by Mayor Pro Tem Cobos-Cawthorne to determine that an emergency exists, pursuant to Government Code Section No. 54956.5.
One matter was heard, no final action. Motion carried unanimously.

5a. **THREAT TO PUBLIC SERVICES OR FACILITIES**
Government Code Section 54957
Consultation with City Manager, Police Chief, City Attorney and other related City officials

Councilmember Hadjnian moved, seconded by Mayor Pro Tem Cobos-Cawthorne to determine that an emergency exists, pursuant to Government Code Section No. 54956.5. Motion carried unanimously.

City Council provided direction to the City Manager to take first steps to slow the spread of the Corona Virus by taking the following measures:

- Temporary closure of the Montebello City Hall complex to members of the public except for public meetings of the City Council;

- Transitioning Council meetings to accessible form via conference sessions that will allow constituents to make comments, ask questions and engage with local leaders;

- Postponement or cancellation of all non-essential public community events or group activities with 50 or more participants or that that require close contact between vulnerable individuals;

- A ban on all events or conferences on City owned properties that are anticipated to attract more than 50 people, exempting the Quiet Cannon that will follow the State mandate;

- Development of plan to stagger entry for visitors in public building to no more than 50 at a time at parks, pools, and community centers, transit locations and similar facilities;

- Ensure that hand washing and sanitation stations are available in city-owned buildings and that extra steps are taken to clean facilities regularly such as our buses and essential facilities throughout the City;

- Stopping all non-essential travel by City employees to all destinations domestic or foreign; and

- Ordering all Department Heads to develop an Emergency Covid-19 telecommuting plan which may implemented in the event that it becomes unsafe for staff to safely travel to work to their normal work location.

OPEN SESSION

6. CONSIDERATION OF A RESOLUTION PROCLAIMING A LOCAL EMERGENCY DUE TO THE EMPIDEMIC CREATED BY THE COVID-19 VIRUS

Councilmember Hadjinian, seconded by Mayor Pro Tem Cobos-Cawthorne that the City Council:

1) Adopt Resolution No. 20-21 declaring the existence of a local emergency and seeking all available assistance and financial aid from Federal, State and County authorities. Motion carried on the following roll call vote:

AYES: Hadjinian, Cobos-Cawthorne, Jimenez, Torres Melendez
NOES: None

Councilmember Hadjinian moved, seconded by Mayor Pro Tem Cobos-Cawthorne to ratify the measures above as directed by the City Council to the City Manager. Motion carried on the following roll call vote:

AYES: Hadjinian, Cobos-Cawthorne, Jimenez, Torres Melendez
NOES: None

Cecilia Lopez, full-time bus operator, asked question regarding the safety of the bus drivers during the Covid-19 pandemic.

City Manager Bobadilla stated that the City will take all precautions to protect the City employees and follow the CDC recommendation and State mandates.

ADJOURNMENT

Upon motion carried unanimously, Mayor Melendez adjourned the meeting at the hour of 6:16 p.m. and thanked everyone for being present.

APPROVAL OF MINUTES: Upon motion carried unanimously, the minutes of March 12, 2020 were approved as written on May 13, 2020.

IRMA BARAJAS, City Clerk

CITY OF MONTEBELLO
1600 WEST BEVERLY BLVD.
MONTEBELLO, CALIFORNIA

MARCH 16, 2020
WEDNESDAY
2:30 P.M.

MINUTES

THE CITY OF MONTEBELLO CITY COUNCIL MET AT THE ABOVE TIME AND PLACE IN AN EMERGENCY MEETING.

OPENING CEREMONIES

1. CALL MEETING TO ORDER: **Mayor Melendez called the meeting to order at the hour of 2:40 p.m.**

2. ROLL CALL: **Deputy City Clerk L. Guzman**
MEMBERS PRESENT: **Cobos-Cawthorne (present by telephone), Jimenez, Torres (present by telephone), Hadjinian, Melendez**
STAFF PRESENT: **City Manager Bobadilla, City Attorney Alvarez-Glasman**

3. STATEMENT OF PUBLIC ORAL COMMUNICATIONS: City Attorney Alvarez-Glasman

4. PUBLIC ORAL COMMUNICATIONS

Margot Eiser stated that there was no organization as to news regarding the Covid-19. Ms. Eiser submitted information from the Gabrielino Band of Mission Indians regarding the Montebello Hills project.

Mayor Melendez recessed the meeting into Closed Session at the hour of 2:46 p.m. At the hour of 3:10 p.m. Mayor Melendez reconvened the meeting.

CLOSED SESSION

5. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(2)
One matter

OPEN SESSION

6. CONSIDERATION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA DECLARING AND PROCLAIMING THE EXISTENCE OF A LOCAL EMERGENCY DUE TO THE AFFECTS OF THE COVID-19 VIRUS AND THE EFFECTS AND IMPACTS UPON THE OPERATIONS OF GOVERNMENT OF THE CITY OF MONTEBELLO AND SUPERCEDES ALL PREVIOUS RESOLUTIONS PROCLAIMING A LOCAL EMERGENCY

Councilmember Hadjinian moved, seconded by Councilmember Jimenez that the City Council:

1) ADOPT RESOLUTION NO. 20-22 DECLARING AND PROCLAIMING THE EXISTENCE OF A LOCAL EMERGENCY DUE TO THE AFFECTS OF THE COVID-19 VIRUS AND EFFECTS AND IMPACTS UPON THE OPERATIONS OF GOVERNMENT OF THE CITY OF MONTEBELLO AND SUPERCEDES ALL PREVIOUS RESOLUTIONS PROCLAIMING A LOCAL EMERGENCY. Motion carried unanimously on a 5-0 roll call vote of the City Council.

ADJOURNMENT

Upon motion carried unanimously, Mayor Melendez adjourned the meeting at the hour of 3:16 p.m.

APPROVAL OF MINUTES: Upon motion carried unanimously, the minutes of March 16, 2020, were approved as written on

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IRMA BARAJAS, City Clerk

ITEM #22A

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: René Bobadilla, City Manager

BY: Young-Gi Kim Harabedian, Director of Transportation

SUBJECT: **Adoption of a Resolution Authorizing the Filing of Applications with San Joaquin Valley Air Pollution Control District for the Volkswagen Mitigation Trust Funds**

DATE: May 13, 2020

RECOMMENDATION

It is recommended that the City Council:

(1) Adopt a Resolution authorizing the filing of applications with the San Joaquin Valley Air Pollution Control District (SJVAPCD) for the City of Montebello, through Montebello Bus Lines (MBL), to receive Volkswagen Mitigation Trust Funds to purchase zero emission buses.

(2) Take such additional, related, action that may be desirable.

BACKGROUND

In October 2016, Volkswagen (VW) settled with the U.S. government resolving claims that it violated the Clean Air Act by selling diesel vehicles that violated the U.S. Environmental Protection Agency's (EPA) mobile source emission standards. The violation involved installation and use of emission testing "defeat devices" in approximately 500,000 turbocharged direct injection (TOI) 2.0-liter diesel engine vehicles sold and operated in the United States from model year 2009 through 2015. In May 2017, VW entered into a second settlement with the U.S. government resolving additional claims that it violated the Clean Air Act by selling approximately 80,000 TDI 3.0-liter diesel engines also equipped with defeat devices.

The defeat devices allowed the 2.0-liter and 3.0-liter diesel vehicles to meet the applicable nitrogen oxides (NOx) emission limits during emission tests while not meeting these tests during normal vehicle operation. To resolve the 2.0-liter and 3.0-liter diesel engine Clean Air Act violations, VW has agreed to provide $2.925 billion to fully remediate the NOx emissions that were emitted by the approximately 500,000 2.0-

liter and 80,000 3.0 liter vehicles equipped with defeat devices by funding for the new zero-emission replacement buses (the "Volkswagen Mitigation Trust Fund" or the "Grant").

SJVAPCD has limited the maximum amount of each Grant award to $3.25 million or up to $400,000 per fuel-cell bus or $180,000 per battery-electric. In order to apply for the Grant, MBL must have an authorization of project implementation from the City Council. The funds are available on a first come, first served basis so it is critical that MBL apply for the funds as soon as possible.

In addition to City Council authorization to proceed with Grant application, MBL is required to provide a bus price quote from the bus manufacturer and an Executive Order from California Air Resources Board (CARB) indicating that the engine(s) in the new bus(es) will meet the zero-emission regulations and will replace non-zero emission bus(es).

FISCAL IMPACT

No fiscal impact to the General Fund.

SUMMARY

Staff is recommending that the City Council consider adopting the proposed, attached, Resolution authorizing the filing of applications with the San Joaquin Valley Air Pollution Control District (SJVAPCD) for the City of Montebello, through Montebello Bus Lines (MBL), to receive Volkswagen Mitigation Trust Funds; and direct staff to take such additional, related, action that may be desirable.

ATTACHMENTS

Resolution

RESOLUTION NO. ________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO AUTHORIZING THE FILING OF APPLICATIONS WITH SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT FOR THE VOLKWAGEN ENVIRONMENTAL MITIGATION TRUST FUNDS

WHEREAS, after settling a number of violations with federal government involving claims under the Clean Air Act for selling diesel vehicles that violated the U.S. Environmental Protection Agency's (EPA) mobile source emission standards, vehicle producer Volkswagen agreed to provide billions of dollars to Volkswagen Mitigation Trust Fund for a new-zero bus replacement grant program for owners of bus fleets (the "Volkswagen Mitigation Trust Fund" or the "Grant"); and

WHEREAS, the San Joaquin Valley Air Pollution Control District (SJVAPCD) has been delegated authority to administer and award financial assistance to owners of transit fleets under the Grant; and

WHEREAS, the City of Montebello (the "City"), as a transit bus owner by and through the Montebello Bus Lines (the "Transportation Department") is an eligible recipient of the Grant; and

WHEREAS, receipt of Grant funds would assist the Transportation Department comply with the state-mandated operation of a zero-emission bus fleet by 2040; and

WHEREAS, as a potentially qualified applicant, the City is willing and able to carry out all activities described in the Grant guidelines.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Montebello as follows:

1. The Transportation Department is authorized to execute and file an application to San Joaquin Valley Air Pollution Control District for the Volkswagen Mitigation Trust Fund to purchase zero-emission bus(es) on behalf of the City.

2. City Staff shall take the necessary steps to complete the Volkswagen Mitigation Trust Funds application process including executing necessary documents and, if the grant application is approved, managing the project.

APPROVED AND ADOPTED THIS ____ DAY OF MAY, 2020.

Salvador Melendez, Mayor

ATTEST:

APPROVED AS TO FORM:

Irma Barajas, City Clerk

Arnold M. Alvarez-Glasman, City Attorney