



**CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY
JOINT REGULAR MEETING**

WEDNESDAY, OCTOBER 26, 2022 AT 5:00 PM

**CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA**

CITY COUNCIL/PUBLIC FINANCING AUTHORITY

**Kimberly A. Cobos-Cawthorne, Mayor/Chairperson
Angie M. Jimenez, Mayor Pro Tem/Vice Chairperson
Scarlet Peralta, Councilmember/Member
Salvador Melendez, Councilmember/Member
David N. Torres, Councilmember/Member**

**CITY MANAGER/EXECUTIVE
DIRECTOR**

René Bobadilla, City Manager

CITY TREASURER
Rafael Gutierrez

**CITY ATTORNEY/AUTHORITY
COUNSEL**

Arnold M. Alvarez-Glasman

CITY CLERK/SECRETARY OF AUTHORITY

Christopher Jimenez

DEPARTMENT HEADS

**Assistant City Manager
Fire Chief
Police Chief
Director of Finance
Director of Human Resources
Director of Planning/Community Development
Director of Public Works
Director of Recreation and Community Services
Director of Transportation
Director of Public Affairs and Technology**

**Arlene Salazar
Fernando Pelaez
Paul Espinosa
Michael Solorza
Nicholas Razo
Joseph Palombi
James Enriquez
David Sosnowski
Adrianna Kendricks
Michael Chee**

NOTICES

COVID-19 NOTICE: The City Council rescinded the Declaration of the Local Emergency and the continuation of teleconferencing open meetings pursuant to AB 361 by adopting Resolution No. 22-21 on Wednesday, April 13, 2022. This City Council/Public Financing Authority Joint Regular Meeting ("Council"/"PFA") will be held in person and will meet at **City Hall – City Council Chambers, 1600 West Beverly Boulevard, Montebello, California.** The meeting will be live streamed and can be watched on the City's website and YouTube Channel via the following link: <https://www.cityofmontebello.com/government/live-streaming.html>, and may also be viewed on Spectrum Public Access Channel 3 for all Spectrum cable subscribers.

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act (ADA) any person with a disability who requires special accommodations in order to participate in a meeting should contact the Administration Office at (323) 887-1437 Monday-Thursday from 7:30 a.m.-5:30 p.m. Please call 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II 1203). If you require translation services, please contact the City Clerk's office 72 hours before this meeting. **Si necesita servicios de traducción, comuníquese con la Oficina del Secretario Municipal 72 horas antes de esta reunión.** 如果您需要翻译服务, 请在会议前 72 小时联系市书记员办公室

RULES OF DECORUM:

As Established by Ordinance 2443, adopted on October 27, 2021: Signs, placards, banners, horns, noise-making devices, or other similar items shall not be permitted in the audience during a Public Meeting if the presence of such item disturbs, disrupts or otherwise impedes the orderly conduct of the meeting. All persons attending a public meeting shall remain seated in the seats provided, unless addressing the body at the podium or entering or leaving the meeting. No member of the audience shall willfully interrupt the orderly conduct at the meeting, this includes clapping or otherwise speaking from their seats. The presiding officer shall direct the removal of any individual whose willful interruption renders infeasible the orderly conduct of the meeting. In the event the removal of the individual or individuals willfully interrupting the meeting does not restore order, the presiding officer may order the meeting room cleared and continue in session. Speakers shall not engage in willful conduct which interrupts the meeting or interferes with the orderly conduct of the meeting. Any person who becomes boisterous while addressing the Council/PFA or who otherwise disrupts the orderly conduct of the Council/PFA's business shall be subject to removal from the Chambers after being admonished by the presiding officer.

PUBLIC COMMENTS:

In-Person: For those interested in participating during the Public Comment period(s) or public testimony period for Public Hearings of the City Council/PFA meetings, you may address the City Council/PFA in person the day of the meeting. Speakers will be required to fill out a speaker card provided at the door and turn it into the Deputy City Clerk prior to each Public Comment announcement period. Staff will number and call each speaker card in the order received. Closed Session begins at 5:00 p.m. and Regular Session begins no later than 6:00 p.m.

Via Email: The public may also submit emailed comments via the City's email address: ccpubliccomment@cityofmontebello.com, up until the day of the meeting, **Wednesday, October 26, 2022 by 3:00 p.m.** These comments will be submitted to all members of the City Council/PFA and may not be read aloud but will be entered into the record of the proceedings to the extent they relate to matters listed on the posted agenda or otherwise address matters/issues within the subject matter jurisdiction of the City Council/PFA. Any requests to provide public comment which is submitted after the deadlines indicated above will not be submitted to the City Council/PFA, with the exception of non-agenda written item comments which will be held over for the next regularly scheduled meeting.

AGENDA MATERIALS: The agenda and/or agenda packet are available for public inspection at City's website at: <https://www.montebellocal.gov/cms/One.aspx?portalId=58756&pageId=77219>.

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

OPENING CEREMONIES

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS FOR CLOSED SESSION ITEMS

At this time, the general public may address the City Council/PFA on Closed Session Items. Please be aware that the maximum time allotted for members of the public to speak on Closed Session Items shall not exceed three (3) minutes per person. State Law prohibits the City Council/PFA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

CLOSED SESSION 5:00 P.M.

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

1. **THREAT TO PUBLIC SERVICES OR FACILITIES**
Government Code Section 54957
Consultation with City Manager, Police Chief, City Attorney and other related City officials.
2. **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: Topgolf
Under Negotiation: Price and Terms

REGULAR SESSION NO LATER THAN 6:00 P.M.

CLOSED SESSION REPORT

INVOCATION

PLEDGE OF ALLEGIANCE

CORRECTIONS TO THE AGENDA CITY MANAGER

CEREMONIAL/PRESENTATIONS

3. **RECOGNITION OF MUAY THAI TOURNAMENT WINNERS**
4. **RECOGNITION OF SOZENJI BUDDHIST TEMPLE'S 50TH ANNIVERSARY**
5. **BIKE MASTER PLAN/ BIKE RACK INVENTORY PRESENTATION**

PUBLIC COMMENTS ON NON-AGENDA AND AGENDA ITEMS (30 MINUTES)

At this time, the general public may address the City Council/PFA on both non-agenda *and* agenda items. Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker.

State Law prohibits the City Council/PFA from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

PUBLIC HEARING

6. FIRST READING AND INTRODUCTION OF ORDINANCE NO'S. 2454, 2455, AND 2456 APPROVING DEVELOPMENT AGREEMENTS (DA02-22, 03-22, AND 04-22) BETWEEN THE CITY OF MONTEBELLO AND CLEAR CHANNEL OUTDOOR, LLC FOR PROPERTY AT 1720 S. BLUFF ROAD, 1633 WASHINGTON BOULEVARD, AND 1915 W. WHITTIER BOULEVARD

RECOMMENDATION: It is recommended that the City Council:

1. Introduce and waive first reading of Ordinance No. 2454 approving a Development Agreement (DA 02-22) by and between the City of Montebello and Clear Channel Outdoor, LLC for the property located at 1720 S. Bluff Road (Attachment A), and find the project is exempt pursuant to Sections 15061(b)(3) ("Common Sense Exemption") and 15303 ("New Construction or Conversion of Small Structures") of the CEQA Guidelines; and
2. Introduce and waive first reading of Ordinance No. 2455 approving a Development Agreement (DA 03-22) by and between the City of Montebello and Clear Channel Outdoor, LLC for the property located at 1633 Washington Blvd. (Attachment B), and find the project is exempt pursuant to Sections 15061(b)(3) ("Common Sense Exemption") and 15303 ("New Construction or Conversion of Small Structures") of the CEQA Guidelines; and
3. Introduce and waive first reading of Ordinance No. 2456 approving a Development Agreement (DA 04-22) by and between the City of Montebello and Clear Channel Outdoor, LLC for the property located at 1915 W. Whittier Blvd. (Attachment C), and find the project is exempt pursuant to Sections 15061(b)(3) ("Common Sense Exemption") and 15303 ("New Construction or Conversion of Small Structures") of the CEQA Guidelines; and
4. Take such additional and/or related action that may be desirable.

7. ADOPT RESOLUTION NO. 22-88 TO APPROVE SUBMITTAL OF AN APPLICATION FOR THE PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROGRAM FORMULA FUNDING PLAN

RECOMMENDATION: It is recommended that the City Council:

1. Conduct Public Hearing and adopt Resolution No. 22-88 approving the submission of the grant application for the Permanent Local Housing Allocation (PLHA) Program Formula Funding Plan to collect the City's \$1,900,548 five-year allocation; and
2. Hold a Public Hearing for the consideration of approval of the City's Permanent Local Housing Allocation Program Funding Plan and Resolution; and
3. Take such additional, related, action that may be desirable.

REGULAR BUSINESS

8. AMENDMENT OF AGREEMENTS RELATED TO QUIET CANNON MANAGEMENT AND ASSOCIATED BUSINESS ENTITIES

RECOMMENDATION: It is recommended that the City Council:

1. Approve the amended Agreements related to the Quiet Cannon Management (QMC) and associated business entities related to the Golf Course Improvements in substantially the form as presented; and
2. Take such additional, related, action that may be desirable.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

9. ADOPT RESOLUTION NO. 22-84 APPROVING PLANS AND SPECIFICATIONS FOR THE MONTEBELLO DRIVING RANGE PROJECT – TOPGOLF MONTEBELLO; APPROVING A CONTRACT WITH MCCARTHY BUILDING COMPANIES FOR CONSTRUCTION AND CONSTRUCTION MANAGEMENT SERVICES FOR THE MONTEBELLO DRIVING RANGE PROJECT – TOPGOLF MONTEBELLO, AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

RECOMMENDATION: It is recommended that the City Council:

1. Approve final plans and specifications for the Montebello Driving Range Project – Topgolf Montebello (“Project”) prepared by Aria Group Architects, Inc.; and
2. Approve the waiver of competitive bidding and find that McCarthy Building Companies is the only available and qualified contractor to provide the professional and construction services required to develop the Project; and
3. Approve and award a Guaranteed Maximum Price (GMP) Construction Contract to McCarthy Building Companies for construction and construction management services for the Project; and
4. Approve a Notice of Exemption for the subject project and authorize the City Clerk to file the Notice of Exemption with the Los Angeles County Registrar-Recorder; and
5. Authorize the City Manager to make necessary non-monetary changes to the Construction Contract within the Guaranteed Maximum Price (not-to-exceed the net proceeds of the bonds) before execution; and
6. Authorize the City Manager to execute the Construction Contract in a form approved by the City Attorney; and
7. Take any other additional actions necessary.

10. ADOPT RESOLUTION NO. 22-87 FOR AN AWARD FROM THE CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE) FIRE PREVENTION GRANTS PROGRAM

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution NO. 22-87 for an award from the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program; and
2. Take such additional, related, action that may be desirable.

11. PAYMENT OF BILLS: ADOPT RESOLUTION NO. 22-85 APPROVING THE CITY WARRANT REGISTER OF DEMANDS OCTOBER 26, 2022

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution No. 22-85 approving the Warrant Register dated October 26, 2022.

AB 1234 TRAVEL REPORTS

Members of the City Council will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

COUNCIL ORALS

Council member announcements; requests for future agenda items; conference/meetings reports.

- **Kimberly A. Cobos-Cawthorne, Mayor**

-
- **Angie M. Jimenez, Mayor Pro Tem**
 - **David N. Torres, Councilmember**
 - **Scarlet Peralta, Councilmember**
 - **Salvador Melendez, Councilmember**

ADJOURNMENT

The City of Montebello will adjourn to the next **Regular Meeting on November 16, 2022 at 5:00 p.m.** which can be live streamed at www.montebelloca.gov (Click on Live Stream).

I, Alicia Fernandez, Senior Deputy City Clerk for the City of Montebello hereby certify that a copy of this agenda has been posted on or before **Sunday, October 23, 2022 5:00 p.m.**



Alicia Fernandez, Senior Deputy City Clerk



ITEM # 6

**CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Joseph Palombi, Director of Planning & Community Development

SUBJECT: **FIRST READING AND INTRODUCTION OF ORDINANCE NO'S. 2454, 2455, AND 2456 APPROVING DEVELOPMENT AGREEMENTS (DA02-22, 03-22, AND 04-22) BETWEEN THE CITY OF MONTEBELLO AND CLEAR CHANNEL OUTDOOR, LLC FOR PROPERTY AT 1720 S. BLUFF ROAD, 1633 WASHINGTON BOULEVARD, AND 1915 W. WHITTIER BOULEVARD**

DATE: October 26, 2022

RECOMMENDATION(S):

It is recommended that the City Council:

1. Introduce and waive first reading of Ordinance No. 2454 approving a Development Agreement (DA 02-22) by and between the City of Montebello and Clear Channel Outdoor, LLC for the property located at 1720 S. Bluff Road (Attachment A), and find the project is exempt pursuant to Sections 15061(b)(3) ("Common Sense Exemption") and 15303 ("New Construction or Conversion of Small Structures") of the CEQA Guidelines; and
2. Introduce and waive first reading of Ordinance No. 2455 approving a Development Agreement (DA 03-22) by and between the City of Montebello and Clear Channel Outdoor, LLC for the property located at 1633 Washington Blvd. (Attachment B), and find the project is exempt pursuant to Sections 15061(b)(3) ("Common Sense Exemption") and 15303 ("New Construction or Conversion of Small Structures") of the CEQA Guidelines; and
3. Introduce and waive first reading of Ordinance No. 2456 approving a Development Agreement (DA 04-22) by and between the City of Montebello and Clear Channel

**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT -
MEETING OF OCTOBER 26, 2022**

Page 2 of 7

Outdoor, LLC for the property located at 1915 W. Whittier Blvd. (Attachment C), and find the project is exempt pursuant to Sections 15061(b)(3) ("Common Sense Exemption") and 15303 ("New Construction or Conversion of Small Structures") of the CEQA Guidelines; and

4. Take such additional and/or related action that may be desirable.

FISCAL IMPACT:

Pursuant to the Development Agreements (DA Nos. 02-22, 03-22, and 04-22), Clear Channel Outdoor, LLC will provide the following public benefits: 1) a one-time Development Agreement signing bonus totaling \$100,000 (signing bonus of \$20,000 per sign face); 2) an annual development fee totaling \$50,000 per year (\$10,000 per sign face) for the five (5) digital sign faces; 3) a one-time processing fee of \$10,000 per digital sign; and 4) City use of the digital signs for advertising public service announcements and City-related public messages at no charge to the City, subject to available space.

These public benefits will be new sources of General Fund revenue -- one-time and ongoing. The \$50,000 annual fee will be ongoing revenue for the term of the development agreements, and will increase revenue in Fiscal Year 2022-23 based on the execution dates of the development agreements. In addition, the one-time revenues will increase General Fund revenue in FY 2022-23, and those funds will be available for typical General Fund operating uses. Going forward, subsequent budgets will be built using the additional \$50,000 in annual revenue.

BACKGROUND:

Clear Channel Outdoor, LLC (the "Applicant") currently operates 24 existing poster panel (or static) outdoor advertising sign faces on 13 structures located along streets within the City of Montebello. This request includes the approval of three separate development agreements to allow for the relocation in-place of six (6) existing static sign faces located on three separate dual-faced sign poles within the City.

These existing static sign faces are currently located at 1720 S. Bluff Road, 1633 Washington Blvd., and 1915 W. Whittier Blvd. (collectively "the Properties"). The proposed relocation in-place would call for the removal of an existing static sign face for every digital face conversion with a 1:1 net reduction in static signage within the City. As part of this request, the Applicant would relocate in-place five (5) existing static signs with five replacement digital signs for outdoor advertising. It is important to note that none of the sign structures associated with this request would need to be rebuilt in connection with the proposed replacement effort. With the exception of minor electrical upgrades, the replacement would be seamless and result in an enhanced outdoor advertising display that is approximately 700 pounds lighter and much more efficient to operate as it will include remote access capabilities. The replacement signage will, among other things, allow the option for immediate emergency and community messaging along internal corridors by the City, County, and State agencies.

**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT -
MEETING OF OCTOBER 26, 2022**

Page 3 of 7

In addition, the Applicant proposes a Takedown Program in connection with this request. This program includes the removal of five (5) existing static signs within the City. The five (5) signs associated with the Takedown Program include: 1) the double-faced 12' x 25' outdoor advertising sign with printed display faces located on the property at 8105 Slauson Ave.; 2) the double-faced 12' x 25' outdoor advertising sign with printed display faces located on the property at 249 E. Beverly Blvd.; and 3) the single-faced 12' x 25' outdoor advertising sign with printed display face located on the property at 303 W. Whittier Blvd (collectively referred to as the "Takedown Program").

On September 28, 2022, the Applicant filed a request to enter into three (3) separate development agreements ("Development Agreement or DA Nos. 02-22, 03-22, and 04-22") with the City to allow the removal and replacement of the existing double-faced static outdoor advertising signs with new dual-faced digital outdoor advertising signs pursuant to Montebello Municipal Code ("MMC") Section 17.62.105.B(C)(2) and Government Code Sections 5200, 5412, 5443.5, and 65865 *et seq.*

On October 18, 2022, the Planning Commission held a duly noticed public hearing and unanimously approved Resolution Nos. 10-22 (Attachment G), 11-22 (Attachment H), and 12-22 (Attachment I) recommending approval of Development Agreement Nos. 02-22, 03-22, and 04-22 to allow the relocation in-place of five existing dual-faced static outdoor advertising signs with technologically advanced enhanced outdoor advertising signs with digital display faces for the property located at 1720 Bluff Road (DA No. 02-22), 1633 Washington Blvd. (DA No. 03-22), and 1915 W. Whittier Blvd. (DA No. 04-22).

ENVIRONMENTAL IMPACT:

The Project is exempt from the California Environmental Quality Act (CEQA) pursuant to the "Common Sense" exemption set forth under Section 15061(b)(3), which provides that CEQA applies only to projects which have the potential for causing a significant effect on the environment and also states that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In addition, the Project is also exempt from CEQA under the Class 3 categorical exemption set forth under to Section 15303 of the CEQA Guidelines which exempts new construction or conversion of small structures where only minor modifications are made in the exterior of the structure. The proposed relocation and replacement of an existing off-premise dual-faced static sign with a new off-premises dual-faced digital sign including, among other things, minor modifications to the exterior structure as well as enhancement to include the most current technology does not have the potential to degrade the quality of the environment or have a significant effect on the environment.

ANALYSIS:

Section 17.62.105(C)(2) of the Montebello Municipal Code (MMC) pertaining to signage (Sign Code) authorizes the relocation of an off-premises sign, and its replacement with a new off-premises digital sign, upon the approval of a development agreement by the

**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT -
MEETING OF OCTOBER 26, 2022**

Page 4 of 7

City Council that contains all of the appropriate standards and public benefits that are negotiated between the sign owner and the City, and in compliance with all other imposed standards. The following is intended to provide a summary related to Development Agreement Nos. 02-22, 03-22, and 04-22 based on the subject site (collectively referred to as the “Project”):

I. 1720 S. Bluff Road – Development Agreement No. 02-22

The Applicant currently owns and operates an existing double-faced 12’ x 25’ outdoor advertising sign with printed display faces at 1720 S. Bluff Road. This property is currently zoned M-1 (Light Manufacturing Zone) with a General Plan land use designation of Industrial. The Applicant is proposing to relocate the existing sign in-place as a dual-faced 12’ x 25’ outdoor advertising sign with digital display faces. With the exception of electrical upgrades, there would be no structural changes needed to the existing sign pole/structure in connection with this request. In addition, the Applicant will remove one double-faced 12’ x 25’ outdoor advertising sign with printed display faces located at 8105 Slauson Ave. within the City.

II. 1633 Washington Blvd. – Development Agreement No. 03-22

The Applicant currently owns and operates an existing double-faced 12’ x 25’ outdoor advertising sign with printed display faces at 1633 Washington Blvd. This property is currently zoned M-1 (Light Manufacturing Zone) with a General Plan land use designation of Industrial. The Applicant is proposing to relocate the existing sign in-place resulting in a new double-faced 12’ x 25’ outdoor advertising sign with digital display faces. With the exception of electrical upgrades, there would be no structural changes needed to the existing sign pole/structure in connection with this request. In addition, the Applicant will remove one double-faced 12’ x 25’ outdoor advertising sign with printed display faces located at 249 E. Beverly Blvd. within the City.

III. 1915 W. Whittier Blvd. – Development Agreement No. 04-22

The Applicant currently owns and operates an existing double-faced 12’ x 25’ outdoor advertising sign with printed display faces at 1915 W. Whittier Blvd. The subject property is currently zoned C-2 (General Commercial Zone) with a General Plan land use designation of General Commercial. The Applicant is proposing to relocate the existing sign in-place with a new dual-faced 12’ x 25’ outdoor advertising sign with one digital display face and one printed/static display face. With the exception of electrical upgrades, there would be no structural changes needed to the existing sign pole/structure in connection with this request. In addition, the Applicant will remove one single-faced 12’ x 25’ outdoor advertising sign located at 303 W. Whittier Blvd. within the City.

The above-referenced properties (or “Project Sites”) are currently improved with industrial/commercial uses. As described above, the replacement signage converting static to digital would include five (5) new digital outdoor advertising sign faces. In addition, the Takedown Program would permanently remove five (5) existing static outdoor advertising signs located at three (3) separate locations within the City. As previously mentioned, the Takedown Program will occur at 8105 Slauson Ave., 249 E. Beverly Blvd., and 303 W. Whittier Blvd.

CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT - MEETING OF OCTOBER 26, 2022

Page 5 of 7

The Project would implement state-of-the-art technology that will result in a net reduction of vehicle trips to the subject location because these new digital signs will be controlled remotely creating an environment where lighting and messaging could be changed without visiting the subject site. In addition, there would be a reduction in materials used to manually change the static sign face eliminating the need to replace the poster signs that are inherent in the static signs. Lastly, each panel would come equipped with light sensors that automatically control illumination at a pre-set illumination level of 0.3 footcandles over ambient light which could be adjusted remotely, if needed.

DEVELOPMENT AGREEMENT

The State Legislature adopted the "Development Agreement Statute," sections 65864 et seq. of the Government Code to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic costs of development. The City of Montebello, a general law city, is authorized pursuant to the Development Agreement Statute to enter into development agreements with persons having legal or equitable interests in real property for the purpose of establishing predictability for both the City and the owner of the property during the development process.

The Applicant has requested that the City enter into Development Agreement No. 02-22 (Agreement No. 4032, please see Attachment D), Development Agreement No. 03-22 (Agreement No. 4033, please see Attachment E), and Development Agreement No. 04-22 (Agreement No. 4034, please see Attachment F), for the Properties to allow completion of the replacement and relocation program. In accordance with its standard procedures, the Applicant and the City have engaged in negotiations.

The Development Agreement Statute provides that the Planning Commission and the City Council must each hold a public hearing on the proposal prior to approving a development agreement. Development Agreements must be adopted by an ordinance approved by the City Council and cannot be approved unless the legislative body finds that the request/project conforms to the General Plan and any applicable specific plan.

As previously mentioned, the relocation of an off-premises sign, and its replacement with a new off-premises digital sign, is allowed upon the approval of a Development Agreement by the City Council, containing appropriate standards and public benefits to be negotiated between the sign owner and the City, and in compliance with all other imposed standards pursuant to MMC Section 17.62.105(C)(2).

All City fiscal decisions, including the financial aspects and specific deal points of the Development Agreement, are solely the jurisdiction of the Montebello City Council, and it is the City Council's exclusive authority to review and take action upon any such Agreement.

The Project as authorized in the proposed Development Agreements are consistent with the General Plan because the Development Agreements meet the Goals and Objectives of the Land Use Element.

GENERAL PLAN

The Project conforms with the Montebello General Plan, Land Use Element as it will provide a plan for enhanced advertising opportunities for businesses in an effort to increase the taxable revenue from these properties as well as the potential for increased sales tax revenues to the City and eliminates blight through the removal, replacement, and relocation of older signs and the construction of new state-of-the-art digital signs. Specifically, the Project meets the following goals:

Goal #1: To Formulate a plan which is responsive to the needs of the community and which permits the orderly arrangement of land uses, permitting sufficient areas for reasonable development.

Commercial Policy #5: The City should contain ample commercial facilities to meet the needs of its residents as well as provide taxable revenues to the City. Industrial Policy #1: The City's industrial area should be preserved and maintained.

DISCUSSION:

None.

SUMMARY:

Clear Channel Outdoor, LLC (the "Applicant") currently operates 24 existing poster panel (or static) outdoor advertising sign faces on 13 structures located along city streets within the City of Montebello (the "City"). This request for a proposed relocation in place relates to three locations for a total of six (6) existing static sign faces located on three separate dual-faced sign poles. These existing static sign faces are currently located at 1720 S. Bluff Road, 1633 Washington Blvd., and 1915 W. Whittier Blvd. (collectively "the Properties"). The proposed relocation in place would call for the removal of an existing static sign face for every digital face conversion with a 1:1 net reduction in static signage. As part of this request, the Applicant would relocate in-place five (5) existing static signs with five replacement digital signs for outdoor advertising. It is important to note that none of the sign structures associated with this request will need to be rebuilt in connection with the proposed replacement. With the exception of minor electrical upgrades, the replacement would be seamless and result in a sign that is approximately 700 pounds lighter and much more efficient to operate as it will include remote access capabilities. As a result, the converted digital signage could be used, if needed, for immediate emergency and community messaging along internal corridors by the City, County, and State agencies. This request also includes a Takedown Program intended to reduce blighted signage and remove old signs within the City. The Takedown Program will include: 1) the removal of one double-faced 12' x 25' outdoor advertising sign with printed display faces located on the property at 8105 Slauson Ave.; 2) the removal of one double-faced 12' x 25' outdoor advertising sign with printed display faces located on the property at 249 E. Beverly Blvd.; and 3) the removal of one single-faced 12' x 25' outdoor advertising sign with a printed display face located on the property at 303 W. Whittier Blvd.

**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT -
MEETING OF OCTOBER 26, 2022**

Page 7 of 7

ATTACHMENT(S)

1. Attachment A - Ordinance No. 2454 for DA 02-22 Montebello Digital Sign
2. Attachment B - Ordinance No. 2455 for DA 03-22 Montebello Digital Sign
3. Attachment C - Ordinance No. 2456 for DA 04-22 Montebello Digital Sign
4. Attachment D - DA No. 02-22 - 1720 Bluff Road
5. Attachment E - DA No. 03-22 - 1633 Washington Blvd.
6. Attachment F - DA No. 04-22 - 1915 W Whittier Blvd.
7. Attachment G - Resolution No. 10-22
8. Attachment H - Resolution No. 11-22
9. Attachment I - Resolution No. 12-22

NEXT STEPS:

N/A

ORDINANCE NO. 2454

AN ORDINANCE OF THE CITY OF MONTEBELLO, CALIFORNIA APPROVING DEVELOPMENT AGREEMENT NO. 02-22 (AGREEMENT NO. 4032) BY AND BETWEEN THE CITY OF MONTEBELLO AND CLEAR CHANNEL OUTDOOR, INC. FOR A DIGITAL SIGN

WHEREAS, the City of Montebello (“City”) has found that development agreements strengthen the public planning process, encourage private participation in comprehensive planning by providing greater degree of certainty in that process, reduce the economic costs of development, allocate costs to achieve maximum utilization of public and private resources in the development process, and ensure that appropriate measures to enhance and protect the environment are achieved; and

WHEREAS, pursuant to California Government Code Sections 65864 *et seq.*, the City is authorized to enter into development agreements providing for the development of land under terms and conditions set forth herein; and

WHEREAS, Developer has a leasehold interest in that certain portion of real property located at 1720 Bluff Road. in the City of Montebello, CA 90640, Assessor Parcel Number 6369-008-001 upon which Developer currently owns and operates an existing lawfully permitted -double- faced 12’ x 25’ outdoor advertising sign with printed display faces and seeks to relocate such sign in place as a double-faced 12’ x 25’ outdoor advertising sign with digital display faces in consideration for the additional removal of the double-faced 12’ x 25’ outdoor advertising sign located on the real property; and

WHEREAS, on September 28, 2022, the Applicant requested to enter into a Development Agreements (“DA No. 02-22”) with the City to allow the removal and replacement of the existing outdated double-faced static outdoor advertising sign with new double-faced digital outdoor advertising sign (“Project”) pursuant to Montebello Municipal Code Section 17.62.105.B(C)(2) and Government Code Sections 5200, 5412, 5443.5, and 65865 *et seq.*

WHEREAS, the City desires the timely, efficient, orderly, proper development of the Project in furtherance of the goals of the General Plan and the City Council has found that this Development Agreement is consistent with the City’s General Plan; and

WHEREAS, the City Council has determined that this Agreement is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City’s police power; the terms of the Agreement will not be detrimental to the public’s health, safety, or general welfare; and this Agreement is consistent with the City’s General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to more appropriate locations within the City, while allowing for the incorporation of modern technology into relocated

ORDINANCE NO. 2454

Page 2 of 4

displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City's planned development.

WHEREAS, the City and the Applicant have reached mutual agreement and desire to voluntarily enter into the Development Agreement to facilitate development of the Project subject to the conditions and requirements set forth therein; and

WHEREAS, the City Planning Commission held a duly noticed public hearing on October 18, 2022, to consider the Development Agreement to solicit comments on the documents from staff, the public, the Applicant and the City; and

WHEREAS, on October 18, 2022, after closing the public hearing and deliberating, the Planning Commission adopted a resolution recommending that the City Council approve the Development Agreement; and

WHEREAS, on October 26, 2022, the City Council held a duly noticed public hearing on the Development Agreement to solicit comments on the documents from staff, the public, the Applicant and the City; and

WHEREAS, the City Council considered the Staff Report, the Development Agreement, all recommendations by the Planning Commission and staff, Applicant, and public testimony; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY ORDAINS AS FOLLOWS:

SECTION 1. RECITALS. The foregoing recitals are true and correct and are hereby incorporated as substantive findings of this Ordinance.

SECTION 2. Pursuant to California Government Code Section 65865, the City Council hereby approves in substantially the same form as the development agreement hereto as Exhibit "A."

SECTION 3. Based on the entire record before the City Council and all written and oral evidence presented to the City Council, the City Council finds this Ordinance is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City's police power; the terms of the Agreement will not be detrimental to the public's health, safety, or general welfare; and this Agreement is consistent with the City's General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to more appropriate locations within the City, while allowing for the incorporation of modern

ORDINANCE NO. 2454

Page 3 of 4

technology into relocated displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City’s planned development..

SECTION 4. Pursuant to California Government Code Section 65867.5(b), and based on the entire record before the City Council, including all written and oral evidence presented to the City Council, the City Council hereby finds that the Project conforms with the Montebello General Plan, Land Use Element as it will provide a plan for enhanced advertising opportunities for businesses in an effort to increase the taxable revenue from these properties as well as the potential for increased sales tax revenues to the City and eliminates blight through the removal, replacement, and relocation of older signs and the construction of new state-of-the-art digital signs.

SECTION 5. Based on the entire record before the City Council and all written and oral evidence presented to the City Council, the City Council finds that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to the “Common Sense” exemption set forth under Section 15061(b)(3), which provides that CEQA applies only to projects which have the potential for causing a significant effect on the environment and also states that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 6. The City Clerk shall certify the adoption of this Ordinance and cause the same to be published or posted according to law. Pursuant to Government Code Section 65868.5, within ten (10) days following entering into the Development, as evidence by the full execution thereof, the City Clerk shall cause to be recorded a copy of the Development Agreement with the Registrar-Recorder of the County of Los Angeles.

SECTION 7. This Ordinance shall become effective thirty (30) days after its adoption.

PASSED, APPROVED, AND ADOPTED this 16th day of November 2022.

Kimberly A. Cobos-Cawthorne, Mayor

ATTEST:

Christopher Jimenez, City Clerk

ORDINANCE NO. 2454

Page 4 of 4

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

I HEREBY CERTIFY that the foregoing Ordinance was introduced at the regular meeting of the City Council on the 26th day of October, 2022, and was adopted by the City Council of the City of Montebello at its meeting held on the 16th day of November, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Christopher Jimenez, City Clerk

Exhibit A – Development Agreement No. 02-22 (Agreement No. 4032)

ORDINANCE NO. 2455

AN ORDINANCE OF THE CITY OF MONTEBELLO, CALIFORNIA APPROVING DEVELOPMENT AGREEMENT NO. 03-22 (AGREEMENT NO. 4033) BY AND BETWEEN THE CITY OF MONTEBELLO AND CLEAR CHANNEL OUTDOOR, INC. FOR A DIGITAL SIGN

WHEREAS, the City of Montebello (“City”) has found that development agreements strengthen the public planning process, encourage private participation in comprehensive planning by providing greater degree of certainty in that process, reduce the economic costs of development, allocate costs to achieve maximum utilization of public and private resources in the development process, and ensure that appropriate measures to enhance and protect the environment are achieved; and

WHEREAS, pursuant to California Government Code Sections 65864 *et seq.*, the City is authorized to enter into development agreements providing for the development of land under terms and conditions set forth herein; and

WHEREAS, Developer has a leasehold interest in that certain portion of real property located at 1633 Washington Blvd. in the City of Montebello, CA 90640, Assessor Parcel Number 6353-015-023 upon which Developer currently owns and operates an existing lawfully permitted -double- faced 12’ x 25’ outdoor advertising sign with printed display faces and seeks to relocate such sign in place as a double-faced 12’ x 25’ outdoor advertising sign with digital display faces in consideration for the additional removal of the double-faced 12’ x 25’ outdoor advertising sign located on the real property; and

WHEREAS, on September 28, 2022, the Applicant requested to enter into a Development Agreements (“DA No. 03-22”) with the City to allow the removal and replacement of the existing outdated double-faced static outdoor advertising sign with new double-faced digital outdoor advertising sign (“Project”) pursuant to Montebello Municipal Code Section 17.62.105.B(C)(2) and Government Code Sections 5200, 5412, 5443.5, and 65865 *et seq.*

WHEREAS, the City desires the timely, efficient, orderly, proper development of the Project in furtherance of the goals of the General Plan and the City Council has found that this Development Agreement is consistent with the City’s General Plan; and

WHEREAS, the City Council has determined that this Agreement is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City’s police power; the terms of the Agreement will not be detrimental to the public’s health, safety, or general welfare; and this Agreement is consistent with the City’s General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to more appropriate locations within the City, while allowing for the incorporation of modern technology into relocated

ORDINANCE NO. 2455

Page 2 of 4

displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City's planned development.

WHEREAS, the City and the Applicant have reached mutual agreement and desire to voluntarily enter into the Development Agreement to facilitate development of the Project subject to the conditions and requirements set forth therein; and

WHEREAS, the City Planning Commission held a duly noticed public hearing on October 18, 2022, to consider the Development Agreement to solicit comments on the documents from staff, the public, the Applicant and the City; and

WHEREAS, on October 18, 2022, after closing the public hearing and deliberating, the Planning Commission adopted a resolution recommending that the City Council approve the Development Agreement; and

WHEREAS, on October 26, 2022, the City Council held a duly noticed public hearing on the Development Agreement to solicit comments on the documents from staff, the public, the Applicant and the City; and

WHEREAS, the City Council considered the Staff Report, the Development Agreement, all recommendations by the Planning Commission and staff, Applicant, and public testimony; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY ORDAINS AS FOLLOWS:

SECTION 1. RECITALS. The foregoing recitals are true and correct and are hereby incorporated as substantive findings of this Ordinance.

SECTION 2. Pursuant to California Government Code Section 65865, the City Council hereby approves in substantially the same form as the development agreement hereto as Exhibit "A."

SECTION 3. Based on the entire record before the City Council and all written and oral evidence presented to the City Council, the City Council finds this Ordinance is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City's police power; the terms of the Agreement will not be detrimental to the public's health, safety, or general welfare; and this Agreement is consistent with the City's General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to more appropriate locations within the City, while allowing for the incorporation of modern

ORDINANCE NO. 2455

Page 3 of 4

technology into relocated displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City's planned development..

SECTION 4. Pursuant to California Government Code Section 65867.5(b), and based on the entire record before the City Council, including all written and oral evidence presented to the City Council, the City Council hereby finds that the Project conforms with the Montebello General Plan, Land Use Element as it will provide a plan for enhanced advertising opportunities for businesses in an effort to increase the taxable revenue from these properties as well as the potential for increased sales tax revenues to the City and eliminates blight through the removal, replacement, and relocation of older signs and the construction of new state-of-the-art digital signs.

SECTION 5. Based on the entire record before the City Council and all written and oral evidence presented to the City Council, the City Council finds that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to the "Common Sense" exemption set forth under Section 15061(b)(3), which provides that CEQA applies only to projects which have the potential for causing a significant effect on the environment and also states that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 6. The City Clerk shall certify the adoption of this Ordinance and cause the same to be published or posted according to law. Pursuant to Government Code Section 65868.5, within ten (10) days following entering into the Development, as evidence by the full execution thereof, the City Clerk shall cause to be recorded a copy of the Development Agreement with the Registrar-Recorder of the County of Los Angeles.

SECTION 7. This Ordinance shall become effective thirty (30) days after its adoption.

PASSED, APPROVED, AND ADOPTED this 16th day November 2022.

Kimberly A. Cobos-Cawthorne, Mayor

ATTEST:

Christopher Jimenez, City Clerk

ORDINANCE NO. 2455

Page 4 of 4

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

I HEREBY CERTIFY that the foregoing Ordinance was introduced at the regular meeting of the City Council on the 26th day of October, 2022, and was adopted by the City Council of the City of Montebello at its meeting held on the 16th day of November, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Christopher Jimenez, City Clerk

ORDINANCE NO. 2456

AN ORDINANCE OF THE CITY OF MONTEBELLO, CALIFORNIA APPROVING DEVELOPMENT AGREEMENT NO. 04-22 (AGREEMENT NO. 4034) BY AND BETWEEN THE CITY OF MONTEBELLO AND CLEAR CHANNEL OUTDOOR, INC. FOR A DIGITAL SIGN

WHEREAS, the City of Montebello (“City”) has found that development agreements strengthen the public planning process, encourage private participation in comprehensive planning by providing greater degree of certainty in that process, reduce the economic costs of development, allocate costs to achieve maximum utilization of public and private resources in the development process, and ensure that appropriate measures to enhance and protect the environment are achieved; and

WHEREAS, pursuant to California Government Code Sections 65864 *et seq.*, the City is authorized to enter into development agreements providing for the development of land under terms and conditions set forth herein; and

WHEREAS, Developer has a leasehold interest in that certain portion of real property located at 1915 W Whittier Blvd. in the City of Montebello, CA 90640, Assessor Parcel Number 6337-007-033 upon which Developer currently owns and operates an existing lawfully permitted -double- faced 12’ x 25’ outdoor advertising sign with printed display faces and seeks to relocate such sign in place as a double-faced 12’ x 25’ outdoor advertising sign with one digital display face and one printed display face in consideration for the additional removal of the single-faced 12’ x 25’ outdoor advertising sign located on the real property; and

WHEREAS, on September 28, 2022, the Applicant requested to enter into a Development Agreements (“DA No. 04-22”) with the City to allow the removal and replacement of the existing outdated double-faced static outdoor advertising sign with new double-faced digital outdoor advertising sign (“Project”) pursuant to Montebello Municipal Code Section 17.62.105.B(C)(2) and Government Code Sections 5200, 5412, 5443.5, and 65865 *et seq.*

WHEREAS, the City desires the timely, efficient, orderly, proper development of the Project in furtherance of the goals of the General Plan and the City Council has found that this Development Agreement is consistent with the City’s General Plan; and

WHEREAS, the City Council has determined that this Agreement is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City’s police power; the terms of the Agreement will not be detrimental to the public’s health, safety, or general welfare; and this Agreement is consistent with the City’s General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to more appropriate locations

within the City, while allowing for the incorporation of modern technology into relocated displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City's planned development.

WHEREAS, the City and the Applicant have reached mutual agreement and desire to voluntarily enter into the Development Agreement to facilitate development of the Project subject to the conditions and requirements set forth therein; and

WHEREAS, the City Planning Commission held a duly noticed public hearing on October 18, 2022, to consider the Development Agreement to solicit comments on the documents from staff, the public, the Applicant and the City; and

WHEREAS, on October 18, 2022, after closing the public hearing and deliberating, the Planning Commission adopted a resolution recommending that the City Council approve the Development Agreement; and

WHEREAS, on October 26, 2022, the City Council held a duly noticed public hearing on the Development Agreement to solicit comments on the documents from staff, the public, the Applicant and the City; and

WHEREAS, the City Council considered the Staff Report, the Development Agreement, all recommendations by the Planning Commission and staff, Applicant, and public testimony; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY ORDAINS AS FOLLOWS:

SECTION 1. RECITALS. The foregoing recitals are true and correct and are hereby incorporated as substantive findings of this Ordinance.

SECTION 2. Pursuant to California Government Code Section 65865, the City Council hereby approves in substantially the same form as the development agreement hereto as Exhibit "A."

SECTION 3. Based on the entire record before the City Council and all written and oral evidence presented to the City Council, the City Council finds this Ordinance is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City's police power; the terms of the Agreement will not be detrimental to the public's health, safety, or general welfare; and this Agreement is consistent with the City's General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to

ORDINANCE NO. 2456

Page 3 of 4

more appropriate locations within the City, while allowing for the incorporation of modern technology into relocated displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City’s planned development..

SECTION 4. Pursuant to California Government Code Section 65867.5(b), and based on the entire record before the City Council, including all written and oral evidence presented to the City Council, the City Council hereby finds that the Project conforms with the Montebello General Plan, Land Use Element as it will provide a plan for enhanced advertising opportunities for businesses in an effort to increase the taxable revenue from these properties as well as the potential for increased sales tax revenues to the City and eliminates blight through the removal, replacement, and relocation of older signs and the construction of new state-of-the-art digital signs.

SECTION 5. Based on the entire record before the City Council and all written and oral evidence presented to the City Council, the City Council finds that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to the “Common Sense” exemption set forth under Section 15061(b)(3), which provides that CEQA applies only to projects which have the potential for causing a significant effect on the environment and also states that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 6. The City Clerk shall certify the adoption of this Ordinance and cause the same to be published or posted according to law. Pursuant to Government Code Section 65868.5, within ten (10) days following entering into the Development, as evidence by the full execution thereof, the City Clerk shall cause to be recorded a copy of the Development Agreement with the Registrar-Recorder of the County of Los Angeles.

SECTION 7. This Ordinance shall become effective thirty (30) days after its adoption.

PASSED, APPROVED, AND ADOPTED this 16th day of November 2022.

Kimberly A. Cobos-Cawthorne, Mayor

ATTEST:

Christopher Jimenez, City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

I HEREBY CERTIFY that the foregoing Ordinance was introduced at the regular meeting of the City Council on the 26th day of October, 2022, and was adopted by the City Council of the City of Montebello at its meeting held on the 16th day of November, 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Christopher Jimenez, City Clerk

RECORDING REQUESTED BY AND
AFTER RECORDING MAIL TO:

CITY OF MONTEBELLO
1600 West Beverly Boulevard
Montebello, CA 90640
Attn: City Clerk

Space above this line reserved for recorder's use
[Exempt From Recording Fee Per Gov. Code §6103]

DEVELOPMENT AGREEMENT NO. 02-22 (AGREEMENT NO. 4032)

This Development Agreement (hereinafter "Agreement") is entered into by and between the CITY OF MONTEBELLO (hereinafter "City") and CLEAR CHANNEL OUTDOOR, INC., a Delaware corporation (hereinafter "Developer").

RECITALS

A. California Government Code Sections 65864, *et seq.*, ("Development Agreement Law") authorizes cities to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purposes of strengthening the public planning process, encouraging private participation and comprehensive planning, and identifying the economic costs of such development.

B. Developer has a leasehold interest in that certain portion of real property located at 1720 Bluff Road in the City of Montebello, CA 90640, Assessor Parcel Number 6369-008-001, as more specifically described in Exhibit "A" (the "Site") upon which Developer currently owns and operates an existing lawfully permitted double-faced 12' x 25' outdoor advertising sign with printed display faces and seeks to relocate such sign in place as a double-faced 12' x 25' outdoor advertising sign with digital display faces, as more fully described in Exhibit "B" hereto ("New Digital Billboard"), in consideration for the additional removal of the double-faced 12' x 25' outdoor advertising sign located on the real property described on Exhibit "C" hereto (the "Removed Sign" and together with the New Digital Billboard, the "Project").

C. Notwithstanding anything to the contrary in Section 17.62.105 of the City's Zoning Ordinance, the City has determined that the Project contemplated herein complies with Section 17.62.105.C of the Zoning Ordinance, as amended by the Ordinance approving this Agreement (the "Code"), and will provide public benefits among other things, resulting in a net reduction in outdoor advertising signage in the City.

D. City and Developer agree and acknowledge that the outdoor advertising sign relocation contemplated herein complies with, and serves the purposes enumerated in,

California Business & Professions Code Sections 5200 *et seq.* (the “California Outdoor Advertising Act”), including, but not limited to, Sections 5412 and 5443.5.

E. In exchange for the approvals sought to convert the existing double-faced billboard with printed display faces to the New Digital Billboard, as described above, Developer has offered to:

1. Pay to the City an annual Development Fee, as defined and provided in Section 2.6 below, for the cost to the City to ameliorate the impact of the installation of the digital sign panels on the New Digital Billboard; and

2. Provide advertising space free of charge to City on a space available basis as further described below.

3. Pay to the City a signing bonus of Twenty Thousand Dollars (\$20,000) per digital display face under this agreement to be used to refurbish the City’s existing on-premise sign located at 1600 W Beverly Blvd., Montebello CA 90640, (the “Signing Bonus”).

F. Developer and City agree that a development agreement should be approved and adopted to memorialize the expectations of City and Developer as more particularly described herein.

G. On October 26, 2022, the City Council of the City, pursuant to Government Code sections 65867 and 65867.5 and other applicable law, held a duly noticed public hearing to consider the approval of this Agreement and, after hearing public testimony thereon, considered the proposal and introduced Ordinance No. 2454.

H. The City Council has found that: this Agreement is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City’s police power; the terms of the Agreement will not be detrimental to the public’s health, safety, or general welfare; and this Agreement is consistent with the City’s General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to more appropriate locations within the City, while allowing for the incorporation of modern technology into relocated displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City’s planned development.

I. On November 16, 2022, the City Council held the second reading of Ordinance No. 2454, thereby approving this Agreement.

J. City finds and determines that all actions required of City precedent to approval of this Agreement by Ordinance No. 2454 of the City Council have been duly and regularly taken.

K. In exchange for the benefits to the City described in the Agreement, together with other public benefits that will result from the development of the Project (as defined below), Developer will receive by this Agreement assurance that it may proceed with the Project in accordance with Land Use Regulations (as defined below), and therefore desires to enter into this Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized when used in the Agreement. In addition to the terms defined in the Recitals above and elsewhere in this Agreement, the defined terms include the following:

1.1.1 “ Site Lease” means the lease agreement by and between Developer and Bluff Road East LLC, a Limited Liability Company, the owner of the Site.

1.1.2 “Agreement” means this Development Agreement and all attachments and Exhibits hereto.

1.1.3 “City” means the City of Montebello, a California municipal corporation.

1.1.4 “City Council” means the City Council of the City.

1.1.5 “Developer” means Clear Channel Outdoor, LLC, a Delaware limited liability company and its successors and assigns, duly existing and operating, and doing business at 19320 Harborgate Way, Torrance, CA 90501.

1.1.6 “Development Approvals” means any and all permits and approvals which may be required by City, affected utility agencies, or any other governmental agency for the construction and/or operation of the Project by Developer pursuant to the Scope of Development, including but not limited to, necessary building permits and all approvals required under the California Environmental Quality Act (“CEQA”) and from the California Department of Transportation (“Caltrans”), if any.

1.1.7 “Effective Date” is when the Agreement is signed by both the Developer and City and when the Agreement is approved by Ordinance No. 2454, but shall be no sooner than 30 days following approval of this Agreement by Ordinance No. 2454, and after expiration of all applicable appeals periods.

1.1.8 “Land Use Regulations” means all ordinances, resolutions, codes, rules, regulations and official policies of City, including, but not limited to, the City’s General Plan, Municipal Code and Zoning Code, which govern development and use of the Site, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the Site which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement. Land Use Regulations shall also include NPDES regulations and approvals from the California Department of Transportation Outdoor Advertising Division, to the extent applicable.

1.1.9 "Mortgagee" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device, including each of their respective successors and assigns.

1.1.10 "New Digital Billboard" means the new double-faced digital sign, as described in Exhibit "B" hereto located on the Site, and a relocation in place of the existing lawfully permitted double faced outdoor advertising structure 12' x 25' foot printed display faces on the Site.

1.1.11 "Operational" means the New Digital Billboard is capable, legally and functionally, of displaying advertising on the digital displays with a permanent source of power.

1.1.12 "Project" means the complete removal of the Removed Sign and the removal of the existing printed display faces and , and the installation of digital display faces on the New Digital Billboard ".

1.1.13 "Removed Sign" means the sign to be completely removed as more fully described on Exhibit "C" hereto.

1.1.14 "Scope of Development" means the Scope of Development attached hereto as Exhibit "D" and incorporated herein.

1.1.15 "Signing Bonus" means the upfront payment to be used by the City to refurbish its existing on-premise sign as provided in Recital E.3 above.

1.1.16 "Subsequent Land Use Regulations" means any Land Use Regulations effective after the Effective Date of this Agreement which governs development and use of the Project and/or the Site.

1.1.17 "Subsequent Development Approvals" means any and all permits and approvals which may be required by City, affected utility, or any other governmental agency for repair, maintenance, construction, reconstruction, enhancement, development, operation, or other work to be performed by Developer, including but not limited to, necessary building permits and all approvals required under the California Environmental Quality Act ("CEQA"), that occurs after the Project has been constructed and become operational. Consistent with the Outdoor Advertising Act (Bus. & Profs. Code, § 5200 et seq.), the performance of customary maintenance does not require local approvals.

1.1.18 "Term" shall have the meaning provided in Section 2.4, unless earlier terminated as provided in this Agreement.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of this Agreement: Exhibit "A" (Legal Description of Site), Exhibit "B" (Description of New Billboard), Exhibit "C" (Removed Billboards), and Exhibit "D" (Scope of Development)

2. GENERAL PROVISIONS.

2.1 Binding Effect of Agreement. From and following the Effective Date, actions by the City and Developer with respect to the Site, the Project, or the New Digital Billboard, including actions by the City on applications for Subsequent Development Approvals affecting the

Site, shall be subject to the terms and provisions of this Agreement; provided, however, that nothing in this Agreement shall be deemed or construed (i) to modify or amend the Site Lease, or any of Developer's obligations thereunder; (ii) bind or restrict the owner of the Site with respect to its ownership or operation of the Site; or (iii) to impose any obligation whatsoever on the owner of the Site, including without limitation any obligation with respect to the Project, except as expressly set forth in this Agreement.

2.2 Interest in the Site. City and Developer acknowledge and agree that Developer has a legal or equitable interest in the Site and thus is qualified to enter into and be a party to this Agreement under California Government Code 65864 *et. seq.* If Developer's leasehold interest is prematurely terminated by the owner of the Site, then Developer shall have no further obligations under Section 3.2 4 or Exhibit "D" of this Agreement relative to the construction or maintenance of the sign thereon, including but not limited to any payments under Section 2.6 or elsewhere hereunder. Additionally, if Developer's leasehold interest is prematurely terminated by owner of the Site, then this Agreement shall be terminated and Developer shall have no further obligations under this Agreement, except as provided under Section 4.1 with respect to Developer's responsibility to remove the digital display faces on the New Digital Billboard as provided therein.

2.3 No Assignment. Except as set forth herein, neither party may sublet, assign or otherwise transfer this Agreement, or any interest herein, either voluntarily or by operation of law, without the other party's prior written consent, which the other party shall not unreasonably withhold, condition, or delay. Notwithstanding the above, the consent of City shall not be required: (a) for Developer to assign its rights and duties under this Agreement to any type of legal entity, including but not limited to a limited liability company, corporation, or limited partnership, controlling, controlled by or under common control with Developer or to any entity that acquires a majority of Developer's assets in the Southern California market; or (b) in the event any such entity to which this Agreement has been so assigned thereafter merges with another company, reorganizes its stock, or undergoes a similar corporate restructuring, changes ownership or sells any of its assets or stock. Any security posted by Developer may be substituted by the assignee or transferee. After a transfer or assignment as permitted by this Section, the City shall look solely to such assignee or transferee for compliance with the provisions of this Agreement which have been assigned or transferred.

2.4 Term of Agreement. Unless earlier terminated as provided in this Agreement, this Agreement shall continue in full force and effect until the earlier of: (a) twenty (20) years after the date the digital display faces on the New Digital Billboard become Operational; or (b) the earlier termination of this Agreement and Site Lease and the permanent removal of the digital display faces on the New Digital Billboard constructed pursuant to the terms hereof. If one digital face is removed permanently and replaced with a printed face, then this Agreement will remain in full force and effect as to the second digital face and the annual Development Fee under Section 2.6 shall be reduced to one-half of such payments accordingly. This Agreement may be extended at Developer's option at the end of the initial term by delivery of written notice from Developer to the City not less than ninety (90) days prior to expiration of the initial term of this Agreement. Within thirty (30) days after the expiration or termination of this Agreement, the parties shall execute a written cancellation of this Agreement which shall be recorded with the County Recorder pursuant to Section 9.1 below. The term of this Agreement supersedes any amortization period that may apply under the Montebello Municipal Code as to any non-conformity as applied to the Site.

2.5 Processing Fee. Upon submission of its application for the Project approvals, Developer will pay to City a processing (“Processing Fee”) in the amount of Ten Thousand Dollars (\$10,000). This fee is in addition to the payment of customary building plan check or building permit fees. The City shall retain and use the Processing Fee, or any part thereof, for payment of any and all standard fees applicable for the necessary City review, evaluation, and analysis pertaining to the New Digital Billboard, including, but not limited to, legal fees and feasibility analysis incurred by the City in negotiation and preparation of this Agreement.

2.6 Development Fee. The potential impacts of the Project on the City and surrounding community are difficult to identify and calculate. Developer and City agree that an annual development fee paid by Developer to City would adequately ameliorate all such potential impacts. The parties therefore agree that Developer shall pay an annual development fee in the amount of Ten Thousand Dollars (\$10,000.00) per digital display face to City, (“Development Fee”), payable in monthly installments, with the first installment due within thirty (30) days after the display faces on the New Digital Billboard become Operational (the “Commencement Date”), and within thirty (30) days of the year anniversary of such Commencement Date throughout the Term of this Agreement, as follows:

2.7 Notification of Operational Date. Developer shall notify the City in writing when the digital display faces on the New Digital Billboard becomes Operational for the purpose of determining the Commencement Date. The City’s issuance of a building permit shall not be unreasonably withheld, provided the issuance of a building permit is done in compliance with the terms of this Agreement and said permit is issued in full compliance with applicable building codes and standards.

2.8 Community Benefits. Developer shall also provide the following community benefits during the entire Term of this Agreement:

2.8.1 **City’s Use of Digital Sign.** Developer shall also provide, free of charge to City on a space available basis, advertising space on the digital display faces on the New Digital Billboard for purposes of posting public service announcements and City-related advertising or announcements (“City Messages”). The City shall submit all proposed copy of City Messages to Developer not less than five (5) business days prior to the date the copy is proposed to be displayed, and, with the exception of Public Service Messages described in Section 2.8.3, the City shall notify Developer in writing not less than 30 calendar days prior to a requested display date. All proposed copy shall be subject to Developer’s standard advertising copy rejection and removal policies, which allow Developer to approve or disapprove copy and remove copy once posted or displayed. City represents and warrants that all copy, content and materials supplied by City to Developer for display under this Agreement: (i) are owned or duly licensed by City and do not infringe or misappropriate the rights of any other person or entity; (ii) comply with all applicable federal, state, and local laws, rules and regulations and any industry codes or rules by which City and/or Developer may be bound and do not contain any obscene, libelous, slanderous or otherwise defamatory materials or refer in an offensive manner to the gender, race or ethnicity of any individual or group; (iii) are accurate and that all claims contained therein have been substantiated; and (iv) do not infringe upon any copyright, trademark or other intellectual property or privacy right of any third party. Any content provided by City shall be owned and belong exclusively to the City, and Developer shall not reproduce, sell, or give away any such content without the advance written consent of the City. It is expressly understood and agreed that, absent approval from Developer, City Messages shall not include any names, logos or marks associated with any third-party non-governmental person or entity, or any products or services associated with any third-party non-governmental person or entity.

2.8.2 Indemnification for City Messages. The City shall, and hereby does agree to, indemnify, defend and hold harmless Developer for, from and against, any claims, costs (including, but not limited to, court costs and reasonable attorneys' fees), losses, actions or liabilities arising from or in connection with any third party allegation that any portion of any City Message infringes or violates the rights, including, but not limited to, copyright, trademark, trade secret or any similar right, of any third party. This indemnity shall not include Developer's lost profits or consequential damages or any similar right, of any third party.

2.8.3 Public Service Messages. During the entire Term of this Agreement and any extension, Developer shall make advertising space on the digital display faces on the New Digital Billboard Faces available to the appropriate agencies for the purposes of displaying "Amber Alert" or other emergency messages, at no cost, and in accordance with local and regional emergency protocols.

2.9 Prohibited Use. Developer shall not utilize the digital display faces on the New Digital Billboard to advertise tobacco, marijuana, hashish, "gentlemen's clubs," adult entertainment businesses, "obscene matter," as that term is defined in California Penal Code section 311, or any matter that is prohibited by any City ordinance existing as of the Effective Date of this Agreement or as may be amended or implemented from time-to-time after the Effective Date and equally applicable to all billboard displays. In addition, the Developer shall at all times comply with Article 7 § 5402 of the Outdoor Advertising Act from the Business and Professions Code. Developer shall immediately remove any prohibited content upon notice from the City. If there is a dispute between Developer and City as to whether any such content is prohibited, Developer shall remove the disputed content until the dispute is resolved.

2.10 Signing Bonus. Developer shall pay to City the Signing Bonus on the Commencement Date.

3. DEVELOPMENT AND IMPLEMENTATION OF THE PROJECT.

3.1 Vested Right to Develop The Site. Developer shall have the right to develop the Project on the Site in accordance with, and to the extent of, the Development Approvals, the Subsequent Development Approvals, and this Agreement pursuant to the Land Use Regulations including, without limitation, Developer's vested right to develop the Project on the Site; provided that nothing in this Agreement shall be deemed to modify or amend the Site Lease. In the event of any conflict or inconsistency between (i) the Agreement, any Project conditions of approval, and terms for issuance of a Project-related building permit, and (ii) the Land Use Regulations, this Agreement and any Project conditions of approval, and terms for issuance of a Project-related building permit shall prevail and control.

3.2 Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement: the rules, regulations and official policies governing permitted uses of the Site; the density and intensity and use of the Site; the maximum height, bulk, and size of proposed structures; the general location of public utilities; the design, and improvement and construction standards and specifications applicable to development of the Site; and other terms and conditions of development applicable to the Project, are set forth in the Land Use Regulations which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement.

3.3 Development Approvals. Developer shall, at its own expense and before commencement of demolition, construction or development of any structures or other work of

improvement upon the Site, secure or cause to be secured all necessary Development Approvals. Not by way of limiting the foregoing, in developing and constructing the Project, Developer shall comply with all (1) applicable development standards in City's Municipal Code, (2) applicable NPDES requirements pertaining to the Project, (3) all applicable building and fire codes, except as may be permitted through approved variances and modifications. Developer shall pay all normal and customary fees and charges applicable to such permits, and any fees and charges hereafter imposed by City in connection with the Project which are standard and uniformly-applied to similar projects in the City.

3.4 Purpose. The purpose of this Agreement is to set forth the rules and regulations applicable to the Project, which shall be accomplished in accordance with this Agreement, including the Scope of Development (Exhibit "D") which sets forth a description of the Project.

3.5 Changes and Amendments. Developer may determine that changes to the Agreement are appropriate and desirable. In the event Developer makes such a determination, Developer may apply in writing for an amendment to the Agreement to effectuate such change(s). The Parties acknowledge that City shall be permitted to use its inherent land use authority in deciding whether to approve or deny any such amendment request; provided, however, that in exercising the foregoing reasonable discretion, the City shall not apply a standard different than that used in evaluating requests of other developers, and the City must comply with Paragraph 9.18 of this Agreement. Accordingly, under no circumstance shall City be obligated in any manner to approve any amendment to the Agreement. Notwithstanding the foregoing, the City Manager shall be authorized, with the written consent of Developer, to approve any non-substantive amendment to the Agreement without processing a formal amendment to this Agreement. All other amendments shall require the approval of the City Council. The parties acknowledge that any extension of the Term for no more than twenty-four (24) months total is an example of a non-substantive change, which the City Manager, in his or her sole discretion, may approve in writing. Nothing herein shall cause Developer to be in default if it upgrades the digital display installed pursuant to this Agreement during the Term of this Agreement to incorporate newer technology; provided Developer shall secure all applicable ministerial permits to do so and ensure that such upgrade is consistent with the dimensions and standards for the displays, as provided under this Agreement and the Land Use Regulations.

3.6 Reservation of Authority.

3.6.1 **Limitations, Reservations and Exceptions**. Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the development of the Site:

(a) Processing fees and charges of every kind and nature imposed by the City to cover the estimated actual costs to City of processing applications for Subsequent Development Approvals to the extent such fees are assessed on a City-wide basis.

(b) Procedural regulations consistent with this Agreement relating to hearing bodies, petitions, applications, notices, findings, records, hearing, reports, recommendations, appeals and any other matter of procedure. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

(c) Changes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, as adopted by City as Subsequent Land Use Regulations, if adopted prior to the issuance of a building permit for development of the digital display faces on the New Digital Billboard on the Site. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

(d) Regulations that are not in conflict with the Development Approvals or this Agreement, and do not (1) reduce the size of the Project as permitted under the Land Use Regulations; (2) interfere with the operation of the New Digital Billboard as permitted under the Land Use Regulations; (3) change the land use designation or permitted or conditionally permitted use of the Site as described in the Land Use Regulations; (4) require the issuance of permits, approvals or entitlements by City other than those required under the Existing Land Use Regulations; or (5) materially limit the processing or procuring of applications and approvals of Subsequent Development Approvals.

(e) Regulations that are in conflict with the Development Approvals or this Agreement, provided Developer has given written consent to the application of such regulations to the Development of the Site.

(f) Applicable Federal, State, County, and multi-jurisdictional law and regulations which City is required to enforce as against the Site and that do not have an exception for existing signs or legal nonconforming uses.

3.6.2 Future Discretion of City. This Agreement shall not prevent City from denying or conditionally approving any application for a Subsequent Development Approval on the basis of the Land Use Regulations.

3.6.3 Modification or Suspension by Federal or State Law. In the event that applicable federal or state laws or regulations enacted after the Effective Date of this Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement, and there is no exception for the legal nonconforming use, each party shall provide the other party with written notice of such state or federal law or regulation, a copy of such law or regulation, and a statement concerning the conflict with the provisions of this Agreement. The parties shall, within thirty (30) days, meet and confer in good faith in a reasonable attempt to modify this Agreement so as to comply with such state or federal law or regulation. This Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provision impractical to enforce. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

3.7 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not subject to control by City may possess authority to regulate aspects of the development of the Site as contemplated herein, and this Agreement does not limit the authority of such other public agencies. Developer acknowledges and represents that, in addition to the Land Use Regulations, Developer shall, at all times, comply with all applicable federal, State and local laws and regulations applicable to the New Digital Billboard and Site that do not have an exception for a legal nonconforming use. To the extent such other public agencies

preclude development or maintenance of the Project and that do not have an exception for a legal nonconforming use, Developer shall not be further obligated under this Agreement except as provided in Section 4.1. Notwithstanding the foregoing, if such action by another public agency materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice

3.8 Public Improvements. Notwithstanding any provision herein to the contrary, the City shall retain the right to condition any Subsequent Development Approvals to require Developer to pay any required development fees, and/or to construct the required public infrastructure ("Exactions") at such time as City shall determine subject to the following conditions.

3.8.1 The payment or construction must be to alleviate an impact caused by the Project or be of benefit to the Project; and

3.8.2 The timing of the Exaction should be reasonably related to the development of the Project and said public improvements shall be phased to be commensurate with the logical progression of the Project development as well as the reasonable needs of the public.

3.8.3 It being understood, however, that if there is a material increase in cost to Developer or such action by City otherwise materially impacts Developer's performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

3.9 Fees, Taxes and Assessments. During the Term of this Agreement, the City shall not, without the prior written consent of Developer, impose any additional fees, taxes or assessments on all or any portion of the Project, except such fees, taxes and assessments as are described in or required by this Agreement and/or the Development Approvals. However, this Agreement shall not prohibit the application of fees, taxes or assessments upon the Site only and not the New Digital Billboard or Developer directly as follows:

3.9.1 Developer shall be obligated to pay those fees, taxes or City assessments and any increases in same which exist as the Effective Date or are included in the Development Approvals;

3.9.2 Developer shall be obligated to pay any fees or taxes, and increases thereof, imposed on a City-wide basis such as, but not limited to, business license fees or taxes or utility taxes;

3.9.3 Developer shall be obligated to pay all fees applicable to a permit application as charged by City at the time such application is filed by Developer;

3.9.4 Developer shall be obligated to pay any fees imposed pursuant to any Uniform Code that existed when the application is filed by the Developer or that exists when the Developer applies for any Subsequent Development Approval.

3.10 Additional Fees; Termination. Notwithstanding anything to the contrary herein, if there is a change in such fees to those charged as of the full execution hereof, or any additional fees are charged and such additional or increased fees materially change Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

3.11 Term. The term of any Development Approvals and Subsequent Development Approvals shall be automatically extended for the longer of the Term of this Agreement or the term otherwise applicable to the Development Approvals and Subsequent Development Approvals.

4. REMOVAL OF BILLBOARD DISPLAY FACES.

4.1 Removal by Developer. If an extension of the Term is not granted by the City according to the provisions of paragraph 2.4, above, the New Digital Billboard digital display faces will be removed and the displays may be converted back to printed displays. In the event that the digital displays are not converted back to printed displays according to the terms of this paragraph, Developer shall within sixty (60) days from expiration of the Term, at its sole cost and expense, be required to demolish and remove the New Digital Billboard digital display faces.

4.2 City's Right to Removal. Provided Developer is not in material breach hereof past any applicable notice and cure period, City will not have the right to remove the New Digital Billboard digital display faces. Should Developer be in material breach of this Agreement past any applicable notice and cure period, and subject to due process, City may only require removal of the New Digital Billboard digital display faces. If City requires the New Digital Billboard digital display faces to be removed pursuant to the terms of this paragraph, Developer shall, at its sole cost and expense, remove the digital displays upon the New Digital Billboard and convert the displays to printed displays within ninety (90) days of City's notice to Developer of such breach.

5. REVIEW FOR COMPLIANCE.

5.1 Annual Reviews. At least once every twelve (12) months, Developer shall demonstrate its good faith compliance with the terms hereof by providing written correspondence addressed to the City Manager demonstrating such good faith compliance. "Good faith compliance" shall mean that Developer has sufficiently followed the terms of this Agreement so as to carry out the intent of the parties in entering into it. After receiving and reviewing Developer's written submission, if the City Manager finds that Developer is not acting in good faith compliance with this Agreement, the City Manager shall schedule a hearing before the Planning Commission in order to evaluate Developer's good faith compliance with the terms of the Agreement. The City shall provide Developer with notice of such hearing and a copy of all staff reports and related exhibits as soon as available, but in no event later than five days prior to the hearing. The Planning Commission's determination following such hearing shall be based on substantial evidence, and shall be subject to appeal to the City Council. If the Planning Commission or City Council, as applicable, finds that the Developer is not in good faith compliance with the terms of this Agreement, the provisions of Section 6 shall govern the parties rights.

5.2 City Right of Access. The City, its officers, employees, agents and contractors, shall, in the exercise of the City's police power, have the right, at their sole risk and expense, to enter the Site consistent with any rights the City has obtained by virtue of recorded easement or other property interests or, if no such interests exist, upon execution of a license or other applicable written agreement in a form mutually acceptable to the owner of the Site and upon written notice to Developer. The access to the Site described in this paragraph shall be for the purpose of conducting the inspection, maintenance, repair, service, construction, or relocation of any public improvements or public facilities located on the Site, or to exercise its rights under section 4.2. If an emergency repair to a public improvement or public facility on the Site is required and the City does not possess and has not obtained the foregoing access rights, Developer

acknowledges that the City may exercise its police power to enter the Site and conduct such repair after providing Developer and the Site owner with reasonable advance notice, with the reasonableness of such notice to be determined from the circumstances necessitating the entry. Any damage or injury to the Site or to the improvements constructed thereon resulting from such entry shall be promptly repaired at the sole expense of the City. The City also may access the Site in order to implement any of its lawful police powers to address any nuisance, dangerous condition, or other condition prohibited under the City's ordinances, so long as the City conducts the foregoing activities in a manner consistent with and protective of Developer's and the Site owner's due process rights. Except as explicitly provided for in this Agreement (including without limitation in this Section and Section 4.2 above), the City shall have no right whatsoever to enter the Site.

5.3 Procedure. Each party shall have a reasonable opportunity to assert matters which it believes have not been undertaken in accordance with the Agreement, to explain the basis for such assertion, and to receive from the other party a justification of its position on such matters. If, on the basis of the parties' review of any terms of the Agreement, either party concludes that the other party has not complied with the terms of the Agreement, then such party may issue a written "Notice of Non-Compliance" specifying the grounds therefore and all facts demonstrating such non-compliance. The party receiving a Notice of Non-Compliance shall have forty-five (45) days to cure or remedy the non-compliance identified in the Notice of Non-Compliance, or if such cure or remedy is not reasonably capable of being cured or remedied within such forty-five (45) days period, to commence to cure or remedy the non-compliance and to diligently and in good faith prosecute such cure or remedy to completion. If the party receiving the Notice of Non-Compliance disputes that it is in non-compliance with the terms of this Agreement, that party shall respond in writing to the Notice of Non-Compliance within forty-five (45) days after receipt of the Notice of Non-Compliance. If a Notice of Non-Compliance is disputed, the parties shall, for a period of not less than fifteen (15) days following receipt of the response to the Notice of Non-Compliance, seek to arrive at a mutually acceptable resolution of the dispute. In the event that a cure or remedy is not timely effected or, if the Notice of Non-Compliance is disputed and the parties are not able to arrive at a mutually acceptable resolution of the matter(s) by the end of the fifteen (15) day period described above, the party alleging the non-compliance may thereupon pursue the remedies provided in Section 6. Neither party hereto shall be deemed in breach if the reason for non-compliance is due to a "force majeure" event as defined in, and subject to the provisions of, Section 9.10.

6. DEFAULT AND REMEDIES.

6.1 Termination of Agreement.

6.1.1 **Termination of Agreement for Material Default of Developer.**

City, in its discretion, may terminate this Agreement upon written notice to Developer for any material failure of Developer to perform any material duty or obligation of Developer hereunder or to comply with the terms of this Agreement (hereinafter referred to as "default" or "breach"); provided, however, City may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.3. In the event of a termination by City under this Section 6.1.1, Developer acknowledges and agrees that, unless otherwise set forth below, City may retain all fees, including the Processing Fee and the Development Fee paid up to the date of termination, and Developer shall pay the prorated amount of the Development Fee within sixty (60) days after the date of termination and removal of the New Digital Billboard that equates to the percentage of time elapsed in the year of the Term at the time of termination. In the event that City terminates this Agreement under this Section 6.1.1 before the New Digital Billboard

digital display faces become Operational, City shall refund any portion of the Processing Fee that the City has not reasonably expended at the time of such termination after payment to City of the fees and costs described in Section 2.5.

6.1.2 Termination of Agreement for Material Default of City.

Developer, in its discretion, may terminate this Agreement upon written notice to City for any material failure of City to perform any material duty or obligation of City hereunder or to comply in with the terms of this Agreement; provided, however, Developer may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.3. In addition, Developer may terminate this Agreement upon written notice to City, if despite Developer's good faith efforts, it is unable to secure the Development Approvals and any other necessary approvals and/or compliance with requirements under laws necessary to effectuate the Project is not feasible. In the event of a termination by Developer under this Section 6.1.2, Developer acknowledges and agrees that, unless otherwise set forth below, City may retain all fees, including the Processing Fee and the Development Fee, paid up to the date of termination, and Developer shall pay the prorated amount of the Development Fee within sixty (60) days after the date of termination and removal of the New Digital Billboard digital display faces that equates to the percentage of time elapsed in the year of the Term at the time of termination. In the event that Developer terminates this Agreement under this Section 6.1.2 before the New Digital Billboard digital display faces become Operational, City shall refund any portion of the Processing Fee that the City has not reasonably expended at the time of such termination after payment to City of the fees and costs described in Section 2.5.

6.1.3 Rights and Duties Following Termination.

Upon the termination of this Agreement, no party shall have any further right or obligation hereunder except with respect to (i) any default in the performance of the provisions of this Agreement which has occurred prior to said termination, (ii) Developer's obligation to remove the digital display faces on the New Digital billboard pursuant to Section 4.1 or (iii) any continuing obligations to indemnify other parties.

6.2 Remedies.

In addition to the rights of termination set forth above, in the event of a default by either party, the non-defaulting party shall have the right to: (a) bring any proceeding in the nature of specific performance, injunctive relief, declaratory relief, or mandamus and/or; (b) bring any action at law or in equity to compensate the non-defaulting party for all the detriment proximately caused by the defaulting party's default; provided, however, that Developer's sole and exclusive remedy shall be specific performance and Developer shall not have the right to recover monetary damages (compensatory, consequential, or punitive) against the City other than attorneys' fees to the extent provided in Section 9.13 below, and the City shall only have the right to recover actual, direct damages (and not consequential or punitive damages) against Developer, as well as attorneys' fees to the extent provided in Section 9.13 below.

7. INSURANCE, INDEMNIFICATION AND WAIVERS.

7.1

7.1.1 Types of Insurance.

(a) **Liability Insurance.** Beginning on the Effective Date hereof and until completion of the Term, Developer shall, at its sole cost and expense, keep or cause to be kept in force for the mutual benefit of City, as additional insured, and Developer comprehensive broad form general liability insurance covering Developer's possession and use of the Site and

providing protection of at least Two Million Dollars (\$2,000,000) for bodily injury or death to any one person, at least Four Million Dollars (\$4,000,000) in the aggregate for any accidents or occurrences, and at least One Million Dollars (\$1,000,000) for property damage. Developer shall also furnish or cause to be furnished to City evidence that any contractors with whom Developer has contracted for the performance of any work for which Developer is responsible maintains the same limits of coverage, as specified above. Developer shall provide to the City annual proof of insurance consistent with terms and conditions of this agreement.

(b) Worker's Compensation. Developer shall also furnish or cause to be furnished to City evidence that any contractor with whom Developer has contracted for the performance of any work for which Developer is responsible hereunder carries worker's compensation insurance as required by law.

(c) Insurance Policy Form, Sufficiency, Content and Insurer. All insurance required by express provisions hereof shall be carried only by responsible insurance companies qualified to do business by California with an AM Best Rating of no less than "A". All such policies shall be non-assignable and shall contain language, to the extent obtainable, to the effect that (i) the policies are primary and noncontributing with any insurance that may be carried by City, but only with respect to the liabilities assumed by Developer under this Agreement; and (ii) the policies cannot be canceled or materially changed by Developer except after written notice by Developer to City or City's designated representative and the City's approval thereof. Developer shall furnish City with certificates of insurance evidencing that Developer has complied with the requirements of this paragraph 7.1.1.

7.1.2 Failure to Maintain Insurance and Proof of Compliance. Developer shall deliver to City, in the manner required for notices, copies of certificates of all insurance policies required of each policy within the following time limits:

(1) For insurance required above, within seven (7) days after the Effective Date or consistent with the requirements of Exhibit "C" (Schedule of Performance), Item No. 8.

(2) The City can request current certificates of all insurance policies as required. The City reserves the right to obtain copies of relevant policy forms and endorsements of the required insurance policies.

Developer's failure or refusal to procure or maintain insurance as required herein or failure or refusal to furnish City with proof that the required insurance has been procured and is in full force and effect may, after complying with the requirements of Section 5.3, be deemed a default under the terms of this Agreement.

7.2 Indemnification.

7.2.1 **General.** Developer shall indemnify the City, and its respective officers, employees, and/or agents against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions, or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person(s), firm, or entity arising out of or in connection with this Agreement and/or the work, operations, or activities of Developer, its agents, employees, subcontractors, and/or invitees, hereunder, upon the Site.

(a) Developer will defend any action or actions filed in connection with any of said claims or liabilities covered by the indemnification provisions herein and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith, which attorneys will be the attorneys hired by the insurance company where insurance coverage applies.

(b) Developer will promptly pay any judgment rendered against the City or its respective officers, agents, or employees that falls within the scope of Developer's indemnity obligations, as defined above in paragraph 7.2.1.

7.2.2 Exceptions. The foregoing indemnity shall not include claims or liabilities arising from the sole negligence or willful misconduct of the City, its officers, agents, or employees or contractors. The foregoing indemnity shall also not include claims or liabilities arising from City's use of Developer's advertising space pursuant to paragraph 2.9.1 above.

7.2.3 Additional Coverage. Without limiting the generality of the foregoing, Developer's indemnity obligation shall include any liability arising by reason of any accident or other occurrence caused by Developer in or on the Site causing injury to any person or property;

(a) **Loss and Damage.** Except as set forth below, City shall not be liable for any damage to property of Developer or others located on the Site, nor for the loss of or damage to any property of Developer or others by theft or otherwise. Except as set forth below, City shall not be liable for any injury or damage to persons or property resulting from fire, explosion, steam, gas, electricity, water, rain, dampness or leaks from any part of the Site or from the pipes or plumbing, or from the street, or from any environmental or soil contamination or hazard, or from any other latent or patent defect in the soil, subsurface or physical condition of the Site, or by any other cause of whatsoever nature. The provisions of this subparagraph (a) shall not apply (i) to the extent City or its agents, employees, subcontractors, invitees or representatives causes such injury or damage, or (ii) to the extent covered in any permit to enter the Site executed by the City.

(b) **Period of Indemnification.** The obligations for indemnity under this Section 7.2 shall begin upon the Effective Date and shall survive termination of Development Agreement.

8. MORTGAGEE PROTECTION.

The parties hereto agree that this Agreement shall not prevent or limit Developer, in any manner, at Developer's sole discretion, from encumbering the Site or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Site. City acknowledges that the lenders providing such financing may require certain Agreement modifications and City agrees upon request, from time to time, to meet with Developer, the owner of the Site, and representatives of such lenders to negotiate in good faith any such request for modification. Subject to compliance with applicable laws, City will not unreasonably withhold its consent to any such requested modification provided City determines such modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Site shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Project or the Site made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Project or the Site, or any part thereof, which Mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by Developer in the performance of Developer's obligations under this Agreement.

(c) If City timely receives a request from a Mortgagee requesting a copy of any notice of default given to Developer under the terms of this Agreement, City shall make a good faith effort to provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to Developer. The Mortgagee shall have the right, but not the obligation, to cure the default during the period that is the longer of (i) the remaining cure period allowed such party under this Agreement, or (ii) sixty (60) days.

(d) Any Mortgagee who comes into possession of the Project or the Site, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Project or the Site, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of Developer's obligations or other affirmative covenants of Developer hereunder, or to guarantee such performance; except that (i) to the extent that any covenant to be performed by Developer is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and (ii) in the event any Mortgagee seeks to develop or use any portion of the Project or the Site acquired by such Mortgagee by foreclosure, deed of trust, or deed in lieu of foreclosure, such Mortgagee shall strictly comply with all of the terms, conditions and requirements of this Agreement and the Development Approvals applicable to the Project or the Site or such part thereof so acquired by the Mortgagee.

9. MISCELLANEOUS PROVISIONS.

9.1 Recordation of Agreement. This Agreement shall be recorded with the County Recorder by the City Clerk within ten (10) days of execution, as required by Government Code Section 65868.5. Amendments approved by the parties, and any cancellation, shall be similarly recorded.

9.2 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the parties with respect to the subject matter set forth herein, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

9.3 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, then that term, provision, covenant or condition of this Agreement shall be stricken and the remaining portion of this Agreement shall remain valid and enforceable if that stricken term, provision, covenant or condition is not material to the main

purpose of this agreement, which is to allow the Project to be permitted and operated and to provide the Development Fee to the City; otherwise, this Agreement shall terminate in its entirety, unless the parties otherwise agree in writing, which agreement shall not be unreasonably withheld.

9.4 Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning, to achieve the objectives and purposes of the parties hereto. The rule of construction, to the effect that ambiguities are to be resolved against the drafting party or in favor of the non-drafting party, shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and hereof.

9.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

9.6 Singular and Plural. As used herein, the singular of any word includes the plural.

9.7 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

9.8 Waiver. Failure of a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

9.9 No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit for the parties and their owner, successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

9.10 Force Majeure. Notwithstanding the contrary herein, neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by earthquakes, other acts of God, fires, rains, winds, wars, pandemics, epidemics, terrorism, riots or similar hostilities, strikes and other labor difficulties beyond the party's control (including the party's employment force), government actions and regulations (other than those of the City), court actions (such as restraining orders or injunctions), or other causes beyond the party's reasonable control. If any such events shall occur, the term of this Agreement and the time for performance shall be extended for the duration of each such event, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years and further provided that if such delay is longer than six (6) months, Developer may terminate this Agreement upon written notice to City and City shall return to Developer any portion of the Development fee paid for any period after the effective date of such termination.

9.11 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

9.12 Counterparts. This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same affected as if all of the parties had executed the same instrument.

9.13 Litigation. Any action at law or in equity arising under this Agreement or brought by any party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Los Angeles, State of California, or such other appropriate court in said county. Service of process on City shall be made in accordance with California law. Service of process on Developer shall be made in any manner permitted by California law and shall be effective whether served inside or outside California. In the event of any action between City and Developer seeking enforcement or interpretation of any of the terms and conditions to this Agreement, the prevailing party in such action shall be awarded, in addition to such relief to which such party is entitled under this Agreement, its reasonable litigation costs and expenses, including without limitation its expert witness fees and reasonable attorneys' fees.

9.14 Covenant Not To Sue. The parties to this Agreement, and each of them, agree that this Agreement and each term hereof are legal, valid, binding, and enforceable. The parties to this Agreement, and each of them, hereby covenant and agree that each of them will not commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other party to this Agreement, in law or in equity, which is based on an allegation, or assert in any such action, that this Agreement or any term hereof is void, invalid, or unenforceable.

9.15 Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the Development of the Project is a private Development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between City and Developer is that of a government entity regulating the Development of private property, on the one hand, and the holder of a legal or equitable interest in such property on the other hand. City agrees that by its approval of, and entering into, this Agreement, that it is not taking any action which would transform this private Development into a "public work" project, and that nothing herein shall be interpreted to convey upon Developer any benefit which would transform Developer's private project into a public work project, it being understood that this Agreement is entered into by City and Developer upon the exchange of consideration described in this Agreement, including the Recitals to this Agreement which are incorporated into this Agreement and made a part hereof, and that City is receiving by and through this Agreement the full measure of benefit in exchange for the burdens placed on Developer by this Agreement.

9.16 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

9.17 Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by City of its power of eminent domain or Developer's right to seek and collect just compensation or any other remedy available to it.

9.18 Amendments in Writing/Cooperation. This Agreement may be amended only by written consent of both parties specifically approving the amendment and in accordance with the Government Code provisions for the amendment of Development Agreements. The parties shall cooperate in good faith with respect to any amendment proposed in order to clarify the intent and application of this Agreement, and shall treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters. Minor, non-material modifications may be approved by the City Manager upon approval by the City Attorney.

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

9.20 Notices. All notices under this Agreement shall be effective when delivered by United States Postal Service mail, registered or certified, postage prepaid return receipt requested; and addressed to the respective parties as set forth below or as to such other address as the parties may from time to time designate in writing by providing notice to the other party:

To City: City of Montebello
1600 West Beverly Boulevard
Montebello, CA 90640
Attn: City Manager

To Developer: Clear Channel Outdoor, Inc.
19320 Harborgate Way
Torrance, CA 90501
Attn: Vice President, Real Estate & Public Affairs

With Copy To: Clear Channel Outdoor, LLC
2325 E. Camelback Road, Suite 250
Phoenix, AZ 85016
Attn: Operations Counsel

9.21 Nonliability of City Officials. No officer, official, member, employee, agent, and/or representatives of City shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, member, employee, agent, and/or representative.

9.22 No Brokers. City and Developer represent and warrant to the other that neither has employed any broker and/or finder to represent its interest in this transaction. Each party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorneys' fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with this Agreement or arising out of agreements by the indemnifying party to pay any commission or finder's fee.

9.23 No Amendment of Lease. Nothing contained in this Agreement shall be deemed to amend or modify any of the terms or provisions of the Lease. Nothing contained in this Agreement shall constitute or be deemed to constitute a limit on any of Developer's

obligations under the Lease, or any of Owner's rights or remedies against Developer under the Lease.

WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

City: CITY OF MONTEBELLO

By: _____

Mayor

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

Developer:

Clear Channel Outdoor, LLC a Delaware limited liability company

Bryan Parker, Executive Vice President

[end of signatures]

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

State of California)
County of Los Angeles)

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

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

WITNESS my hand and official seal.

Signature _____

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

State of California)
County of Los Angeles)

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

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

WITNESS my hand and official seal.

Signature _____

EXHIBIT "A"

LEGAL DESCRIPTION OF SITE

EAST LAGUNA LOT EX OF HIKING AND RIDING TRAIL COM AT MOST N COR OF LOT 23 TH S
6746'15" E TO SE BDRY LINE OF MONTEBELLO CITY TH SW THEREON TO NE LINE OF
SLAUSONAVE TH NW ON SD NE LINE BEG PART OF LOT 23

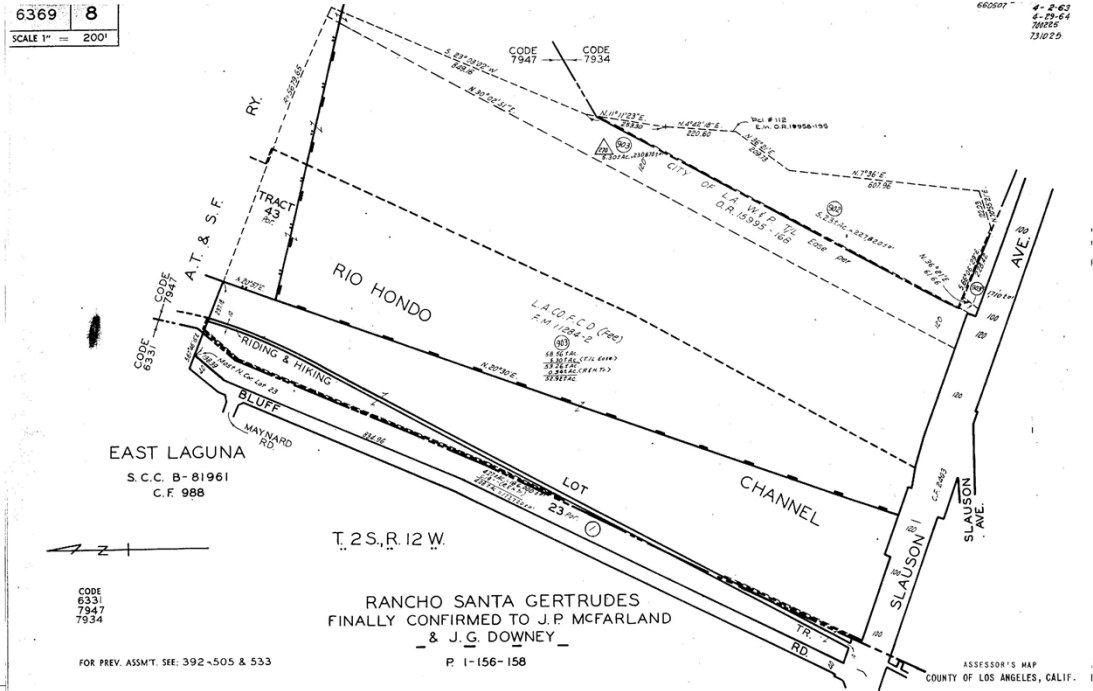


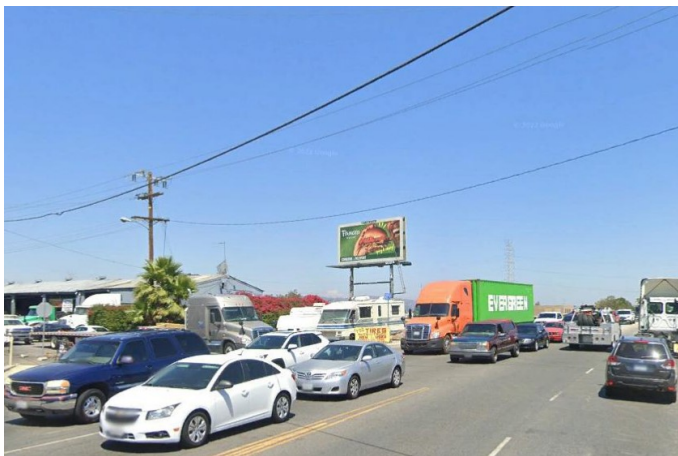
EXHIBIT "B"

Description of New Digital Billboard

CCO will be removing the existing Deck and External Lights

CCO will be relocating the existing printed display faces in place as a double-faced 12' x 25' outdoor advertising sign with digital display faces

Existing West Face



Existing East Face



Digital Panel Sample



EXHIBIT "C"
Billboard Structure and Faces To Be Removed

8105 Slauson Ave., Montebello, CA 90640 (Panels #5272 & #5273)

East Face



West Face



EXHIBIT "D"

SCOPE OF DEVELOPMENT INCLUDING SIGN PLANS

Developer and City agree that the Development shall be undertaken in accordance with the terms of the Agreement, which include the following:

1. **Project.** Developer shall relocate in place the existing printed sign faces and shall convert it to the New Digital Billboard with digital display faces in accordance with the terms of this Agreement. The existing structure will have two (2) new digital display faces (each display face measuring approximately 12' x 25') within the Site.

2. **Building Fees.** Developer shall pay all applicable City building fees, as described in this Agreement, at the time that a building permit is issued for the installation of the New Digital Billboard Faces on the Site.

3. **Maintenance and Access.** Developer, for itself and its successors and assigns, hereby covenants and agrees to be responsible for the following:

(a) Maintenance and repair of the New Digital Billboard and Site (where authorized pursuant to the Site Lease) including but not limited to, the displays installed thereon, and all related on-Site improvements, easements, rights-of-way at its sole cost and expense. Developer's maintenance and repair obligation shall include, without limitation, maintaining any poles, lighting, signs and walls in good repair and free of graffiti, rubbish, debris and other hazards to persons using the same. Developer shall maintain and repair the New Digital Billboard digital display faces in accordance with all applicable laws, rules, ordinances and regulations of all federal, State, and local bodies and agencies having jurisdiction over the Site [unless those federal, State, and local bodies have an exception for a legal nonconforming use]. Such maintenance and repair shall include, but not be limited to, the following: (i) sweeping and trash removal related to the Project; (ii) replacement of any fixtures, equipment or property damaged by the Project to the extent required by this Agreement or applicable law; (iii) the ongoing maintenance by the Developer of any access points to the New Digital Billboard to minimize dust caused by the Project; and (iv) the repair, replacement and repainting of the New Digital Billboard structure and display faces as necessary to maintain such billboard in good condition and repair.

(b) Maintenance of the Site (where authorized pursuant to the Site Lease) in such a manner as to avoid the reasonable determination of a duly authorized official of the City that a public nuisance has been created by the absence of adequate maintenance of the New Digital Billboard digital display faces or structure such as to be detrimental to the public health, safety or general welfare or that such a condition of deterioration or disrepair causes appreciable harm or is materially detrimental to property or improvements within three hundred (300) feet of Site.

4. **Other Rights of City.** In the event of any violation or threatened violation of any of the provisions of this Exhibit "D," then in addition to, but not in lieu of, any of the rights or remedies the City may have to enforce the provisions of this Agreement, the City shall have the

right, after complying with Section 5.3 of this Agreement, (i) to enforce the provisions hereof by undertaking any maintenance or repairs required by Developer under Paragraph 3 above (subject to the execution of a permit to enter in form reasonably acceptable to Owner) and charging Developer for any actual maintenance costs incurred in performing same, and (ii) to withhold or revoke in the manner proscribed by law, after giving written notice of said violation, any building permits, occupancy permits, certificates of occupancy, business licenses and similar matters or approvals pertaining to the New Digital Billboard digital display faces.

5. No City Liability. The granting of a right of enforcement to the City does not create a mandatory duty on the part of the City to enforce any provision of this Agreement. The failure of the City to enforce this Agreement shall not give rise to a cause of action on the part of any person. No officer or employee of the City shall be personally liable to the Developer, its successors, transferees or assigns, for any default or breach by the City under this Agreement.

6. Conditions of Approval. The following additional conditions shall apply to the installation of the New Digital Billboard digital display faces and, where stated, on the Site, shall conform to all applicable provisions of the Montebello Municipal Code (MMC) and the following conditions, in a manner subject to the approval of the Planning Manager or designee:

(a) A building permit will be required and structural calculations shall be prepared by a licensed civil engineer and approved by the City Building Official.

(b) The New Digital Billboard shall remain located in the portion of the Site as described in attached Exhibit A and as set forth herein and based on dimensions described in Section 1, above.

(c) The size of each digital display face of the New Digital Billboard shall not exceed a maximum area of 300 square feet with no extensions or borders.

(d) Plans and specifications for the proposed installation of the New Digital Billboard digital display faces, including all utility plans, shall be submitted to the City Planning and Building Departments for plan check and approval prior to the issuance of building permits.

(e) Prior to the approval of the final inspection, all applicable conditions of approval and all mandatory improvements shall be completed to the reasonable satisfaction of the City.

(f) Developer shall maintain the Site and use thereof in full compliance with all applicable codes, standards, policies and regulations imposed by the City, County, State or federal agencies by any duly and valid city, county or state ordinance with jurisdiction over the facilities, unless the Project is exempted as a legal nonconforming use.

(g) The Developer shall pay any and all applicable fees due to any public agency pertaining to the New Digital Billboard digital display faces prior to the final issuance of the building permits.

(h) The activities proposed in this Agreement shall be conducted completely upon the Site and shall not use or encroach on any public right-of-way.

(i) All graffiti shall be adequately and completely removed or painted over within 48 hours of notice to Developer of such graffiti being affixed on the New Digital Billboard.

(j) Developer shall comply with the standards as adopted by the Outdoor Advertising Association of America, Inc. (OAAA), including but not limited to, the 0.3 foot-candles limitation over ambient light levels at 250 feet, and ensuring additional flexibility in reducing such maximum light level standard given the lighting environment, the obligation to have automatic dimming capabilities, as well as providing the City's Planning Manager or designee with a designated Developer employee's phone number and/or email address for emergencies or complaints that will be monitored 24 hours a day/7 days per week. Upon any reasonable complaint by the City's Planning Manager or designee, Developer shall perform a brightness measurement of the display using OAAA standards and provide City with the results of same within 15 days of the City's complaint. Developer shall dim the display to the appropriate setting immediately upon the conclusion of any such measurement that concluding that the light standards were exceeded.

(k) In the event ten percent (10%) or more of the digital sign face is not operating correctly or in the event of a malfunction, Developer shall immediately turn the entire display off, or show a one hundred percent (100%) black image on the display until corrected.

(l) The interval between the change in digital content shall be a minimum of eight (8) seconds and the images shall change instantaneously, without special transitional effects.

RECORDING REQUESTED BY AND
AFTER RECORDING MAIL TO:

CITY OF MONTEBELLO
1600 West Beverly Boulevard
Montebello, CA 90640
Attn: City Clerk

Space above this line reserved for recorder's use
[Exempt From Recording Fee Per Gov. Code §6103]

DEVELOPMENT AGREEMENT NO. 03-22 (AGREEMENT NO. 4033)

This Development Agreement (hereinafter "Agreement") is entered into by and between the CITY OF MONTEBELLO (hereinafter "City") and CLEAR CHANNEL OUTDOOR, INC., a Delaware corporation (hereinafter "Developer").

RECITALS

A. California Government Code Sections 65864, *et seq.*, ("Development Agreement Law") authorizes cities to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purposes of strengthening the public planning process, encouraging private participation and comprehensive planning, and identifying the economic costs of such development.

B. Developer has a leasehold interest in that certain portion of real property located at 1633 Washington Blvd in the City of Montebello, CA 90640, Assessor Parcel Number 6353-015-023, as more specifically described in Exhibit "A" (the "Site") upon which Developer currently owns and operates an existing lawfully permitted double-faced 12' x 25' outdoor advertising sign with printed display faces and seeks to relocate such sign in place as a double-faced 12' x 25' outdoor advertising sign with digital display faces, as more fully described in Exhibit "B" hereto ("New Digital Billboard"), in consideration for the additional removal of the double-faced 12' x 25' outdoor advertising sign located on the real property described on Exhibit "C" hereto (the "Removed Sign" and together with the New Digital Billboard, the "Project").

C. Notwithstanding anything to the contrary in Section 17.62.105 of the City's Zoning Ordinance, the City has determined that the Project contemplated herein complies with Section 17.62.105.C of the Zoning Ordinance, as amended by the Ordinance approving this Agreement (the "Code"), and will provide public benefits among other things, resulting in a net reduction in outdoor advertising signage in the City.

D. City and Developer agree and acknowledge that the outdoor advertising sign relocation contemplated herein complies with, and serves the purposes enumerated in,

California Business & Professions Code Sections 5200 *et seq.* (the “California Outdoor Advertising Act”), including, but not limited to, Sections 5412 and 5443.5.

E. In exchange for the approvals sought to convert the existing double-faced billboard with printed display faces to the New Digital Billboard, as described above, Developer has offered to:

1. Pay to the City an annual Development Fee, as defined and provided in Section 2.6 below, for the cost to the City to ameliorate the impact of the installation of the digital sign panels on the New Digital Billboard; and

2. Provide advertising space free of charge to City on a space available basis as further described below.

3. Pay to the City a signing bonus to be used to refurbish the City’s existing on-premise sign located at 1600 W Beverly Blvd., Montebello CA 90640, (the “Signing Bonus”) with refurbishment costs not to exceed Twenty Thousand Dollars (\$20,000) per digital display face under this Agreement.

F. Developer and City agree that a development agreement should be approved and adopted to memorialize the expectations of City and Developer as more particularly described herein.

G. On October 26, 2022, the City Council of the City, pursuant to Government Code sections 65867 and 65867.5 and other applicable law, held a duly noticed public hearing to consider the approval of this Agreement and, after hearing public testimony thereon, considered the proposal and introduced Ordinance No. 2455.

H. The City Council has found that: this Agreement is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City’s police power; the terms of the Agreement will not be detrimental to the public’s health, safety, or general welfare; and this Agreement is consistent with the City’s General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to more appropriate locations within the City, while allowing for the incorporation of modern technology into relocated displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City’s planned development.

I. On November 16 2022, the City Council held the second reading of Ordinance No. 2455, thereby approving this Agreement.

J. City finds and determines that all actions required of City precedent to approval of this Agreement by Ordinance No. 2455 of the City Council have been duly and regularly taken.

K. In exchange for the benefits to the City described in the Agreement, together with other public benefits that will result from the development of the Project (as defined below), Developer will receive by this Agreement assurance that it may proceed with the Project in accordance with Land Use Regulations (as defined below), and therefore desires to enter into this Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized when used in the Agreement. In addition to the terms defined in the Recitals above and elsewhere in this Agreement, the defined terms include the following:

1.1.1 “ Site Lease” means the lease agreement by and between Developer and Bluff Road East LLC, a Limited Liability Company, the owner of the Site.

1.1.2 “Agreement” means this Development Agreement and all attachments and Exhibits hereto.

1.1.3 “City” means the City of Montebello, a California municipal corporation.

1.1.4 “City Council” means the City Council of the City.

1.1.5 “Developer” means Clear Channel Outdoor, LLC, a Delaware limited liability company and its successors and assigns, duly existing and operating, and doing business at 19320 Harborgate Way, Torrance, CA 90501.

1.1.6 “Development Approvals” means any and all permits and approvals which may be required by City, affected utility agencies, or any other governmental agency for the construction and/or operation of the Project by Developer pursuant to the Scope of Development, including but not limited to, necessary building permits and all approvals required under the California Environmental Quality Act (“CEQA”) and from the California Department of Transportation (“Caltrans”), if any.

1.1.7 “Effective Date” is when the Agreement is signed by both the Developer and City and when the Agreement is approved by Ordinance No. _____, but shall be no sooner than 30 days following approval of this Agreement by Ordinance No. _____, and after expiration of all applicable appeals periods.

1.1.8 “Land Use Regulations” means all ordinances, resolutions, codes, rules, regulations and official policies of City, including, but not limited to, the City’s General Plan, Municipal Code and Zoning Code, which govern development and use of the Site, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the Site which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement. Land Use Regulations shall also include NPDES regulations and approvals from the California Department of Transportation Outdoor Advertising Division, to the extent applicable.

1.1.9 “Mortgagee” means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device, including each of their respective successors and assigns.

1.1.10 “New Digital Billboard” means the new double-faced digital sign, as described in Exhibit “B” hereto located on the Site, and a relocation in place of the existing lawfully permitted double faced outdoor advertising structure 12’ x 25’ foot printed display faces on the Site.

1.1.11 “Operational” means the New Digital Billboard is capable, legally and functionally, of displaying advertising on the digital displays with a permanent source of power.

1.1.12 “Project” means the complete removal of the Removed Sign and the removal of the existing printed display faces and the installation of digital display faces on the New Digital Billboard”.

1.1.13 “Removed Sign” means the sign to be completely removed as more fully described on Exhibit “C” hereto.

1.1.14 “Scope of Development” means the Scope of Development attached hereto as Exhibit “D” and incorporated herein.

1.1.15 “Signing Bonus” means the upfront payment to be used by the City to refurbish its existing on-premise sign as provided in Recital E.3 above.

1.1.16 “Subsequent Land Use Regulations” means any Land Use Regulations effective after the Effective Date of this Agreement which governs development and use of the Project and/or the Site.

1.1.17 “Subsequent Development Approvals” means any and all permits and approvals which may be required by City, affected utility, or any other governmental agency for repair, maintenance, construction, reconstruction, enhancement, development, operation, or other work to be performed by Developer, including but not limited to, necessary building permits and all approvals required under the California Environmental Quality Act (“CEQA”), that occurs after the Project has been constructed and become operational. Consistent with the Outdoor Advertising Act (Bus. & Profs. Code, § 5200 et seq.), the performance of customary maintenance does not require local approvals.

1.1.18 “Term” shall have the meaning provided in Section 2.4, unless earlier terminated as provided in this Agreement.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of this Agreement: Exhibit “A” (Legal Description of Site), Exhibit “B” (Description of New Billboard), Exhibit “C” (Removed Billboards), and Exhibit “D” (Scope of Development)

2. GENERAL PROVISIONS.

2.1 Binding Effect of Agreement. From and following the Effective Date, actions by the City and Developer with respect to the Site, the Project, or the New Digital Billboard, including actions by the City on applications for Subsequent Development Approvals affecting the

Site, shall be subject to the terms and provisions of this Agreement; provided, however, that nothing in this Agreement shall be deemed or construed (i) to modify or amend the Site Lease, or any of Developer's obligations thereunder; (ii) bind or restrict the owner of the Site with respect to its ownership or operation of the Site; or (iii) to impose any obligation whatsoever on the owner of the Site, including without limitation any obligation with respect to the Project, except as expressly set forth in this Agreement.

2.2 Interest in the Site. City and Developer acknowledge and agree that Developer has a legal or equitable interest in the Site and thus is qualified to enter into and be a party to this Agreement under California Government Code 65864 *et. seq.* If Developer's leasehold interest is prematurely terminated by the owner of the Site, then Developer shall have no further obligations under Section 3.2 4 or Exhibit "D" of this Agreement relative to the construction or maintenance of the sign thereon, including but not limited to any payments under Section 2.6 or elsewhere hereunder. Additionally, if Developer's leasehold interest is prematurely terminated by owner of the Site, then this Agreement shall be terminated and Developer shall have no further obligations under this Agreement, except as provided under Section 4.1 with respect to Developer's responsibility to remove the digital display faces on the New Digital Billboard as provided therein.

2.3 No Assignment. Except as set forth herein, neither party may sublet, assign or otherwise transfer this Agreement, or any interest herein, either voluntarily or by operation of law, without the other party's prior written consent, which the other party shall not unreasonably withhold, condition, or delay. Notwithstanding the above, the consent of City shall not be required: (a) for Developer to assign its rights and duties under this Agreement to any type of legal entity, including but not limited to a limited liability company, corporation, or limited partnership, controlling, controlled by or under common control with Developer or to any entity that acquires a majority of Developer's assets in the Southern California market; or (b) in the event any such entity to which this Agreement has been so assigned thereafter merges with another company, reorganizes its stock, or undergoes a similar corporate restructuring, changes ownership or sells any of its assets or stock. Any security posted by Developer may be substituted by the assignee or transferee. After a transfer or assignment as permitted by this Section, the City shall look solely to such assignee or transferee for compliance with the provisions of this Agreement which have been assigned or transferred.

2.4 Term of Agreement. Unless earlier terminated as provided in this Agreement, this Agreement shall continue in full force and effect until the earlier of: (a) twenty (20) years after the date the digital display faces on the New Digital Billboard become Operational; or (b) the earlier termination of this Agreement and Site Lease and the permanent removal of the digital display faces on the New Digital Billboard constructed pursuant to the terms hereof. If one digital face is removed permanently and replaced with a printed face, then this Agreement will remain in full force and effect as to the second digital face and the annual Development Fee under Section 2.6 shall be reduced to one-half of such payments accordingly. This Agreement may be extended at Developer's option at the end of the initial term by delivery of written notice from Developer to the City not less than ninety (90) days prior to expiration of the initial term of this Agreement. Within thirty (30) days after the expiration or termination of this Agreement, the parties shall execute a written cancellation of this Agreement which shall be recorded with the County Recorder pursuant to Section 9.1 below. The term of this Agreement supersedes any amortization period that may apply under the Montebello Municipal Code as to any non-conformity as applied to the Site.

2.5 Processing Fee. Upon submission of its application for the Project approvals, Developer will pay to City a processing (“Processing Fee”) in the amount of Ten Thousand Dollars (\$10,000). This fee is in addition to the payment of customary building plan check or building permit fees. The City shall retain and use the Processing Fee, or any part thereof, for payment of any and all standard fees applicable for the necessary City review, evaluation, and analysis pertaining to the New Digital Billboard, including, but not limited to, legal fees and feasibility analysis incurred by the City in negotiation and preparation of this Agreement.

2.6 Development Fee. The potential impacts of the Project on the City and surrounding community are difficult to identify and calculate. Developer and City agree that an annual development fee paid by Developer to City would adequately ameliorate all such potential impacts. The parties therefore agree that Developer shall pay an annual development fee in the amount of Ten Thousand Dollars (\$10,000.00) per digital display face to City, (“Development Fee”), payable in monthly installments, with the first installment due within thirty (30) days after the display faces on the New Digital Billboard become Operational (the “Commencement Date”), and within thirty (30) days of the year anniversary of such Commencement Date throughout the Term of this Agreement, as follows:

2.7 Notification of Operational Date. Developer shall notify the City in writing when the digital display faces on the New Digital Billboard becomes Operational for the purpose of determining the Commencement Date. The City’s issuance of a building permit shall not be unreasonably withheld, provided the issuance of a building permit is done in compliance with the terms of this Agreement and said permit is issued in full compliance with applicable building codes and standards.

2.8 Community Benefits. Developer shall also provide the following community benefits during the entire Term of this Agreement:

2.8.1 **City’s Use of Digital Sign.** Developer shall also provide, free of charge to City on a space available basis, advertising space on the digital display faces on the New Digital Billboard for purposes of posting public service announcements and City-related advertising or announcements (“City Messages”). The City shall submit all proposed copy of City Messages to Developer not less than five (5) business days prior to the date the copy is proposed to be displayed, and, with the exception of Public Service Messages described in Section 2.8.3, the City shall notify Developer in writing not less than 30 calendar days prior to a requested display date. All proposed copy shall be subject to Developer’s standard advertising copy rejection and removal policies, which allow Developer to approve or disapprove copy and remove copy once posted or displayed. City represents and warrants that all copy, content and materials supplied by City to Developer for display under this Agreement: (i) are owned or duly licensed by City and do not infringe or misappropriate the rights of any other person or entity; (ii) comply with all applicable federal, state, and local laws, rules and regulations and any industry codes or rules by which City and/or Developer may be bound and do not contain any obscene, libelous, slanderous or otherwise defamatory materials or refer in an offensive manner to the gender, race or ethnicity of any individual or group; (iii) are accurate and that all claims contained therein have been substantiated; and (iv) do not infringe upon any copyright, trademark or other intellectual property or privacy right of any third party. Any content provided by City shall be owned and belong exclusively to the City, and Developer shall not reproduce, sell, or give away any such content without the advance written consent of the City. It is expressly understood and agreed that, absent approval from Developer, City Messages shall not include any names, logos or marks associated with any third-party non-governmental person or entity, or any products or services associated with any third-party non-governmental person or entity.

2.8.2 Indemnification for City Messages. The City shall, and hereby does agree to, indemnify, defend and hold harmless Developer for, from and against, any claims, costs (including, but not limited to, court costs and reasonable attorneys' fees), losses, actions or liabilities arising from or in connection with any third party allegation that any portion of any City Message infringes or violates the rights, including, but not limited to, copyright, trademark, trade secret or any similar right, of any third party. This indemnity shall not include Developer's lost profits or consequential damages or any similar right, of any third party.

2.8.3 Public Service Messages. During the entire Term of this Agreement and any extension, Developer shall make advertising space on the digital display faces on the New Digital Billboard Faces available to the appropriate agencies for the purposes of displaying "Amber Alert" or other emergency messages, at no cost, and in accordance with local and regional emergency protocols.

2.9 Prohibited Use. Developer shall not utilize the digital display faces on the New Digital Billboard to advertise tobacco, marijuana, hashish, "gentlemen's clubs," adult entertainment businesses, "obscene matter," as that term is defined in California Penal Code section 311, or any matter that is prohibited by any City ordinance existing as of the Effective Date of this Agreement or as may be amended or implemented from time-to-time after the Effective Date and equally applicable to all billboard displays. In addition, the Developer shall at all times comply with Article 7 § 5402 of the Outdoor Advertising Act from the Business and Professions Code. Developer shall immediately remove any prohibited content upon notice from the City. If there is a dispute between Developer and City as to whether any such content is prohibited, Developer shall remove the disputed content until the dispute is resolved.

2.10 Signing Bonus. Developer shall pay to City the Signing Bonus on the Commencement Date.

3. DEVELOPMENT AND IMPLEMENTATION OF THE PROJECT.

3.1 Vested Right to Develop The Site. Developer shall have the right to develop the Project on the Site in accordance with, and to the extent of, the Development Approvals, the Subsequent Development Approvals, and this Agreement pursuant to the Land Use Regulations including, without limitation, Developer's vested right to develop the Project on the Site; provided that nothing in this Agreement shall be deemed to modify or amend the Site Lease. In the event of any conflict or inconsistency between (i) the Agreement, any Project conditions of approval, and terms for issuance of a Project-related building permit, and (ii) the Land Use Regulations, this Agreement and any Project conditions of approval, and terms for issuance of a Project-related building permit shall prevail and control.

3.2 Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement: the rules, regulations and official policies governing permitted uses of the Site; the density and intensity and use of the Site; the maximum height, bulk, and size of proposed structures; the general location of public utilities; the design, and improvement and construction standards and specifications applicable to development of the Site; and other terms and conditions of development applicable to the Project, are set forth in the Land Use Regulations which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement.

3.3 Development Approvals. Developer shall, at its own expense and before commencement of demolition, construction or development of any structures or other work of

improvement upon the Site, secure or cause to be secured all necessary Development Approvals. Not by way of limiting the foregoing, in developing and constructing the Project, Developer shall comply with all (1) applicable development standards in City's Municipal Code, (2) applicable NPDES requirements pertaining to the Project, (3) all applicable building and fire codes, except as may be permitted through approved variances and modifications. Developer shall pay all normal and customary fees and charges applicable to such permits, and any fees and charges hereafter imposed by City in connection with the Project which are standard and uniformly-applied to similar projects in the City.

3.4 Purpose. The purpose of this Agreement is to set forth the rules and regulations applicable to the Project, which shall be accomplished in accordance with this Agreement, including the Scope of Development (Exhibit "D") which sets forth a description of the Project.

3.5 Changes and Amendments. Developer may determine that changes to the Agreement are appropriate and desirable. In the event Developer makes such a determination, Developer may apply in writing for an amendment to the Agreement to effectuate such change(s). The Parties acknowledge that City shall be permitted to use its inherent land use authority in deciding whether to approve or deny any such amendment request; provided, however, that in exercising the foregoing reasonable discretion, the City shall not apply a standard different than that used in evaluating requests of other developers, and the City must comply with Paragraph 9.18 of this Agreement. Accordingly, under no circumstance shall City be obligated in any manner to approve any amendment to the Agreement. Notwithstanding the foregoing, the City Manager shall be authorized, with the written consent of Developer, to approve any non-substantive amendment to the Agreement without processing a formal amendment to this Agreement. All other amendments shall require the approval of the City Council. The parties acknowledge that any extension of the Term for no more than twenty-four (24) months total is an example of a non-substantive change, which the City Manager, in his or her sole discretion, may approve in writing. Nothing herein shall cause Developer to be in default if it upgrades the digital display installed pursuant to this Agreement during the Term of this Agreement to incorporate newer technology; provided Developer shall secure all applicable ministerial permits to do so and ensure that such upgrade is consistent with the dimensions and standards for the displays, as provided under this Agreement and the Land Use Regulations.

3.6 Reservation of Authority.

3.6.1 **Limitations, Reservations and Exceptions.** Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the development of the Site:

(a) Processing fees and charges of every kind and nature imposed by the City to cover the estimated actual costs to City of processing applications for Subsequent Development Approvals to the extent such fees are assessed on a City-wide basis.

(b) Procedural regulations consistent with this Agreement relating to hearing bodies, petitions, applications, notices, findings, records, hearing, reports, recommendations, appeals and any other matter of procedure. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

(c) Changes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, as adopted by City as Subsequent Land Use Regulations, if adopted prior to the issuance of a building permit for development of the digital display faces on the New Digital Billboard on the Site. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

(d) Regulations that are not in conflict with the Development Approvals or this Agreement, and do not (1) reduce the size of the Project as permitted under the Land Use Regulations; (2) interfere with the operation of the New Digital Billboard as permitted under the Land Use Regulations; (3) change the land use designation or permitted or conditionally permitted use of the Site as described in the Land Use Regulations; (4) require the issuance of permits, approvals or entitlements by City other than those required under the Existing Land Use Regulations; or (5) materially limit the processing or procuring of applications and approvals of Subsequent Development Approvals.

(e) Regulations that are in conflict with the Development Approvals or this Agreement, provided Developer has given written consent to the application of such regulations to the Development of the Site.

(f) Applicable Federal, State, County, and multi-jurisdictional law and regulations which City is required to enforce as against the Site and that do not have an exception for existing signs or legal nonconforming uses.

3.6.2 Future Discretion of City. This Agreement shall not prevent City from denying or conditionally approving any application for a Subsequent Development Approval on the basis of the Land Use Regulations.

3.6.3 Modification or Suspension by Federal or State Law. In the event that applicable federal or state laws or regulations enacted after the Effective Date of this Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement, and there is no exception for the legal nonconforming use, each party shall provide the other party with written notice of such state or federal law or regulation, a copy of such law or regulation, and a statement concerning the conflict with the provisions of this Agreement. The parties shall, within thirty (30) days, meet and confer in good faith in a reasonable attempt to modify this Agreement so as to comply with such state or federal law or regulation. This Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provision impractical to enforce. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

3.7 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not subject to control by City may possess authority to regulate aspects of the development of the Site as contemplated herein, and this Agreement does not limit the authority of such other public agencies. Developer acknowledges and represents that, in addition to the Land Use Regulations, Developer shall, at all times, comply with all applicable federal, State and local laws and regulations applicable to the New Digital Billboard and Site that do not have an exception for a legal nonconforming use. To the extent such other public agencies

preclude development or maintenance of the Project and that do not have an exception for a legal nonconforming use, Developer shall not be further obligated under this Agreement except as provided in Section 4.1. Notwithstanding the foregoing, if such action by another public agency materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice

3.8 Public Improvements. Notwithstanding any provision herein to the contrary, the City shall retain the right to condition any Subsequent Development Approvals to require Developer to pay any required development fees, and/or to construct the required public infrastructure ("Exactions") at such time as City shall determine subject to the following conditions.

3.8.1 The payment or construction must be to alleviate an impact caused by the Project or be of benefit to the Project; and

3.8.2 The timing of the Exaction should be reasonably related to the development of the Project and said public improvements shall be phased to be commensurate with the logical progression of the Project development as well as the reasonable needs of the public.

3.8.3 It being understood, however, that if there is a material increase in cost to Developer or such action by City otherwise materially impacts Developer's performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

3.9 Fees, Taxes and Assessments. During the Term of this Agreement, the City shall not, without the prior written consent of Developer, impose any additional fees, taxes or assessments on all or any portion of the Project, except such fees, taxes and assessments as are described in or required by this Agreement and/or the Development Approvals. However, this Agreement shall not prohibit the application of fees, taxes or assessments upon the Site only and not the New Digital Billboard or Developer directly as follows:

3.9.1 Developer shall be obligated to pay those fees, taxes or City assessments and any increases in same which exist as the Effective Date or are included in the Development Approvals;

3.9.2 Developer shall be obligated to pay any fees or taxes, and increases thereof, imposed on a City-wide basis such as, but not limited to, business license fees or taxes or utility taxes;

3.9.3 Developer shall be obligated to pay all fees applicable to a permit application as charged by City at the time such application is filed by Developer;

3.9.4 Developer shall be obligated to pay any fees imposed pursuant to any Uniform Code that existed when the application is filed by the Developer or that exists when the Developer applies for any Subsequent Development Approval.

3.10 Additional Fees; Termination. Notwithstanding anything to the contrary herein, if there is a change in such fees to those charged as of the full execution hereof, or any additional fees are charged and such additional or increased fees materially change Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

3.11 Extension of Term of Development Approvals. The term of any Development Approvals and Subsequent Development Approvals shall be automatically extended for the longer of the Term of this Agreement or the term otherwise applicable to the Development Approvals and Subsequent Development Approvals.

4. REMOVAL OF BILLBOARD DISPLAY FACES.

4.1 Removal by Developer. If an extension of the Term is not granted by the City according to the provisions of paragraph 2.4, above, the New Digital Billboard digital display faces will be removed and the displays may be converted back to printed displays. In the event that the digital displays are not converted back to printed displays according to the terms of this paragraph, Developer shall within sixty (60) days from expiration of the Term, at its sole cost and expense, be required to demolish and remove the New Digital Billboard digital display faces.

4.2 City's Right to Removal. Provided Developer is not in material breach hereof past any applicable notice and cure period, City will not have the right to remove the New Digital Billboard digital display faces. Should Developer be in material breach of this Agreement past any applicable notice and cure period, and subject to due process, City may only require removal of the New Digital Billboard digital display faces. If City requires the New Digital Billboard digital display faces to be removed pursuant to the terms of this paragraph, Developer shall, at its sole cost and expense, remove the digital displays upon the New Digital Billboard and convert the displays to printed displays within ninety (90) days of City's notice to Developer of such breach.

5. REVIEW FOR COMPLIANCE.

5.1 Annual Reviews. At least once every twelve (12) months, Developer shall demonstrate its good faith compliance with the terms hereof by providing written correspondence addressed to the City Manager demonstrating such good faith compliance. "Good faith compliance" shall mean that Developer has sufficiently followed the terms of this Agreement so as to carry out the intent of the parties in entering into it. After receiving and reviewing Developer's written submission, if the City Manager finds that Developer is not acting in good faith compliance with this Agreement, the City Manager shall schedule a hearing before the Planning Commission in order to evaluate Developer's good faith compliance with the terms of the Agreement. The City shall provide Developer with notice of such hearing and a copy of all staff reports and related exhibits as soon as available, but in no event later than five days prior to the hearing. The Planning Commission's determination following such hearing shall be based on substantial evidence, and shall be subject to appeal to the City Council. If the Planning Commission or City Council, as applicable, finds that the Developer is not in good faith compliance with the terms of this Agreement, the provisions of Section 6 shall govern the parties rights.

5.2 City Right of Access. The City, its officers, employees, agents and contractors, shall, in the exercise of the City's police power, have the right, at their sole risk and expense, to enter the Site consistent with any rights the City has obtained by virtue of recorded easement or other property interests or, if no such interests exist, upon execution of a license or other applicable written agreement in a form mutually acceptable to the owner of the Site and upon written notice to Developer. The access to the Site described in this paragraph shall be for the purpose of conducting the inspection, maintenance, repair, service, construction, or relocation of any public improvements or public facilities located on the Site, or to exercise its rights under section 4.2. If an emergency repair to a public improvement or public facility on the Site is required and the City does not possess and has not obtained the foregoing access rights, Developer

acknowledges that the City may exercise its police power to enter the Site and conduct such repair after providing Developer and the Site owner with reasonable advance notice, with the reasonableness of such notice to be determined from the circumstances necessitating the entry. Any damage or injury to the Site or to the improvements constructed thereon resulting from such entry shall be promptly repaired at the sole expense of the City. The City also may access the Site in order to implement any of its lawful police powers to address any nuisance, dangerous condition, or other condition prohibited under the City's ordinances, so long as the City conducts the foregoing activities in a manner consistent with and protective of Developer's and the Site owner's due process rights. Except as explicitly provided for in this Agreement (including without limitation in this Section and Section 4.2 above), the City shall have no right whatsoever to enter the Site.

5.3 Procedure. Each party shall have a reasonable opportunity to assert matters which it believes have not been undertaken in accordance with the Agreement, to explain the basis for such assertion, and to receive from the other party a justification of its position on such matters. If, on the basis of the parties' review of any terms of the Agreement, either party concludes that the other party has not complied with the terms of the Agreement, then such party may issue a written "Notice of Non-Compliance" specifying the grounds therefore and all facts demonstrating such non-compliance. The party receiving a Notice of Non-Compliance shall have forty-five (45) days to cure or remedy the non-compliance identified in the Notice of Non-Compliance, or if such cure or remedy is not reasonably capable of being cured or remedied within such forty-five (45) days period, to commence to cure or remedy the non-compliance and to diligently and in good faith prosecute such cure or remedy to completion. If the party receiving the Notice of Non-Compliance disputes that it is in non-compliance with the terms of this Agreement, that party shall respond in writing to the Notice of Non-Compliance within forty-five (45) days after receipt of the Notice of Non-Compliance. If a Notice of Non-Compliance is disputed, the parties shall, for a period of not less than fifteen (15) days following receipt of the response to the Notice of Non-Compliance, seek to arrive at a mutually acceptable resolution of the dispute. In the event that a cure or remedy is not timely effected or, if the Notice of Non-Compliance is disputed and the parties are not able to arrive at a mutually acceptable resolution of the matter(s) by the end of the fifteen (15) day period described above, the party alleging the non-compliance may thereupon pursue the remedies provided in Section 6. Neither party hereto shall be deemed in breach if the reason for non-compliance is due to a "force majeure" event as defined in, and subject to the provisions of, Section 9.10.

6. DEFAULT AND REMEDIES.

6.1 Termination of Agreement.

6.1.1 **Termination of Agreement for Material Default of Developer.**

City, in its discretion, may terminate this Agreement upon written notice to Developer for any material failure of Developer to perform any material duty or obligation of Developer hereunder or to comply with the terms of this Agreement (hereinafter referred to as "default" or "breach"); provided, however, City may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.3. In the event of a termination by City under this Section 6.1.1, Developer acknowledges and agrees that, unless otherwise set forth below, City may retain all fees, including the Processing Fee and the Development Fee paid up to the date of termination, and Developer shall pay the prorated amount of the Development Fee within sixty (60) days after the date of termination and removal of the New Digital Billboard that equates to the percentage of time elapsed in the year of the Term at the time of termination. In the event that City terminates this Agreement under this Section 6.1.1 before the New Digital Billboard

digital display faces become Operational, City shall refund any portion of the Processing Fee that the City has not reasonably expended at the time of such termination after payment to City of the fees and costs described in Section 2.5.

6.1.2 Termination of Agreement for Material Default of City.

Developer, in its discretion, may terminate this Agreement upon written notice to City for any material failure of City to perform any material duty or obligation of City hereunder or to comply in with the terms of this Agreement; provided, however, Developer may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.3. In addition, Developer may terminate this Agreement upon written notice to City, if despite Developer's good faith efforts, it is unable to secure the Development Approvals and any other necessary approvals and/or compliance with requirements under laws necessary to effectuate the Project is not feasible. In the event of a termination by Developer under this Section 6.1.2, Developer acknowledges and agrees that, unless otherwise set forth below, City may retain all fees, including the Processing Fee and the Development Fee, paid up to the date of termination, and Developer shall pay the prorated amount of the Development Fee within sixty (60) days after the date of termination and removal of the New Digital Billboard digital display faces that equates to the percentage of time elapsed in the year of the Term at the time of termination. In the event that Developer terminates this Agreement under this Section 6.1.2 before the New Digital Billboard digital display faces become Operational, City shall refund any portion of the Processing Fee that the City has not reasonably expended at the time of such termination after payment to City of the fees and costs described in Section 2.5.

6.1.3 Rights and Duties Following Termination.

Upon the termination of this Agreement, no party shall have any further right or obligation hereunder except with respect to (i) any default in the performance of the provisions of this Agreement which has occurred prior to said termination, (ii) Developer's obligation to remove the digital display faces on the New Digital billboard pursuant to Section 4.1 or (iii) any continuing obligations to indemnify other parties.

6.2 Remedies.

In addition to the rights of termination set forth above, in the event of a default by either party, the non-defaulting party shall have the right to: (a) bring any proceeding in the nature of specific performance, injunctive relief, declaratory relief, or mandamus and/or; (b) bring any action at law or in equity to compensate the non-defaulting party for all the detriment proximately caused by the defaulting party's default; provided, however, that Developer's sole and exclusive remedy shall be specific performance and Developer shall not have the right to recover monetary damages (compensatory, consequential, or punitive) against the City other than attorneys' fees to the extent provided in Section 9.13 below, and the City shall only have the right to recover actual, direct damages (and not consequential or punitive damages) against Developer, as well as attorneys' fees to the extent provided in Section 9.13 below.

7. INSURANCE, INDEMNIFICATION AND WAIVERS.

7.1

7.1.1 Types of Insurance.

(a) **Liability Insurance.** Beginning on the Effective Date hereof and until completion of the Term, Developer shall, at its sole cost and expense, keep or cause to be kept in force for the mutual benefit of City, as additional insured, and Developer comprehensive broad form general liability insurance covering Developer's possession and use of the Site and

providing protection of at least Two Million Dollars (\$2,000,000) for bodily injury or death to any one person, at least Four Million Dollars (\$4,000,000) in the aggregate for any accidents or occurrences, and at least One Million Dollars (\$1,000,000) for property damage. Developer shall also furnish or cause to be furnished to City evidence that any contractors with whom Developer has contracted for the performance of any work for which Developer is responsible maintains the same limits of coverage, as specified above. Developer shall provide to the City annual proof of insurance consistent with terms and conditions of this agreement.

(b) Worker's Compensation. Developer shall also furnish or cause to be furnished to City evidence that any contractor with whom Developer has contracted for the performance of any work for which Developer is responsible hereunder carries worker's compensation insurance as required by law.

(c) Insurance Policy Form, Sufficiency, Content and Insurer. All insurance required by express provisions hereof shall be carried only by responsible insurance companies qualified to do business by California with an AM Best Rating of no less than "A". All such policies shall be non-assignable and shall contain language, to the extent obtainable, to the effect that (i) the policies are primary and noncontributing with any insurance that may be carried by City, but only with respect to the liabilities assumed by Developer under this Agreement; and (ii) the policies cannot be canceled or materially changed by Developer except after written notice by Developer to City or City's designated representative and the City's approval thereof. Developer shall furnish City with certificates of insurance evidencing that Developer has complied with the requirements of this paragraph 7.1.1.

7.1.2 Failure to Maintain Insurance and Proof of Compliance.

Developer shall deliver to City, in the manner required for notices, copies of certificates of all insurance policies required of each policy within the following time limits:

(1) For insurance required above, within seven (7) days after the Effective Date or consistent with the requirements of Exhibit "C" (Schedule of Performance), Item No. 8.

(2) The City can request current certificates of all insurance policies as required. The City reserves the right to obtain copies of relevant policy forms and endorsements of the required insurance policies.

Developer's failure or refusal to procure or maintain insurance as required herein or failure or refusal to furnish City with proof that the required insurance has been procured and is in full force and effect may, after complying with the requirements of Section 5.3, be deemed a default under the terms of this Agreement.

7.2 Indemnification.

7.2.1 **General.** Developer shall indemnify the City, and its respective officers, employees, and/or agents against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions, or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person(s), firm, or entity arising out of or in connection with this Agreement and/or the work, operations, or activities of Developer, its agents, employees, subcontractors, and/or invitees, hereunder, upon the Site.

(a) Developer will defend any action or actions filed in connection with any of said claims or liabilities covered by the indemnification provisions herein and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith, which attorneys will be the attorneys hired by the insurance company where insurance coverage applies.

(b) Developer will promptly pay any judgment rendered against the City or its respective officers, agents, or employees that falls within the scope of Developer's indemnity obligations, as defined above in paragraph 7.2.1.

7.2.2 Exceptions. The foregoing indemnity shall not include claims or liabilities arising from the sole negligence or willful misconduct of the City, its officers, agents, or employees or contractors. The foregoing indemnity shall also not include claims or liabilities arising from City's use of Developer's advertising space pursuant to paragraph 2.9.1 above.

7.2.3 Additional Coverage. Without limiting the generality of the foregoing, Developer's indemnity obligation shall include any liability arising by reason of any accident or other occurrence caused by Developer in or on the Site causing injury to any person or property;

(a) **Loss and Damage.** Except as set forth below, City shall not be liable for any damage to property of Developer or others located on the Site, nor for the loss of or damage to any property of Developer or others by theft or otherwise. Except as set forth below, City shall not be liable for any injury or damage to persons or property resulting from fire, explosion, steam, gas, electricity, water, rain, dampness or leaks from any part of the Site or from the pipes or plumbing, or from the street, or from any environmental or soil contamination or hazard, or from any other latent or patent defect in the soil, subsurface or physical condition of the Site, or by any other cause of whatsoever nature. The provisions of this subparagraph (a) shall not apply (i) to the extent City or its agents, employees, subcontractors, invitees or representatives causes such injury or damage, or (ii) to the extent covered in any permit to enter the Site executed by the City.

(b) **Period of Indemnification.** The obligations for indemnity under this Section 7.2 shall begin upon the Effective Date and shall survive termination of Development Agreement.

8. MORTGAGEE PROTECTION.

The parties hereto agree that this Agreement shall not prevent or limit Developer, in any manner, at Developer's sole discretion, from encumbering the Site or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Site. City acknowledges that the lenders providing such financing may require certain Agreement modifications and City agrees upon request, from time to time, to meet with Developer, the owner of the Site, and representatives of such lenders to negotiate in good faith any such request for modification. Subject to compliance with applicable laws, City will not unreasonably withhold its consent to any such requested modification provided City determines such modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Site shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Project or the Site made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Project or the Site, or any part thereof, which Mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by Developer in the performance of Developer's obligations under this Agreement.

(c) If City timely receives a request from a Mortgagee requesting a copy of any notice of default given to Developer under the terms of this Agreement, City shall make a good faith effort to provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to Developer. The Mortgagee shall have the right, but not the obligation, to cure the default during the period that is the longer of (i) the remaining cure period allowed such party under this Agreement, or (ii) sixty (60) days.

(d) Any Mortgagee who comes into possession of the Project or the Site, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Project or the Site, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of Developer's obligations or other affirmative covenants of Developer hereunder, or to guarantee such performance; except that (i) to the extent that any covenant to be performed by Developer is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and (ii) in the event any Mortgagee seeks to develop or use any portion of the Project or the Site acquired by such Mortgagee by foreclosure, deed of trust, or deed in lieu of foreclosure, such Mortgagee shall strictly comply with all of the terms, conditions and requirements of this Agreement and the Development Approvals applicable to the Project or the Site or such part thereof so acquired by the Mortgagee.

9. MISCELLANEOUS PROVISIONS.

9.1 Recordation of Agreement. This Agreement shall be recorded with the County Recorder by the City Clerk within ten (10) days of execution, as required by Government Code Section 65868.5. Amendments approved by the parties, and any cancellation, shall be similarly recorded.

9.2 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the parties with respect to the subject matter set forth herein, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

9.3 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, then that term, provision, covenant or condition of this Agreement shall be stricken and the remaining portion of this Agreement shall remain valid and enforceable if that stricken term, provision, covenant or condition is not material to the main

purpose of this agreement, which is to allow the Project to be permitted and operated and to provide the Development Fee to the City; otherwise, this Agreement shall terminate in its entirety, unless the parties otherwise agree in writing, which agreement shall not be unreasonably withheld.

9.4 Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning, to achieve the objectives and purposes of the parties hereto. The rule of construction, to the effect that ambiguities are to be resolved against the drafting party or in favor of the non-drafting party, shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and hereof.

9.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

9.6 Singular and Plural. As used herein, the singular of any word includes the plural.

9.7 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

9.8 Waiver. Failure of a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

9.9 No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit for the parties and their owner, successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

9.10 Force Majeure. Notwithstanding the contrary herein, neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by earthquakes, other acts of God, fires, rains, winds, wars, pandemics, epidemics, terrorism, riots or similar hostilities, strikes and other labor difficulties beyond the party's control (including the party's employment force), government actions and regulations (other than those of the City), court actions (such as restraining orders or injunctions), or other causes beyond the party's reasonable control. If any such events shall occur, the term of this Agreement and the time for performance shall be extended for the duration of each such event, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years and further provided that if such delay is longer than six (6) months, Developer may terminate this Agreement upon written notice to City and City shall return to Developer any portion of the Development fee paid for any period after the effective date of such termination.

9.11 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

9.12 Counterparts. This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same affected as if all of the parties had executed the same instrument.

9.13 Litigation. Any action at law or in equity arising under this Agreement or brought by any party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Los Angeles, State of California, or such other appropriate court in said county. Service of process on City shall be made in accordance with California law. Service of process on Developer shall be made in any manner permitted by California law and shall be effective whether served inside or outside California. In the event of any action between City and Developer seeking enforcement or interpretation of any of the terms and conditions to this Agreement, the prevailing party in such action shall be awarded, in addition to such relief to which such party is entitled under this Agreement, its reasonable litigation costs and expenses, including without limitation its expert witness fees and reasonable attorneys' fees.

9.14 Covenant Not To Sue. The parties to this Agreement, and each of them, agree that this Agreement and each term hereof are legal, valid, binding, and enforceable. The parties to this Agreement, and each of them, hereby covenant and agree that each of them will not commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other party to this Agreement, in law or in equity, which is based on an allegation, or assert in any such action, that this Agreement or any term hereof is void, invalid, or unenforceable.

9.15 Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the Development of the Project is a private Development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between City and Developer is that of a government entity regulating the Development of private property, on the one hand, and the holder of a legal or equitable interest in such property on the other hand. City agrees that by its approval of, and entering into, this Agreement, that it is not taking any action which would transform this private Development into a "public work" project, and that nothing herein shall be interpreted to convey upon Developer any benefit which would transform Developer's private project into a public work project, it being understood that this Agreement is entered into by City and Developer upon the exchange of consideration described in this Agreement, including the Recitals to this Agreement which are incorporated into this Agreement and made a part hereof, and that City is receiving by and through this Agreement the full measure of benefit in exchange for the burdens placed on Developer by this Agreement.

9.16 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

9.17 Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by City of its power of eminent domain or Developer's right to seek and collect just compensation or any other remedy available to it.

9.18 Amendments in Writing/Cooperation. This Agreement may be amended only by written consent of both parties specifically approving the amendment and in accordance with the Government Code provisions for the amendment of Development Agreements. The parties shall cooperate in good faith with respect to any amendment proposed in order to clarify the intent and application of this Agreement, and shall treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters. Minor, non-material modifications may be approved by the City Manager upon approval by the City Attorney.

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

9.20 Notices. All notices under this Agreement shall be effective when delivered by United States Postal Service mail, registered or certified, postage prepaid return receipt requested; and addressed to the respective parties as set forth below or as to such other address as the parties may from time to time designate in writing by providing notice to the other party:

To City: City of Montebello
1600 West Beverly Boulevard
Montebello, CA 90640
Attn: City Manager

To Developer: Clear Channel Outdoor, Inc.
19320 Harborgate Way
Torrance, CA 90501
Attn: Vice President, Real Estate & Public Affairs

With Copy To: Clear Channel Outdoor, LLC
2325 E. Camelback Road, Suite 250
Phoenix, AZ 85016
Attn: Operations Counsel

9.21 Nonliability of City Officials. No officer, official, member, employee, agent, and/or representatives of City shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, member, employee, agent, and/or representative.

9.22 No Brokers. City and Developer represent and warrant to the other that neither has employed any broker and/or finder to represent its interest in this transaction. Each party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorneys' fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with this Agreement or arising out of agreements by the indemnifying party to pay any commission or finder's fee.

9.23 No Amendment of Lease. Nothing contained in this Agreement shall be deemed to amend or modify any of the terms or provisions of the Lease. Nothing contained in this Agreement shall constitute or be deemed to constitute a limit on any of Developer's

obligations under the Lease, or any of Owner's rights or remedies against Developer under the Lease.

WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

City: CITY OF MONTEBELLO

By: _____

Mayor

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

Developer:

Clear Channel Outdoor, LLC a Delaware limited liability company

Bryan Parker, Executive Vice President

[end of signatures]

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

State of California)
County of Los Angeles)

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

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

WITNESS my hand and official seal.

Signature _____

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

State of California)
County of Los Angeles)

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

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

WITNESS my hand and official seal.

Signature _____

EXHIBIT "A"

LEGAL DESCRIPTION OF SITE

PARCEL MAP AS PER BK 14 P 21 OF PM
LOT 2

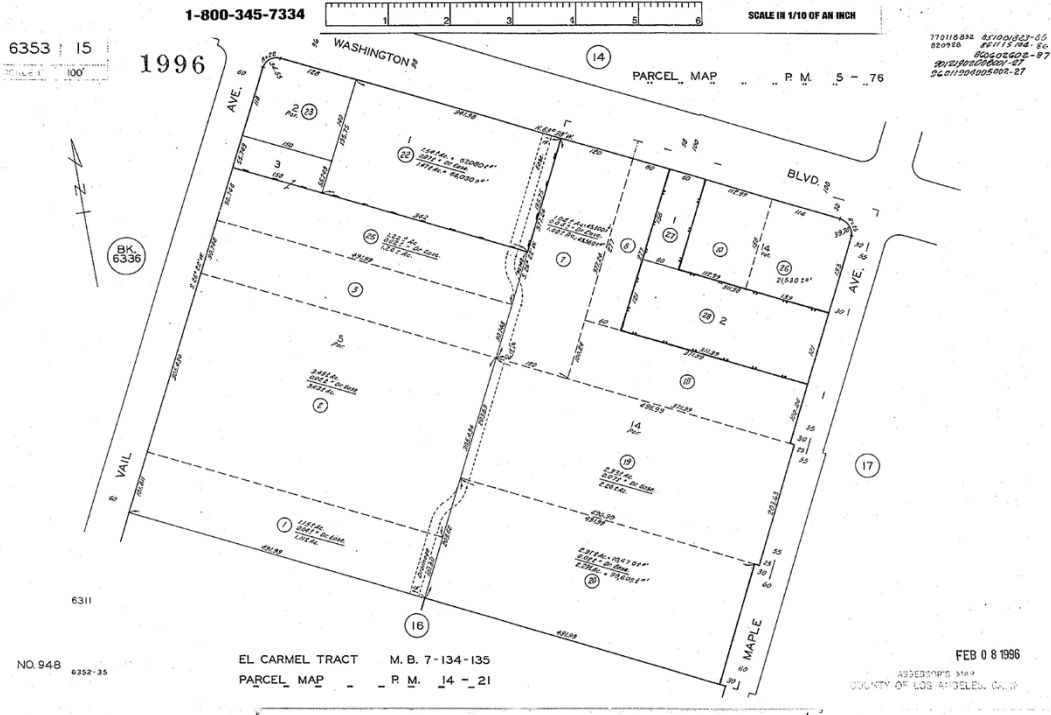


EXHIBIT "B"

Description of New Digital Billboard

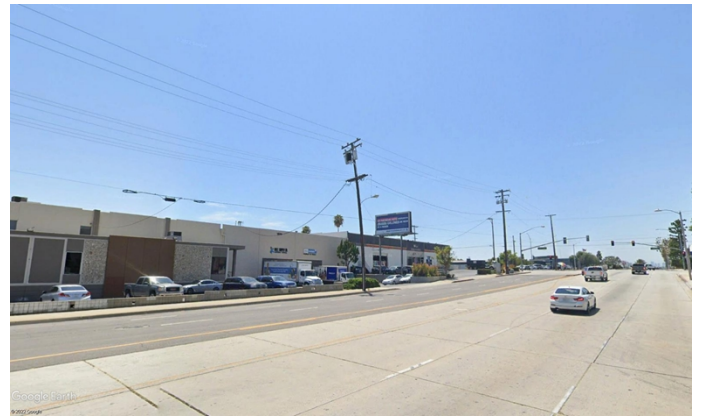
CCO will be removing the existing Deck and External Lights

CCO will be relocating the existing printed display faces in place as a double-faced 12' x 25' outdoor advertising sign with digital display faces

Existing West Face



Existing East Face



Digital Panel Sample



EXHIBIT "C"
Billboard Structure and Faces To Be Removed

249 E Beverly Terrace, Montebello, CA 90640 (Panels #3936 & #3937)

East Face



West Face



EXHIBIT "D"

SCOPE OF DEVELOPMENT INCLUDING SIGN PLANS

Developer and City agree that the Development shall be undertaken in accordance with the terms of the Agreement, which include the following:

1. **Project.** Developer shall relocate in place the existing printed sign faces and shall convert it to the New Digital Billboard with digital display faces in accordance with the terms of this Agreement. The existing structure will have two (2) new digital display faces (each display face measuring approximately 12' x 25') within the Site.

2. **Building Fees.** Developer shall pay all applicable City building fees, as described in this Agreement, at the time that a building permit is issued for the installation of the New Digital Billboard Faces on the Site.

3. **Maintenance and Access.** Developer, for itself and its successors and assigns, hereby covenants and agrees to be responsible for the following:

(a) Maintenance and repair of the New Digital Billboard and Site (where authorized pursuant to the Site Lease) including but not limited to, the displays installed thereon, and all related on-Site improvements, easements, rights-of-way at its sole cost and expense. Developer's maintenance and repair obligation shall include, without limitation, maintaining any poles, lighting, signs and walls in good repair and free of graffiti, rubbish, debris and other hazards to persons using the same. Developer shall maintain and repair the New Digital Billboard digital display faces in accordance with all applicable laws, rules, ordinances and regulations of all federal, State, and local bodies and agencies having jurisdiction over the Site [unless those federal, State, and local bodies have an exception for a legal nonconforming use]. Such maintenance and repair shall include, but not be limited to, the following: (i) sweeping and trash removal related to the Project; (ii) replacement of any fixtures, equipment or property damaged by the Project to the extent required by this Agreement or applicable law; (iii) the ongoing maintenance by the Developer of any access points to the New Digital Billboard to minimize dust caused by the Project; and (iv) the repair, replacement and repainting of the New Digital Billboard structure and display faces as necessary to maintain such billboard in good condition and repair.

(b) Maintenance of the Site (where authorized pursuant to the Site Lease) in such a manner as to avoid the reasonable determination of a duly authorized official of the City that a public nuisance has been created by the absence of adequate maintenance of the New Digital Billboard digital display faces or structure such as to be detrimental to the public health, safety or general welfare or that such a condition of deterioration or disrepair causes appreciable harm or is materially detrimental to property or improvements within three hundred (300) feet of Site.

4. **Other Rights of City.** In the event of any violation or threatened violation of any of the provisions of this Exhibit "D," then in addition to, but not in lieu of, any of the rights or remedies the City may have to enforce the provisions of this Agreement, the City shall have the

right, after complying with Section 5.3 of this Agreement, (i) to enforce the provisions hereof by undertaking any maintenance or repairs required by Developer under Paragraph 3 above (subject to the execution of a permit to enter in form reasonably acceptable to Owner) and charging Developer for any actual maintenance costs incurred in performing same, and (ii) to withhold or revoke in the manner proscribed by law, after giving written notice of said violation, any building permits, occupancy permits, certificates of occupancy, business licenses and similar matters or approvals pertaining to the New Digital Billboard digital display faces.

5. No City Liability. The granting of a right of enforcement to the City does not create a mandatory duty on the part of the City to enforce any provision of this Agreement. The failure of the City to enforce this Agreement shall not give rise to a cause of action on the part of any person. No officer or employee of the City shall be personally liable to the Developer, its successors, transferees or assigns, for any default or breach by the City under this Agreement.

6. Conditions of Approval. The following additional conditions shall apply to the installation of the New Digital Billboard digital display faces and, where stated, on the Site, shall conform to all applicable provisions of the Montebello Municipal Code (MMC) and the following conditions, in a manner subject to the approval of the Planning Manager or designee:

(a) A building permit will be required and structural calculations shall be prepared by a licensed civil engineer and approved by the City Building Official.

(b) The New Digital Billboard shall remain located in the portion of the Site as described in attached Exhibit A and as set forth herein and based on dimensions described in Section 1, above.

(c) The size of each digital display face of the New Digital Billboard shall not exceed a maximum area of 300 square feet with no extensions or borders.

(d) Plans and specifications for the proposed installation of the New Digital Billboard digital display faces, including all utility plans, shall be submitted to the City Planning and Building Departments for plan check and approval prior to the issuance of building permits.

(e) Prior to the approval of the final inspection, all applicable conditions of approval and all mandatory improvements shall be completed to the reasonable satisfaction of the City.

(f) Developer shall maintain the Site and use thereof in full compliance with all applicable codes, standards, policies and regulations imposed by the City, County, State or federal agencies by any duly and valid city, county or state ordinance with jurisdiction over the facilities, unless the Project is exempted as a legal nonconforming use.

(g) The Developer shall pay any and all applicable fees due to any public agency pertaining to the New Digital Billboard digital display faces prior to the final issuance of the building permits.

(h) The activities proposed in this Agreement shall be conducted completely upon the Site and shall not use or encroach on any public right-of-way.

(i) All graffiti shall be adequately and completely removed or painted over within 48 hours of notice to Developer of such graffiti being affixed on the New Digital Billboard.

(j) Developer shall comply with the standards as adopted by the Outdoor Advertising Association of America, Inc. (OAAA), including but not limited to, the 0.3 foot-candles limitation over ambient light levels at 250 feet, and ensuring additional flexibility in reducing such maximum light level standard given the lighting environment, the obligation to have automatic dimming capabilities, as well as providing the City's Planning Manager or designee with a designated Developer employee's phone number and/or email address for emergencies or complaints that will be monitored 24 hours a day/7 days per week. Upon any reasonable complaint by the City's Planning Manager or designee, Developer shall perform a brightness measurement of the display using OAAA standards and provide City with the results of same within 15 days of the City's complaint. Developer shall dim the display to the appropriate setting immediately upon the conclusion of any such measurement that concluding that the light standards were exceeded.

(k) In the event ten percent (10%) or more of the digital sign face is not operating correctly or in the event of a malfunction, Developer shall immediately turn the entire display off, or show a one hundred percent (100%) black image on the display until corrected.

(l) The interval between the change in digital content shall be a minimum of eight (8) seconds and the images shall change instantaneously, without special transitional effects.

RECORDING REQUESTED BY AND
AFTER RECORDING MAIL TO:

CITY OF MONTEBELLO
1600 West Beverly Boulevard
Montebello, CA 90640
Attn: City Clerk

Space above this line reserved for recorder's use
[Exempt From Recording Fee Per Gov. Code §6103]

DEVELOPMENT AGREEMENT NO. 04-22 (AGREEMENT NO. 4034)

This Development Agreement (hereinafter "Agreement") is entered into by and between the CITY OF MONTEBELLO (hereinafter "City") and CLEAR CHANNEL OUTDOOR, INC., a Delaware corporation (hereinafter "Developer").

RECITALS

A. California Government Code Sections 65864, *et seq.*, ("Development Agreement Law") authorizes cities to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purposes of strengthening the public planning process, encouraging private participation and comprehensive planning, and identifying the economic costs of such development.

B. Developer has a leasehold interest in that certain portion of real property located at 1915 W Whittier Blvd. in the City of Montebello, CA 90640, Assessor Parcel Number 6337-007-033, as more specifically described in Exhibit "A" (the "Site") upon which Developer currently owns and operates an existing lawfully permitted double-faced 12' x 25' outdoor advertising sign with printed display faces and seeks to relocate such sign in place as a double-faced 12' x 25' outdoor advertising sign with one east facing digital display face and one west facing printed display face, as more fully described in Exhibit "B" hereto ("New Digital Billboard"), in consideration for the additional removal of the single-faced 12' x 25' outdoor advertising sign located on the real property described on Exhibit "C" hereto (the "Removed Sign" and together with the New Digital Billboard, the "Project").

C. Notwithstanding anything to the contrary in Section 17.62.105 of the City's Zoning Ordinance, the City has determined that the Project contemplated herein complies with Section 17.62.105.C of the Zoning Ordinance, as amended by the Ordinance approving this Agreement (the "Code"), and will provide public benefits among other things, resulting in a net reduction in outdoor advertising signage in the City.

D. City and Developer agree and acknowledge that the outdoor advertising sign relocation contemplated herein complies with, and serves the purposes enumerated in,

California Business & Professions Code Sections 5200 *et seq.* (the “California Outdoor Advertising Act”), including, but not limited to, Sections 5412 and 5443.5.

E. In exchange for the approvals sought to convert the existing double-faced billboard with printed display faces to the New Digital Billboard, as described above, Developer has offered to:

1. Pay to the City an annual Development Fee, as defined and provided in Section 2.6 below, for the cost to the City to ameliorate the impact of the installation of the digital sign panels on the New Digital Billboard; and

2. Provide advertising space free of charge to City on a space available basis as further described below.

3. Pay to the City a signing bonus of Twenty Thousand Dollars (\$20,000) per digital display face under this agreement to be used to refurbish the City’s existing on-premise sign located at 1600 W Beverly Blvd., Montebello CA 90640, (the “Signing Bonus”).

F. Developer and City agree that a development agreement should be approved and adopted to memorialize the expectations of City and Developer as more particularly described herein.

G. On October 26, 2022, the City Council of the City, pursuant to Government Code sections 65867 and 65867.5 and other applicable law, held a duly noticed public hearing to consider the approval of this Agreement and, after hearing public testimony thereon, considered the proposal and introduced Ordinance No. 2456.

H. The City Council has found that: this Agreement is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City’s police power; the terms of the Agreement will not be detrimental to the public’s health, safety, or general welfare; and this Agreement is consistent with the City’s General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to more appropriate locations within the City, while allowing for the incorporation of modern technology into relocated displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City’s planned development.

I. On November 16 2022, the City Council held the second reading of Ordinance No. 2456, thereby approving this Agreement.

J. City finds and determines that all actions required of City precedent to approval of this Agreement by Ordinance No. 2456 of the City Council have been duly and regularly taken.

K. In exchange for the benefits to the City described in the Agreement, together with other public benefits that will result from the development of the Project (as defined below), Developer will receive by this Agreement assurance that it may proceed with the Project in accordance with Land Use Regulations (as defined below), and therefore desires to enter into this Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1 Definitions. This Agreement uses a number of terms having specific meanings, as defined below. These specially defined terms are distinguished by having the initial letter capitalized when used in the Agreement. In addition to the terms defined in the Recitals above and elsewhere in this Agreement, the defined terms include the following:

1.1.1 “ Site Lease” means the lease agreement by and between Developer and Bluff Road East LLC, a Limited Liability Company, the owner of the Site.

1.1.2 “Agreement” means this Development Agreement and all attachments and Exhibits hereto.

1.1.3 “City” means the City of Montebello, a California municipal corporation.

1.1.4 “City Council” means the City Council of the City.

1.1.5 “Developer” means Clear Channel Outdoor, LLC, a Delaware limited liability company and its successors and assigns, duly existing and operating, and doing business at 19320 Harborgate Way, Torrance, CA 90501.

1.1.6 “Development Approvals” means any and all permits and approvals which may be required by City, affected utility agencies, or any other governmental agency for the construction and/or operation of the Project by Developer pursuant to the Scope of Development, including but not limited to, necessary building permits and all approvals required under the California Environmental Quality Act (“CEQA”) and from the California Department of Transportation (“Caltrans”), if any.

1.1.7 “Effective Date” is when the Agreement is signed by both the Developer and City and when the Agreement is approved by Ordinance No. _____, but shall be no sooner than 30 days following approval of this Agreement by Ordinance No. _____, and after expiration of all applicable appeals periods.

1.1.8 “Land Use Regulations” means all ordinances, resolutions, codes, rules, regulations and official policies of City, including, but not limited to, the City’s General Plan, Municipal Code and Zoning Code, which govern development and use of the Site, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the Site which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement. Land Use Regulations shall also include NPDES regulations and approvals from the California Department of Transportation Outdoor Advertising Division, to the extent applicable.

1.1.9 "Mortgagee" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device, including each of their respective successors and assigns.

1.1.10 "New Digital Billboard" means the new double-faced digital sign, as described in Exhibit "B" hereto located on the Site, and a relocation in place of the existing lawfully permitted double faced outdoor advertising structure 12' x 25' foot printed display faces on the Site.

1.1.11 "Operational" means the New Digital Billboard is capable, legally and functionally, of displaying advertising on the digital displays with a permanent source of power.

1.1.12 "Project" means the complete removal of the Removed Sign and the removal of the existing printed display face and the installation of one east facing digital display face on the New Digital Billboard".

1.1.13 "Removed Sign" means the sign to be completely removed as more fully described on Exhibit "C" hereto.

1.1.14 "Scope of Development" means the Scope of Development attached hereto as Exhibit "D" and incorporated herein.

1.1.15 "Signing Bonus" means the upfront payment to be used by the City to refurbish its existing on-premise sign as provided in Recital E.3 above.

1.1.16 "Subsequent Land Use Regulations" means any Land Use Regulations effective after the Effective Date of this Agreement which governs development and use of the Project and/or the Site.

1.1.17 "Subsequent Development Approvals" means any and all permits and approvals which may be required by City, affected utility, or any other governmental agency for repair, maintenance, construction, reconstruction, enhancement, development, operation, or other work to be performed by Developer, including but not limited to, necessary building permits and all approvals required under the California Environmental Quality Act ("CEQA"), that occurs after the Project has been constructed and become operational. Consistent with the Outdoor Advertising Act (Bus. & Profs. Code, § 5200 et seq.), the performance of customary maintenance does not require local approvals.

1.1.18 "Term" shall have the meaning provided in Section 2.4, unless earlier terminated as provided in this Agreement.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of this Agreement: Exhibit "A" (Legal Description of Site), Exhibit "B" (Description of New Billboard), Exhibit "C" (Removed Billboards), and Exhibit "D" (Scope of Development)

2. GENERAL PROVISIONS.

2.1 Binding Effect of Agreement. From and following the Effective Date, actions by the City and Developer with respect to the Site, the Project, or the New Digital Billboard, including actions by the City on applications for Subsequent Development Approvals affecting the

Site, shall be subject to the terms and provisions of this Agreement; provided, however, that nothing in this Agreement shall be deemed or construed (i) to modify or amend the Site Lease, or any of Developer's obligations thereunder; (ii) bind or restrict the owner of the Site with respect to its ownership or operation of the Site; or (iii) to impose any obligation whatsoever on the owner of the Site, including without limitation any obligation with respect to the Project, except as expressly set forth in this Agreement.

2.2 Interest in the Site. City and Developer acknowledge and agree that Developer has a legal or equitable interest in the Site and thus is qualified to enter into and be a party to this Agreement under California Government Code 65864 *et. seq.* If Developer's leasehold interest is prematurely terminated by the owner of the Site, then Developer shall have no further obligations under Section 3.2 4 or Exhibit "D" of this Agreement relative to the construction or maintenance of the sign thereon, including but not limited to any payments under Section 2.6 or elsewhere hereunder. Additionally, if Developer's leasehold interest is prematurely terminated by owner of the Site, then this Agreement shall be terminated and Developer shall have no further obligations under this Agreement, except as provided under Section 4.1 with respect to Developer's responsibility to remove the digital display face on the New Digital Billboard as provided therein.

2.3 No Assignment. Except as set forth herein, neither party may sublet, assign or otherwise transfer this Agreement, or any interest herein, either voluntarily or by operation of law, without the other party's prior written consent, which the other party shall not unreasonably withhold, condition, or delay. Notwithstanding the above, the consent of City shall not be required: (a) for Developer to assign its rights and duties under this Agreement to any type of legal entity, including but not limited to a limited liability company, corporation, or limited partnership, controlling, controlled by or under common control with Developer or to any entity that acquires a majority of Developer's assets in the Southern California market; or (b) in the event any such entity to which this Agreement has been so assigned thereafter merges with another company, reorganizes its stock, or undergoes a similar corporate restructuring, changes ownership or sells any of its assets or stock. Any security posted by Developer may be substituted by the assignee or transferee. After a transfer or assignment as permitted by this Section, the City shall look solely to such assignee or transferee for compliance with the provisions of this Agreement which have been assigned or transferred.

2.4 Term of Agreement. Unless earlier terminated as provided in this Agreement, this Agreement shall continue in full force and effect until the earlier of: (a) twenty (20) years after the date the digital display face on the New Digital Billboard become Operational; or (b) the earlier termination of this Agreement and Site Lease and the permanent removal of the digital display face on the New Digital Billboard constructed pursuant to the terms hereof. If one digital face is removed permanently and replaced with a printed face, then this Agreement will remain in full force and effect as to the second digital face and the annual Development Fee under Section 2.6 shall be reduced to one-half of such payments accordingly. This Agreement may be extended at Developer's option at the end of the initial term by delivery of written notice from Developer to the City not less than ninety (90) days prior to expiration of the initial term of this Agreement. Within thirty (30) days after the expiration or termination of this Agreement, the parties shall execute a written cancellation of this Agreement which shall be recorded with the County Recorder pursuant to Section 9.1 below. The term of this Agreement supersedes any amortization period that may apply under the Montebello Municipal Code as to any non-conformity as applied to the Site.

2.5 Processing Fee. Upon submission of its application for the Project approvals, Developer will pay to City a processing (“Processing Fee”) in the amount of Ten Thousand Dollars (\$10,000). This fee is in addition to the payment of customary building plan check or building permit fees. The City shall retain and use the Processing Fee, or any part thereof, for payment of any and all standard fees applicable for the necessary City review, evaluation, and analysis pertaining to the New Digital Billboard, including, but not limited to, legal fees and feasibility analysis incurred by the City in negotiation and preparation of this Agreement.

2.6 Development Fee. The potential impacts of the Project on the City and surrounding community are difficult to identify and calculate. Developer and City agree that an annual development fee paid by Developer to City would adequately ameliorate all such potential impacts. The parties therefore agree that Developer shall pay an annual development fee in the amount of Ten Thousand Dollars (\$10,000.00) per digital display face to City, (“Development Fee”), payable in monthly installments, with the first installment due within thirty (30) days after the display face on the New Digital Billboard become Operational (the “Commencement Date”), and within thirty (30) days of the year anniversary of such Commencement Date throughout the Term of this Agreement, as follows:

2.7 Notification of Operational Date. Developer shall notify the City in writing when the digital display face on the New Digital Billboard becomes Operational for the purpose of determining the Commencement Date. The City’s issuance of a building permit shall not be unreasonably withheld, provided the issuance of a building permit is done in compliance with the terms of this Agreement and said permit is issued in full compliance with applicable building codes and standards.

2.8 Community Benefits. Developer shall also provide the following community benefits during the entire Term of this Agreement:

2.8.1 **City’s Use of Digital Sign.** Developer shall also provide, free of charge to City on a space available basis, advertising space on the digital display face on the New Digital Billboard for purposes of posting public service announcements and City-related advertising or announcements (“City Messages”). The City shall submit all proposed copy of City Messages to Developer not less than five (5) business days prior to the date the copy is proposed to be displayed, and, with the exception of Public Service Messages described in Section 2.8.3, the City shall notify Developer in writing not less than 30 calendar days prior to a requested display date. All proposed copy shall be subject to Developer’s standard advertising copy rejection and removal policies, which allow Developer to approve or disapprove copy and remove copy once posted or displayed. City represents and warrants that all copy, content and materials supplied by City to Developer for display under this Agreement: (i) are owned or duly licensed by City and do not infringe or misappropriate the rights of any other person or entity; (ii) comply with all applicable federal, state, and local laws, rules and regulations and any industry codes or rules by which City and/or Developer may be bound and do not contain any obscene, libelous, slanderous or otherwise defamatory materials or refer in an offensive manner to the gender, race or ethnicity of any individual or group; (iii) are accurate and that all claims contained therein have been substantiated; and (iv) do not infringe upon any copyright, trademark or other intellectual property or privacy right of any third party. Any content provided by City shall be owned and belong exclusively to the City, and Developer shall not reproduce, sell, or give away any such content without the advance written consent of the City. It is expressly understood and agreed that, absent approval from Developer, City Messages shall not include any names, logos or marks associated with any third-party non-governmental person or entity, or any products or services associated with any third-party non-governmental person or entity.

2.8.2 Indemnification for City Messages. The City shall, and hereby does agree to, indemnify, defend and hold harmless Developer for, from and against, any claims, costs (including, but not limited to, court costs and reasonable attorneys' fees), losses, actions or liabilities arising from or in connection with any third party allegation that any portion of any City Message infringes or violates the rights, including, but not limited to, copyright, trademark, trade secret or any similar right, of any third party. This indemnity shall not include Developer's lost profits or consequential damages or any similar right, of any third party.

2.8.3 Public Service Messages. During the entire Term of this Agreement and any extension, Developer shall make advertising space on the digital display face on the New Digital Billboard Face available to the appropriate agencies for the purposes of displaying "Amber Alert" or other emergency messages, at no cost, and in accordance with local and regional emergency protocols.

2.9 Prohibited Use. Developer shall not utilize the digital display face on the New Digital Billboard to advertise tobacco, marijuana, hashish, "gentlemen's clubs," adult entertainment businesses, "obscene matter," as that term is defined in California Penal Code section 311, or any matter that is prohibited by any City ordinance existing as of the Effective Date of this Agreement or as may be amended or implemented from time-to-time after the Effective Date and equally applicable to all billboard displays. In addition, the Developer shall at all times comply with Article 7 § 5402 of the Outdoor Advertising Act from the Business and Professions Code. Developer shall immediately remove any prohibited content upon notice from the City. If there is a dispute between Developer and City as to whether any such content is prohibited, Developer shall remove the disputed content until the dispute is resolved.

2.10 Signing Bonus. Developer shall pay to City the Signing Bonus on the Commencement Date.

3. DEVELOPMENT AND IMPLEMENTATION OF THE PROJECT.

3.1 Vested Right to Develop The Site. Developer shall have the right to develop the Project on the Site in accordance with, and to the extent of, the Development Approvals, the Subsequent Development Approvals, and this Agreement pursuant to the Land Use Regulations including, without limitation, Developer's vested right to develop the Project on the Site; provided that nothing in this Agreement shall be deemed to modify or amend the Site Lease. In the event of any conflict or inconsistency between (i) the Agreement, any Project conditions of approval, and terms for issuance of a Project-related building permit, and (ii) the Land Use Regulations, this Agreement and any Project conditions of approval, and terms for issuance of a Project-related building permit shall prevail and control.

3.2 Effect of Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Agreement: the rules, regulations and official policies governing permitted uses of the Site; the density and intensity and use of the Site; the maximum height, bulk, and size of proposed structures; the general location of public utilities; the design, and improvement and construction standards and specifications applicable to development of the Site; and other terms and conditions of development applicable to the Project, are set forth in the Land Use Regulations which are in full force and effect as of the Effective Date of this Agreement, subject to the terms of this Agreement.

3.3 Development Approvals. Developer shall, at its own expense and before commencement of demolition, construction or development of any structures or other work of

improvement upon the Site, secure or cause to be secured all necessary Development Approvals. Not by way of limiting the foregoing, in developing and constructing the Project, Developer shall comply with all (1) applicable development standards in City's Municipal Code, (2) applicable NPDES requirements pertaining to the Project, (3) all applicable building and fire codes, except as may be permitted through approved variances and modifications. Developer shall pay all normal and customary fees and charges applicable to such permits, and any fees and charges hereafter imposed by City in connection with the Project which are standard and uniformly-applied to similar projects in the City.

3.4 Purpose. The purpose of this Agreement is to set forth the rules and regulations applicable to the Project, which shall be accomplished in accordance with this Agreement, including the Scope of Development (Exhibit "D") which sets forth a description of the Project.

3.5 Changes and Amendments. Developer may determine that changes to the Agreement are appropriate and desirable. In the event Developer makes such a determination, Developer may apply in writing for an amendment to the Agreement to effectuate such change(s). The Parties acknowledge that City shall be permitted to use its inherent land use authority in deciding whether to approve or deny any such amendment request; provided, however, that in exercising the foregoing reasonable discretion, the City shall not apply a standard different than that used in evaluating requests of other developers, and the City must comply with Paragraph 9.18 of this Agreement. Accordingly, under no circumstance shall City be obligated in any manner to approve any amendment to the Agreement. Notwithstanding the foregoing, the City Manager shall be authorized, with the written consent of Developer, to approve any non-substantive amendment to the Agreement without processing a formal amendment to this Agreement. All other amendments shall require the approval of the City Council. The parties acknowledge that any extension of the Term for no more than twenty-four (24) months total is an example of a non-substantive change, which the City Manager, in his or her sole discretion, may approve in writing. Nothing herein shall cause Developer to be in default if it upgrades the digital display installed pursuant to this Agreement during the Term of this Agreement to incorporate newer technology; provided Developer shall secure all applicable ministerial permits to do so and ensure that such upgrade is consistent with the dimensions and standards for the displays, as provided under this Agreement and the Land Use Regulations.

3.6 Reservation of Authority.

3.6.1 **Limitations, Reservations and Exceptions.** Notwithstanding any other provision of this Agreement, the following Subsequent Land Use Regulations shall apply to the development of the Site:

(a) Processing fees and charges of every kind and nature imposed by the City to cover the estimated actual costs to City of processing applications for Subsequent Development Approvals to the extent such fees are assessed on a City-wide basis.

(b) Procedural regulations consistent with this Agreement relating to hearing bodies, petitions, applications, notices, findings, records, hearing, reports, recommendations, appeals and any other matter of procedure. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

(c) Changes adopted by the International Conference of Building Officials, or other similar body, as part of the then most current versions of the Uniform Building Code, Uniform Fire Code, Uniform Plumbing Code, Uniform Mechanical Code, or National Electrical Code, as adopted by City as Subsequent Land Use Regulations, if adopted prior to the issuance of a building permit for development of the digital display face on the New Digital Billboard on the Site. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

(d) Regulations that are not in conflict with the Development Approvals or this Agreement, and do not (1) reduce the size of the Project as permitted under the Land Use Regulations; (2) interfere with the operation of the New Digital Billboard as permitted under the Land Use Regulations; (3) change the land use designation or permitted or conditionally permitted use of the Site as described in the Land Use Regulations; (4) require the issuance of permits, approvals or entitlements by City other than those required under the Existing Land Use Regulations; or (5) materially limit the processing or procuring of applications and approvals of Subsequent Development Approvals.

(e) Regulations that are in conflict with the Development Approvals or this Agreement, provided Developer has given written consent to the application of such regulations to the Development of the Site.

(f) Applicable Federal, State, County, and multi-jurisdictional law and regulations which City is required to enforce as against the Site and that do not have an exception for existing signs or legal nonconforming uses.

3.6.2 Future Discretion of City. This Agreement shall not prevent City from denying or conditionally approving any application for a Subsequent Development Approval on the basis of the Land Use Regulations.

3.6.3 Modification or Suspension by Federal or State Law. In the event that applicable federal or state laws or regulations enacted after the Effective Date of this Agreement, prevent or preclude compliance with one or more of the provisions of this Agreement, and there is no exception for the legal nonconforming use, each party shall provide the other party with written notice of such state or federal law or regulation, a copy of such law or regulation, and a statement concerning the conflict with the provisions of this Agreement. The parties shall, within thirty (30) days, meet and confer in good faith in a reasonable attempt to modify this Agreement so as to comply with such state or federal law or regulation. This Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provision impractical to enforce. Notwithstanding the foregoing, if such change materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

3.7 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not subject to control by City may possess authority to regulate aspects of the development of the Site as contemplated herein, and this Agreement does not limit the authority of such other public agencies. Developer acknowledges and represents that, in addition to the Land Use Regulations, Developer shall, at all times, comply with all applicable federal, State and local laws and regulations applicable to the New Digital Billboard and Site that do not have an exception for a legal nonconforming use. To the extent such other public agencies

preclude development or maintenance of the Project and that do not have an exception for a legal nonconforming use, Developer shall not be further obligated under this Agreement except as provided in Section 4.1. Notwithstanding the foregoing, if such action by another public agency materially changes Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice

3.8 Public Improvements. Notwithstanding any provision herein to the contrary, the City shall retain the right to condition any Subsequent Development Approvals to require Developer to pay any required development fees, and/or to construct the required public infrastructure ("Exactions") at such time as City shall determine subject to the following conditions.

3.8.1 The payment or construction must be to alleviate an impact caused by the Project or be of benefit to the Project; and

3.8.2 The timing of the Exaction should be reasonably related to the development of the Project and said public improvements shall be phased to be commensurate with the logical progression of the Project development as well as the reasonable needs of the public.

3.8.3 It being understood, however, that if there is a material increase in cost to Developer or such action by City otherwise materially impacts Developer's performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

3.9 Fees, Taxes and Assessments. During the Term of this Agreement, the City shall not, without the prior written consent of Developer, impose any additional fees, taxes or assessments on all or any portion of the Project, except such fees, taxes and assessments as are described in or required by this Agreement and/or the Development Approvals. However, this Agreement shall not prohibit the application of fees, taxes or assessments upon the Site only and not the New Digital Billboard or Developer directly as follows:

3.9.1 Developer shall be obligated to pay those fees, taxes or City assessments and any increases in same which exist as the Effective Date or are included in the Development Approvals;

3.9.2 Developer shall be obligated to pay any fees or taxes, and increases thereof, imposed on a City-wide basis such as, but not limited to, business license fees or taxes or utility taxes;

3.9.3 Developer shall be obligated to pay all fees applicable to a permit application as charged by City at the time such application is filed by Developer;

3.9.4 Developer shall be obligated to pay any fees imposed pursuant to any Uniform Code that existed when the application is filed by the Developer or that exists when the Developer applies for any Subsequent Development Approval.

3.10 Additional Fees; Termination. Notwithstanding anything to the contrary herein, if there is a change in such fees to those charged as of the full execution hereof, or any additional fees are charged and such additional or increased fees materially change Developer's costs or otherwise materially impacts its performance hereunder, Developer may terminate this Agreement upon ninety (90) days prior written notice.

3.11 Extension of Term of Development Approvals. The term of any Development Approvals and Subsequent Development Approvals shall be automatically extended for the longer of the Term of this Agreement or the term otherwise applicable to the Development Approvals and Subsequent Development Approvals.

4. REMOVAL OF BILLBOARD DISPLAY FACE.

4.1 Removal by Developer. If an extension of the Term is not granted by the City according to the provisions of paragraph 2.4, above, the New Digital Billboard digital display face will be removed and the displays may be converted back to printed displays. In the event that the digital displays are not converted back to printed displays according to the terms of this paragraph, Developer shall within sixty (60) days from expiration of the Term, at its sole cost and expense, be required to demolish and remove the New Digital Billboard digital display face.

4.2 City's Right to Removal. Provided Developer is not in material breach hereof past any applicable notice and cure period, City will not have the right to remove the New Digital Billboard digital display face. Should Developer be in material breach of this Agreement past any applicable notice and cure period, and subject to due process, City may only require removal of the New Digital Billboard digital display face. If City requires the New Digital Billboard digital display face to be removed pursuant to the terms of this paragraph, Developer shall, at its sole cost and expense, remove the digital displays upon the New Digital Billboard and convert the displays to printed displays within ninety (90) days of City's notice to Developer of such breach.

5. REVIEW FOR COMPLIANCE.

5.1 Annual Reviews. At least once every twelve (12) months, Developer shall demonstrate its good faith compliance with the terms hereof by providing written correspondence addressed to the City Manager demonstrating such good faith compliance. "Good faith compliance" shall mean that Developer has sufficiently followed the terms of this Agreement so as to carry out the intent of the parties in entering into it. After receiving and reviewing Developer's written submission, if the City Manager finds that Developer is not acting in good faith compliance with this Agreement, the City Manager shall schedule a hearing before the Planning Commission in order to evaluate Developer's good faith compliance with the terms of the Agreement. The City shall provide Developer with notice of such hearing and a copy of all staff reports and related exhibits as soon as available, but in no event later than five days prior to the hearing. The Planning Commission's determination following such hearing shall be based on substantial evidence, and shall be subject to appeal to the City Council. If the Planning Commission or City Council, as applicable, finds that the Developer is not in good faith compliance with the terms of this Agreement, the provisions of Section 6 shall govern the parties rights.

5.2 City Right of Access. The City, its officers, employees, agents and contractors, shall, in the exercise of the City's police power, have the right, at their sole risk and expense, to enter the Site consistent with any rights the City has obtained by virtue of recorded easement or other property interests or, if no such interests exist, upon execution of a license or other applicable written agreement in a form mutually acceptable to the owner of the Site and upon written notice to Developer. The access to the Site described in this paragraph shall be for the purpose of conducting the inspection, maintenance, repair, service, construction, or relocation of any public improvements or public facilities located on the Site, or to exercise its rights under section 4.2. If an emergency repair to a public improvement or public facility on the Site is required and the City does not possess and has not obtained the foregoing access rights, Developer

acknowledges that the City may exercise its police power to enter the Site and conduct such repair after providing Developer and the Site owner with reasonable advance notice, with the reasonableness of such notice to be determined from the circumstances necessitating the entry. Any damage or injury to the Site or to the improvements constructed thereon resulting from such entry shall be promptly repaired at the sole expense of the City. The City also may access the Site in order to implement any of its lawful police powers to address any nuisance, dangerous condition, or other condition prohibited under the City's ordinances, so long as the City conducts the foregoing activities in a manner consistent with and protective of Developer's and the Site owner's due process rights. Except as explicitly provided for in this Agreement (including without limitation in this Section and Section 4.2 above), the City shall have no right whatsoever to enter the Site.

5.3 Procedure. Each party shall have a reasonable opportunity to assert matters which it believes have not been undertaken in accordance with the Agreement, to explain the basis for such assertion, and to receive from the other party a justification of its position on such matters. If, on the basis of the parties' review of any terms of the Agreement, either party concludes that the other party has not complied with the terms of the Agreement, then such party may issue a written "Notice of Non-Compliance" specifying the grounds therefore and all facts demonstrating such non-compliance. The party receiving a Notice of Non-Compliance shall have forty-five (45) days to cure or remedy the non-compliance identified in the Notice of Non-Compliance, or if such cure or remedy is not reasonably capable of being cured or remedied within such forty-five (45) days period, to commence to cure or remedy the non-compliance and to diligently and in good faith prosecute such cure or remedy to completion. If the party receiving the Notice of Non-Compliance disputes that it is in non-compliance with the terms of this Agreement, that party shall respond in writing to the Notice of Non-Compliance within forty-five (45) days after receipt of the Notice of Non-Compliance. If a Notice of Non-Compliance is disputed, the parties shall, for a period of not less than fifteen (15) days following receipt of the response to the Notice of Non-Compliance, seek to arrive at a mutually acceptable resolution of the dispute. In the event that a cure or remedy is not timely effected or, if the Notice of Non-Compliance is disputed and the parties are not able to arrive at a mutually acceptable resolution of the matter(s) by the end of the fifteen (15) day period described above, the party alleging the non-compliance may thereupon pursue the remedies provided in Section 6. Neither party hereto shall be deemed in breach if the reason for non-compliance is due to a "force majeure" event as defined in, and subject to the provisions of, Section 9.10.

6. DEFAULT AND REMEDIES.

6.1 Termination of Agreement.

6.1.1 **Termination of Agreement for Material Default of Developer.**

City, in its discretion, may terminate this Agreement upon written notice to Developer for any material failure of Developer to perform any material duty or obligation of Developer hereunder or to comply with the terms of this Agreement (hereinafter referred to as "default" or "breach"); provided, however, City may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.3. In the event of a termination by City under this Section 6.1.1, Developer acknowledges and agrees that, unless otherwise set forth below, City may retain all fees, including the Processing Fee and the Development Fee paid up to the date of termination, and Developer shall pay the prorated amount of the Development Fee within sixty (60) days after the date of termination and removal of the New Digital Billboard that equates to the percentage of time elapsed in the year of the Term at the time of termination. In the event that City terminates this Agreement under this Section 6.1.1 before the New Digital Billboard

digital display face become Operational, City shall refund any portion of the Processing Fee that the City has not reasonably expended at the time of such termination after payment to City of the fees and costs described in Section 2.5.

6.1.2 Termination of Agreement for Material Default of City.

Developer, in its discretion, may terminate this Agreement upon written notice to City for any material failure of City to perform any material duty or obligation of City hereunder or to comply in with the terms of this Agreement; provided, however, Developer may terminate this Agreement pursuant to this Section only after following the procedure set forth in Section 5.3. In addition, Developer may terminate this Agreement upon written notice to City, if despite Developer's good faith efforts, it is unable to secure the Development Approvals and any other necessary approvals and/or compliance with requirements under laws necessary to effectuate the Project is not feasible. In the event of a termination by Developer under this Section 6.1.2, Developer acknowledges and agrees that, unless otherwise set forth below, City may retain all fees, including the Processing Fee and the Development Fee, paid up to the date of termination, and Developer shall pay the prorated amount of the Development Fee within sixty (60) days after the date of termination and removal of the New Digital Billboard digital display face that equates to the percentage of time elapsed in the year of the Term at the time of termination. In the event that Developer terminates this Agreement under this Section 6.1.2 before the New Digital Billboard digital display face become Operational, City shall refund any portion of the Processing Fee that the City has not reasonably expended at the time of such termination after payment to City of the fees and costs described in Section 2.5.

6.1.3 Rights and Duties Following Termination.

Upon the termination of this Agreement, no party shall have any further right or obligation hereunder except with respect to (i) any default in the performance of the provisions of this Agreement which has occurred prior to said termination, (ii) Developer's obligation to remove the digital display face on the New Digital billboard pursuant to Section 4.1 or (iii) any continuing obligations to indemnify other parties.

6.2 Remedies.

In addition to the rights of termination set forth above, in the event of a default by either party, the non-defaulting party shall have the right to: (a) bring any proceeding in the nature of specific performance, injunctive relief, declaratory relief, or mandamus and/or; (b) bring any action at law or in equity to compensate the non-defaulting party for all the detriment proximately caused by the defaulting party's default; provided, however, that Developer's sole and exclusive remedy shall be specific performance and Developer shall not have the right to recover monetary damages (compensatory, consequential, or punitive) against the City other than attorneys' fees to the extent provided in Section 9.13 below, and the City shall only have the right to recover actual, direct damages (and not consequential or punitive damages) against Developer, as well as attorneys' fees to the extent provided in Section 9.13 below.

7. INSURANCE, INDEMNIFICATION AND WAIVERS.

7.1

7.1.1 Types of Insurance.

(a) **Liability Insurance.** Beginning on the Effective Date hereof and until completion of the Term, Developer shall, at its sole cost and expense, keep or cause to be kept in force for the mutual benefit of City, as additional insured, and Developer comprehensive broad form general liability insurance covering Developer's possession and use of the Site and providing protection of at least Two Million Dollars (\$2,000,000) for bodily injury or death to any

one person, at least Four Million Dollars (\$4,000,000) in the aggregate for any accidents or occurrences, and at least One Million Dollars (\$1,000,000) for property damage. Developer shall also furnish or cause to be furnished to City evidence that any contractors with whom Developer has contracted for the performance of any work for which Developer is responsible maintains the same limits of coverage, as specified above. Developer shall provide to the City annual proof of insurance consistent with terms and conditions of this agreement.

(b) Worker's Compensation. Developer shall also furnish or cause to be furnished to City evidence that any contractor with whom Developer has contracted for the performance of any work for which Developer is responsible hereunder carries worker's compensation insurance as required by law.

(c) Insurance Policy Form, Sufficiency, Content and Insurer. All insurance required by express provisions hereof shall be carried only by responsible insurance companies qualified to do business by California with an AM Best Rating of no less than "A". All such policies shall be non-assignable and shall contain language, to the extent obtainable, to the effect that (i) the policies are primary and noncontributing with any insurance that may be carried by City, but only with respect to the liabilities assumed by Developer under this Agreement; and (ii) the policies cannot be canceled or materially changed by Developer except after written notice by Developer to City or City's designated representative and the City's approval thereof. Developer shall furnish City with certificates of insurance evidencing that Developer has complied with the requirements of this paragraph 7.1.1.

7.1.2 Failure to Maintain Insurance and Proof of Compliance. Developer shall deliver to City, in the manner required for notices, copies of certificates of all insurance policies required of each policy within the following time limits:

(1) For insurance required above, within seven (7) days after the Effective Date or consistent with the requirements of Exhibit "C" (Schedule of Performance), Item No. 8.

(2) The City can request current certificates of all insurance policies as required. The City reserves the right to obtain copies of relevant policy forms and endorsements of the required insurance policies.

Developer's failure or refusal to procure or maintain insurance as required herein or failure or refusal to furnish City with proof that the required insurance has been procured and is in full force and effect may, after complying with the requirements of Section 5.3, be deemed a default under the terms of this Agreement.

7.2 Indemnification.

7.2.1 **General.** Developer shall indemnify the City, and its respective officers, employees, and/or agents against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions, or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person(s), firm, or entity arising out of or in connection with this Agreement and/or the work, operations, or activities of Developer, its agents, employees, subcontractors, and/or invitees, hereunder, upon the Site.

(a) Developer will defend any action or actions filed in connection with any of said claims or liabilities covered by the indemnification provisions herein and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith, which attorneys will be the attorneys hired by the insurance company where insurance coverage applies.

(b) Developer will promptly pay any judgment rendered against the City or its respective officers, agents, or employees that falls within the scope of Developer's indemnity obligations, as defined above in paragraph 7.2.1.

7.2.2 Exceptions. The foregoing indemnity shall not include claims or liabilities arising from the sole negligence or willful misconduct of the City, its officers, agents, or employees or contractors. The foregoing indemnity shall also not include claims or liabilities arising from City's use of Developer's advertising space pursuant to paragraph 2.9.1 above.

7.2.3 Additional Coverage. Without limiting the generality of the foregoing, Developer's indemnity obligation shall include any liability arising by reason of any accident or other occurrence caused by Developer in or on the Site causing injury to any person or property;

(a) **Loss and Damage.** Except as set forth below, City shall not be liable for any damage to property of Developer or others located on the Site, nor for the loss of or damage to any property of Developer or others by theft or otherwise. Except as set forth below, City shall not be liable for any injury or damage to persons or property resulting from fire, explosion, steam, gas, electricity, water, rain, dampness or leaks from any part of the Site or from the pipes or plumbing, or from the street, or from any environmental or soil contamination or hazard, or from any other latent or patent defect in the soil, subsurface or physical condition of the Site, or by any other cause of whatsoever nature. The provisions of this subparagraph (a) shall not apply (i) to the extent City or its agents, employees, subcontractors, invitees or representatives causes such injury or damage, or (ii) to the extent covered in any permit to enter the Site executed by the City.

(b) **Period of Indemnification.** The obligations for indemnity under this Section 7.2 shall begin upon the Effective Date and shall survive termination of Development Agreement.

8. MORTGAGEE PROTECTION.

The parties hereto agree that this Agreement shall not prevent or limit Developer, in any manner, at Developer's sole discretion, from encumbering the Site or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Site. City acknowledges that the lenders providing such financing may require certain Agreement modifications and City agrees upon request, from time to time, to meet with Developer, the owner of the Site, and representatives of such lenders to negotiate in good faith any such request for modification. Subject to compliance with applicable laws, City will not unreasonably withhold its consent to any such requested modification provided City determines such modification is consistent with the intent and purposes of this Agreement. Any Mortgagee of the Site shall be entitled to the following rights and privileges:

(a) Neither entering into this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Project or the Site made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Project or the Site, or any part thereof, which Mortgagee has submitted a request in writing to the City in the manner specified herein for giving notices, shall be entitled to receive written notification from City of any default by Developer in the performance of Developer's obligations under this Agreement.

(c) If City timely receives a request from a Mortgagee requesting a copy of any notice of default given to Developer under the terms of this Agreement, City shall make a good faith effort to provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to Developer. The Mortgagee shall have the right, but not the obligation, to cure the default during the period that is the longer of (i) the remaining cure period allowed such party under this Agreement, or (ii) sixty (60) days.

(d) Any Mortgagee who comes into possession of the Project or the Site, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Project or the Site, or part thereof, subject to the terms of this Agreement. Notwithstanding any other provision of this Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Agreement to perform any of Developer's obligations or other affirmative covenants of Developer hereunder, or to guarantee such performance; except that (i) to the extent that any covenant to be performed by Developer is a condition precedent to the performance of a covenant by City, the performance thereof shall continue to be a condition precedent to City's performance hereunder, and (ii) in the event any Mortgagee seeks to develop or use any portion of the Project or the Site acquired by such Mortgagee by foreclosure, deed of trust, or deed in lieu of foreclosure, such Mortgagee shall strictly comply with all of the terms, conditions and requirements of this Agreement and the Development Approvals applicable to the Project or the Site or such part thereof so acquired by the Mortgagee.

9. MISCELLANEOUS PROVISIONS.

9.1 Recordation of Agreement. This Agreement shall be recorded with the County Recorder by the City Clerk within ten (10) days of execution, as required by Government Code Section 65868.5. Amendments approved by the parties, and any cancellation, shall be similarly recorded.

9.2 Entire Agreement. This Agreement sets forth and contains the entire understanding and agreement of the parties with respect to the subject matter set forth herein, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Agreement.

9.3 Severability. If any term, provision, covenant or condition of this Agreement shall be determined invalid, void or unenforceable, then that term, provision, covenant or condition of this Agreement shall be stricken and the remaining portion of this Agreement shall remain valid and enforceable if that stricken term, provision, covenant or condition is not material to the main

purpose of this agreement, which is to allow the Project to be permitted and operated and to provide the Development Fee to the City; otherwise, this Agreement shall terminate in its entirety, unless the parties otherwise agree in writing, which agreement shall not be unreasonably withheld.

9.4 Interpretation and Governing Law. This Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Agreement shall be construed as a whole according to its fair language and common meaning, to achieve the objectives and purposes of the parties hereto. The rule of construction, to the effect that ambiguities are to be resolved against the drafting party or in favor of the non-drafting party, shall not be employed in interpreting this Agreement, all parties having been represented by counsel in the negotiation and hereof.

9.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Agreement.

9.6 Singular and Plural. As used herein, the singular of any word includes the plural.

9.7 Time of Essence. Time is of the essence in the performance of the provisions of this Agreement as to which time is an element.

9.8 Waiver. Failure of a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Agreement thereafter.

9.9 No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit for the parties and their owner, successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

9.10 Force Majeure. Notwithstanding the contrary herein, neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Agreement is caused by earthquakes, other acts of God, fires, rains, winds, wars, pandemics, epidemics, terrorism, riots or similar hostilities, strikes and other labor difficulties beyond the party's control (including the party's employment force), government actions and regulations (other than those of the City), court actions (such as restraining orders or injunctions), or other causes beyond the party's reasonable control. If any such events shall occur, the term of this Agreement and the time for performance shall be extended for the duration of each such event, provided that the term of this Agreement shall not be extended under any circumstances for more than five (5) years and further provided that if such delay is longer than six (6) months, Developer may terminate this Agreement upon written notice to City and City shall return to Developer any portion of the Development fee paid for any period after the effective date of such termination.

9.11 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

9.12 Counterparts. This Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same affected as if all of the parties had executed the same instrument.

9.13 Litigation. Any action at law or in equity arising under this Agreement or brought by any party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Los Angeles, State of California, or such other appropriate court in said county. Service of process on City shall be made in accordance with California law. Service of process on Developer shall be made in any manner permitted by California law and shall be effective whether served inside or outside California. In the event of any action between City and Developer seeking enforcement or interpretation of any of the terms and conditions to this Agreement, the prevailing party in such action shall be awarded, in addition to such relief to which such party is entitled under this Agreement, its reasonable litigation costs and expenses, including without limitation its expert witness fees and reasonable attorneys' fees.

9.14 Covenant Not To Sue. The parties to this Agreement, and each of them, agree that this Agreement and each term hereof are legal, valid, binding, and enforceable. The parties to this Agreement, and each of them, hereby covenant and agree that each of them will not commence, maintain, or prosecute any claim, demand, cause of action, suit, or other proceeding against any other party to this Agreement, in law or in equity, which is based on an allegation, or assert in any such action, that this Agreement or any term hereof is void, invalid, or unenforceable.

9.15 Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the Development of the Project is a private Development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Agreement. No partnership, joint venture or other association of any kind is formed by this Agreement. The only relationship between City and Developer is that of a government entity regulating the Development of private property, on the one hand, and the holder of a legal or equitable interest in such property on the other hand. City agrees that by its approval of, and entering into, this Agreement, that it is not taking any action which would transform this private Development into a "public work" project, and that nothing herein shall be interpreted to convey upon Developer any benefit which would transform Developer's private project into a public work project, it being understood that this Agreement is entered into by City and Developer upon the exchange of consideration described in this Agreement, including the Recitals to this Agreement which are incorporated into this Agreement and made a part hereof, and that City is receiving by and through this Agreement the full measure of benefit in exchange for the burdens placed on Developer by this Agreement.

9.16 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Agreement and the satisfaction of the conditions of this Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

9.17 Eminent Domain. No provision of this Agreement shall be construed to limit or restrict the exercise by City of its power of eminent domain or Developer's right to seek and collect just compensation or any other remedy available to it.

9.18 Amendments in Writing/Cooperation. This Agreement may be amended only by written consent of both parties specifically approving the amendment and in accordance with the Government Code provisions for the amendment of Development Agreements. The parties shall cooperate in good faith with respect to any amendment proposed in order to clarify the intent and application of this Agreement, and shall treat any such proposal on its own merits, and not as a basis for the introduction of unrelated matters. Minor, non-material modifications may be approved by the City Manager upon approval by the City Attorney.

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

9.20 Notices. All notices under this Agreement shall be effective when delivered by United States Postal Service mail, registered or certified, postage prepaid return receipt requested; and addressed to the respective parties as set forth below or as to such other address as the parties may from time to time designate in writing by providing notice to the other party:

To City: City of Montebello
1600 West Beverly Boulevard
Montebello, CA 90640
Attn: City Manager

To Developer: Clear Channel Outdoor, LLC
19320 Harborgate Way
Torrance, CA 90501
Attn: Vice President, Real Estate & Public Affairs

With Copy To: Clear Channel Outdoor, LLC
2325 E. Camelback Road, Suite 250
Phoenix, AZ 85016
Attn: Operations Counsel

9.21 Nonliability of City Officials. No officer, official, member, employee, agent, and/or representatives of City shall be liable for any amounts due hereunder, and no judgment or execution thereon entered in any action hereon shall be personally enforced against any such officer, official, member, employee, agent, and/or representative.

9.22 No Brokers. City and Developer represent and warrant to the other that neither has employed any broker and/or finder to represent its interest in this transaction. Each party agrees to indemnify and hold the other free and harmless from and against any and all liability, loss, cost, or expense (including court costs and reasonable attorneys' fees) in any manner connected with a claim asserted by any individual or entity for any commission or finder's fee in connection with this Agreement or arising out of agreements by the indemnifying party to pay any commission or finder's fee.

9.23 No Amendment of Lease. Nothing contained in this Agreement shall be deemed to amend or modify any of the terms or provisions of the Lease. Nothing contained in this Agreement shall constitute or be deemed to constitute a limit on any of Developer's

obligations under the Lease, or any of Owner's rights or remedies against Developer under the Lease.

WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first set forth above.

City: CITY OF MONTEBELLO

By: _____

Mayor

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

Developer:

Clear Channel Outdoor, LLC a Delaware limited liability company

Bryan Parker, Executive Vice President

[end of signatures]

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

State of California)
County of Los Angeles)

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

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

WITNESS my hand and official seal.

Signature _____

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

State of California)
County of Los Angeles)

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

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

WITNESS my hand and official seal.

Signature _____

EXHIBIT "B"

Description of New Digital Billboard

CCO will be removing the existing Deck and External Lights on the east facing display
CCO will be relocating the existing printed display face in place as a double-faced 12' x 25'
outdoor advertising sign with an east facing digital display face

Existing East Face



Digital Panel Sample



EXHIBIT "C"
Billboard Structure and Face To Be Removed

303 W. Whittier Blvd., Montebello, CA 90640 (Panel #5685)



EXHIBIT "D"

SCOPE OF DEVELOPMENT INCLUDING SIGN PLANS

Developer and City agree that the Development shall be undertaken in accordance with the terms of the Agreement, which include the following:

1. **Project.** Developer shall relocate in place the existing printed sign faces and shall convert it to the New Digital Billboard with one east facing digital display face in accordance with the terms of this Agreement. The existing structure will have two (1) new digital display face (display face measuring approximately 12' x 25') within the Site.

2. **Building Fees.** Developer shall pay all applicable City building fees, as described in this Agreement, at the time that a building permit is issued for the installation of the New Digital Billboard Face on the Site.

3. **Maintenance and Access.** Developer, for itself and its successors and assigns, hereby covenants and agrees to be responsible for the following:

(a) Maintenance and repair of the New Digital Billboard and Site (where authorized pursuant to the Site Lease) including but not limited to, the displays installed thereon, and all related on-Site improvements, easements, rights-of-way at its sole cost and expense. Developer's maintenance and repair obligation shall include, without limitation, maintaining any poles, lighting, signs and walls in good repair and free of graffiti, rubbish, debris and other hazards to persons using the same. Developer shall maintain and repair the New Digital Billboard digital display face in accordance with all applicable laws, rules, ordinances and regulations of all federal, State, and local bodies and agencies having jurisdiction over the Site [unless those federal, State, and local bodies have an exception for a legal nonconforming use]. Such maintenance and repair shall include, but not be limited to, the following: (i) sweeping and trash removal related to the Project; (ii) replacement of any fixtures, equipment or property damaged by the Project to the extent required by this Agreement or applicable law; (iii) the ongoing maintenance by the Developer of any access points to the New Digital Billboard to minimize dust caused by the Project; and (iv) the repair, replacement and repainting of the New Digital Billboard structure and display faces as necessary to maintain such billboard in good condition and repair.

(b) Maintenance of the Site (where authorized pursuant to the Site Lease) in such a manner as to avoid the reasonable determination of a duly authorized official of the City that a public nuisance has been created by the absence of adequate maintenance of the New Digital Billboard digital display face or structure such as to be detrimental to the public health, safety or general welfare or that such a condition of deterioration or disrepair causes appreciable harm or is materially detrimental to property or improvements within three hundred (300) feet of Site.

4. **Other Rights of City.** In the event of any violation or threatened violation of any of the provisions of this Exhibit "D," then in addition to, but not in lieu of, any of the rights or remedies the City may have to enforce the provisions of this Agreement, the City shall have the

right, after complying with Section 5.3 of this Agreement, (i) to enforce the provisions hereof by undertaking any maintenance or repairs required by Developer under Paragraph 3 above (subject to the execution of a permit to enter in form reasonably acceptable to Owner) and charging Developer for any actual maintenance costs incurred in performing same, and (ii) to withhold or revoke in the manner proscribed by law, after giving written notice of said violation, any building permits, occupancy permits, certificates of occupancy, business licenses and similar matters or approvals pertaining to the New Digital Billboard digital display face.

5. No City Liability. The granting of a right of enforcement to the City does not create a mandatory duty on the part of the City to enforce any provision of this Agreement. The failure of the City to enforce this Agreement shall not give rise to a cause of action on the part of any person. No officer or employee of the City shall be personally liable to the Developer, its successors, transferees or assigns, for any default or breach by the City under this Agreement.

6. Conditions of Approval. The following additional conditions shall apply to the installation of the New Digital Billboard digital display face and, where stated, on the Site, shall conform to all applicable provisions of the Montebello Municipal Code (MMC) and the following conditions, in a manner subject to the approval of the Planning Manager or designee:

(a) A building permit will be required and structural calculations shall be prepared by a licensed civil engineer and approved by the City Building Official.

(b) The New Digital Billboard shall remain located in the portion of the Site as described in attached Exhibit A and as set forth herein and based on dimensions described in Section 1, above.

(c) The size of each digital display face of the New Digital Billboard shall not exceed a maximum area of 300 square feet with no extensions or borders.

(d) Plans and specifications for the proposed installation of the New Digital Billboard digital display face, including all utility plans, shall be submitted to the City Planning and Building Departments for plan check and approval prior to the issuance of building permits.

(e) Prior to the approval of the final inspection, all applicable conditions of approval and all mandatory improvements shall be completed to the reasonable satisfaction of the City.

(f) Developer shall maintain the Site and use thereof in full compliance with all applicable codes, standards, policies and regulations imposed by the City, County, State or federal agencies by any duly and valid city, county or state ordinance with jurisdiction over the facilities, unless the Project is exempted as a legal nonconforming use.

(g) The Developer shall pay any and all applicable fees due to any public agency pertaining to the New Digital Billboard digital display face prior to the final issuance of the building permits.

(h) The activities proposed in this Agreement shall be conducted completely upon the Site and shall not use or encroach on any public right-of-way.

(i) All graffiti shall be adequately and completely removed or painted over within 48 hours of notice to Developer of such graffiti being affixed on the New Digital Billboard.

(j) Developer shall comply with the standards as adopted by the Outdoor Advertising Association of America, Inc. (OAAA), including but not limited to, the 0.3 foot-candles limitation over ambient light levels at 250 feet, and ensuring additional flexibility in reducing such maximum light level standard given the lighting environment, the obligation to have automatic dimming capabilities, as well as providing the City's Planning Manager or designee with a designated Developer employee's phone number and/or email address for emergencies or complaints that will be monitored 24 hours a day/7 days per week. Upon any reasonable complaint by the City's Planning Manager or designee, Developer shall perform a brightness measurement of the display using OAAA standards and provide City with the results of same within 15 days of the City's complaint. Developer shall dim the display to the appropriate setting immediately upon the conclusion of any such measurement that concluding that the light standards were exceeded.

(k) In the event ten percent (10%) or more of the digital sign face is not operating correctly or in the event of a malfunction, Developer shall immediately turn the entire display off, or show a one hundred percent (100%) black image on the display until corrected.

(l) The interval between the change in digital content shall be a minimum of eight (8) seconds and the images shall change instantaneously, without special transitional effects.

**MONTEBELLO PLANNING COMMISSION
RESOLUTION NO. 10-22**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
MONTEBELLO RECOMMENDING THAT THE CITY COUNCIL OF THE
CITY OF MONTEBELLO APPROVE DEVELOPMENT AGREEMENT NO.
02-22 BETWEEN THE CITY OF MONTEBELLO AND CLEAR CHANNEL
OUTDOOR, INC. FOR A DIGITAL SIGN**

WHEREAS, on September 28, 2022, the Applicant requested to enter into a Development Agreements (“DA No. 02-22”) with the City to allow the removal and replacement of the existing outdated double-faced static outdoor advertising sign with new double-faced digital outdoor advertising sign pursuant to Montebello Municipal Code Section 17.62.105.B(C)(2) and Government Code Sections 5200, 5412, 5443.5, and 65865 *et seq.*

WHEREAS, The Development Agreement Statute provides that the Planning Commission and the City Council must each hold a public hearing on the proposal prior to approving a development agreement. Development Agreements must be adopted by an ordinance approved by the City Council and cannot be approved unless the legislative body finds that the request/project conforms to the General Plan and any applicable specific plan.

WHEREAS, California Government Code Sections 65864, *et seq.*, (“Development Agreement Law”) authorizes cities to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purposes of strengthening the public planning process, encouraging private participation and comprehensive planning, and identifying the economic costs of such development; and

WHEREAS, Development Agreement 02-22 between the City of Montebello (“City”) and Clear Channel Outdoor, Inc., (“Developer”) is being recommended to the City Council for approval; and

WHEREAS, Developer has a leasehold interest in that certain portion of real property located at 1720 Bluff Road. in the City of Montebello, CA 90640, Assessor Parcel Number 6369-008-001 upon which Developer currently owns and operates an existing lawfully permitted -double- faced 12’ x 25’ outdoor advertising sign with printed display faces and seeks to relocate such sign in place as a double-faced 12’ x 25’ outdoor advertising sign with digital display faces in consideration for the additional removal of the double-faced 12’ x 25’ outdoor advertising sign located on the real property; and

WHEREAS, section 17.62.105(C)(2) of the Montebello Municipal Code requires a development agreement be approved by the city council for relocation of an off-premises sign, and its replacement with a new off-premises digital display sign; and

WHEREAS, such development agreement as required by section 17.62.105(C)(2) must contain appropriate standards and public benefits to be negotiated between the sign owner and the city, and compliance with all other standards imposed by the Montebello Municipal Code.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and are hereby incorporated as substantive findings in this Resolution.

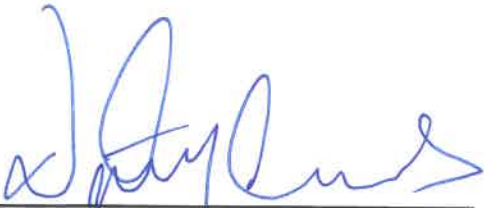
Section 2. The Planning Commission hereby recommends that the City Council of the City of Montebello certify that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to the "Common Sense" exemption set forth under Section 15061(b)(3), which provides that CEQA applies only to projects which have the potential for causing a significant effect on the environment and also states that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Section 3. The Planning Commission hereby recommends that the City Council of the City of Montebello certify that the Project conforms with the Montebello General Plan, Land Use Element as it will provide a plan for enhanced advertising opportunities for businesses in an effort to increase the taxable revenue from these properties as well as the potential for increased sales tax revenues to the City and eliminates blight through the removal, replacement, and relocation of older signs and the construction of new state-of-the-art digital signs.

Section 4. The Planning Commission has found that: this Agreement is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City's police power; the terms of the Agreement will not be detrimental to the public's health, safety, or general welfare; and this Agreement is consistent with the City's General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to more appropriate locations within the City, while allowing for the incorporation of modern technology into relocated displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City's planned development.

Section 5. The Planning Commission Secretary shall certify the adoption of this Resolution and it shall go into effect immediately upon its adoption.

APPROVED AND ADOPTED BY THE MONTEBELLO PLANNING COMMISSION on this 18th day of October 2022.



**VICTOR CUEVAS, CHAIR
MONTEBELLO PLANNING COMMISSION**

ATTEST:

I, Joseph Palombi, Secretary of the City of Montebello Planning Commission, **DO HEREBY CERTIFY** that the foregoing Resolution, being Resolution No. **10-22** has been duly signed by the Chair, and attested by the Secretary, all at a meeting of the Montebello Planning Commission, held October 18, 2022, and that same was approved and adopted by the following vote to wit:

AYES: Commissioner Cuevas, Commissioner Lomeli, Commissioner Aliksanian

NOES:

ABSENT: Commissioner Del Rio



**JOSEPH PALOMBI, SECRETARY
MONTEBELLO PLANNING COMMISSION**

**MONTEBELLO PLANNING COMMISSION
RESOLUTION NO. 11-22**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
MONTEBELLO RECOMMENDING THAT THE CITY COUNCIL OF THE
CITY OF MONTEBELLO APPROVE DEVELOPMENT AGREEMENT NO.
03-22 BETWEEN THE CITY OF MONTEBELLO AND CLEAR CHANNEL
OUTDOOR, INC. FOR A DIGITAL SIGN**

WHEREAS, on September 28, 2022, the Applicant requested to enter into a Development Agreements (“DA No. 03-22”) with the City to allow the removal and replacement of the existing outdated double-faced static outdoor advertising sign with new double-faced digital outdoor advertising sign pursuant to Montebello Municipal Code Section 17.62.105.B(C)(2) and Government Code Sections 5200, 5412, 5443.5, and 65865 *et seq.*

WHEREAS, The Development Agreement Statute provides that the Planning Commission and the City Council must each hold a public hearing on the proposal prior to approving a development agreement. Development Agreements must be adopted by an ordinance approved by the City Council and cannot be approved unless the legislative body finds that the request/project conforms to the General Plan and any applicable specific plan.

WHEREAS, California Government Code Sections 65864, *et seq.*, (“Development Agreement Law”) authorizes cities to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purposes of strengthening the public planning process, encouraging private participation and comprehensive planning, and identifying the economic costs of such development; and

WHEREAS, Development Agreement 03-22 between the City of Montebello (“City”) and Clear Channel Outdoor, Inc., (“Developer”) is being recommended to the City Council for approval; and

WHEREAS, Developer has a leasehold interest in that certain portion of real property located at 1633 Washington Blvd. in the City of Montebello, CA 90640, Assessor Parcel Number 6353-015-023 upon which Developer currently owns and operates an existing lawfully permitted -double- faced 12’ x 25’ outdoor advertising sign with printed display faces and seeks to relocate such sign in place as a double-faced 12’ x 25’ outdoor advertising sign with digital display faces in consideration for the additional removal of the double-faced 12’ x 25’ outdoor advertising sign located on the real property; and

WHEREAS, section 17.62.105(C)(2) of the Montebello Municipal Code requires a development agreement be approved by the city council for relocation of an off-premises sign, and its replacement with a new off-premises digital display sign; and

WHEREAS, such development agreement as required by section 17.62.105(C)(2) must contain appropriate standards and public benefits to be negotiated between the sign owner and the city, and compliance with all other standards imposed by the Montebello Municipal Code.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and are hereby incorporated as substantive findings in this Resolution.

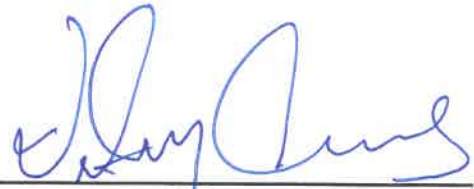
Section 2. The Planning Commission hereby recommends that the City Council of the City of Montebello certify that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to the “Common Sense” exemption set forth under Section 15061(b)(3), which provides that CEQA applies only to projects which have the potential for causing a significant effect on the environment and also states that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Section 3. The Planning Commission hereby recommends that the City Council of the City of Montebello certify that the Project conforms with the Montebello General Plan, Land Use Element as it will provide a plan for enhanced advertising opportunities for businesses in an effort to increase the taxable revenue from these properties as well as the potential for increased sales tax revenues to the City and eliminates blight through the removal, replacement, and relocation of older signs and the construction of new state-of-the-art digital signs.

Section 4. The Planning Commission has found that: this Agreement is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City’s police power; the terms of the Agreement will not be detrimental to the public’s health, safety, or general welfare; and this Agreement is consistent with the City’s General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to more appropriate locations within the City, while allowing for the incorporation of modern technology into relocated displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City’s planned development.

Section 5. The Planning Commission Secretary shall certify the adoption of this Resolution and it shall go into effect immediately upon its adoption.

APPROVED AND ADOPTED BY THE MONTEBELLO PLANNING COMMISSION on this 18th day of October 2022.



**VICTOR CUEVAS, CHAIR
MONTEBELLO PLANNING COMMISSION**

ATTEST:

I, Joseph Palombi, Secretary of the City of Montebello Planning Commission, **DO HEREBY CERTIFY** that the foregoing Resolution, being Resolution No. **11-22** has been duly signed by the Chair, and attested by the Secretary, all at a meeting of the Montebello Planning Commission, held October 18, 2022, and that same was approved and adopted by the following vote to wit:

AYES: Commissioner Cuevas, Commissioner Lomeli, Commissioner Aliksonian

NOES:

ABSENT: Commissioner Del Rio



**JOSEPH PALOMBI, SECRETARY
MONTEBELLO PLANNING COMMISSION**

**MONTEBELLO PLANNING COMMISSION
RESOLUTION NO. 12-22**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF
MONTEBELLO RECOMMENDING THAT THE CITY COUNCIL OF THE
CITY OF MONTEBELLO APPROVE DEVELOPMENT AGREEMENT NO.
04-22 BETWEEN THE CITY OF MONTEBELLO AND CLEAR CHANNEL
OUTDOOR, INC. FOR A DIGITAL SIGN**

WHEREAS, on September 28, 2022, the Applicant requested to enter into a Development Agreements (“DA No. 04-22”) with the City to allow the removal and replacement of the existing outdated double-faced static outdoor advertising sign with new double-faced digital outdoor advertising sign pursuant to Montebello Municipal Code Section 17.62.105.B(C)(2) and Government Code Sections 5200, 5412, 5443.5, and 65865 *et seq.*

WHEREAS, The Development Agreement Statute provides that the Planning Commission and the City Council must each hold a public hearing on the proposal prior to approving a development agreement. Development Agreements must be adopted by an ordinance approved by the City Council and cannot be approved unless the legislative body finds that the request/project conforms to the General Plan and any applicable specific plan.

WHEREAS, California Government Code Sections 65864, *et seq.*, (“Development Agreement Law”) authorizes cities to enter into binding development agreements with persons having a legal or equitable interest in real property for the development of such property, all for the purposes of strengthening the public planning process, encouraging private participation and comprehensive planning, and identifying the economic costs of such development; and

WHEREAS, Development Agreement 04-22 between the City of Montebello (“City”) and Clear Channel Outdoor, Inc., (“Developer”) is being recommended to the City Council for approval; and

WHEREAS, Developer has a leasehold interest in that certain portion of real property located at 1915 W Whittier Blvd. in the City of Montebello, CA 90640, Assessor Parcel Number 6337-007-033 upon which Developer currently owns and operates an existing lawfully permitted -double- faced 12’ x 25’ outdoor advertising sign with printed display faces and seeks to relocate such sign in place as a double-faced 12’ x 25’ outdoor advertising sign with one east facing digital display face and one west facing printed display face in consideration for the additional removal of the single-faced 12’ x 25’ outdoor advertising sign located on the real property; and

WHEREAS, section 17.62.105(C)(2) of the Montebello Municipal Code requires a development agreement be approved by the city council for relocation of an off-premises sign, and its replacement with a new off-premises digital display sign; and

WHEREAS, such development agreement as required by section 17.62.105(C)(2) must contain appropriate standards and public benefits to be negotiated between the sign owner and the city, and compliance with all other standards imposed by the Montebello Municipal Code.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The foregoing recitals are true and correct and are hereby incorporated as substantive findings in this Resolution.

Section 2. The Planning Commission hereby recommends that the City Council of the City of Montebello certify that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to the "Common Sense" exemption set forth under Section 15061(b)(3), which provides that CEQA applies only to projects which have the potential for causing a significant effect on the environment and also states that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Section 3. The Planning Commission hereby recommends that the City Council of the City of Montebello certify that the Project conforms with the Montebello General Plan, Land Use Element as it will provide a plan for enhanced advertising opportunities for businesses in an effort to increase the taxable revenue from these properties as well as the potential for increased sales tax revenues to the City and eliminates blight through the removal, replacement, and relocation of older signs and the construction of new state-of-the-art digital signs.

Section 4. The Planning Commission has found that: this Agreement is in the best public interest of the City and its residents; adopting this Agreement constitutes a present exercise of the City's police power; the terms of the Agreement will not be detrimental to the public's health, safety, or general welfare; and this Agreement is consistent with the City's General Plan and Municipal Code. This Agreement and the proposed Project (as hereinafter defined) will achieve a number of City objectives including the reduction of visual clutter, elimination of non-conforming signage, and facilitation of the orderly development, relocation and distribution of existing displays to more appropriate locations within the City, while allowing for the incorporation of modern technology into relocated displays and an overall reduction in the number of outdoor advertising signs in the City as part of the City's planned development.

Section 5. The Planning Commission Secretary shall certify the adoption of this Resolution and it shall go into effect immediately upon its adoption.

APPROVED AND ADOPTED BY THE MONTEBELLO PLANNING COMMISSION on this 18th day of October 2022.



**VICTOR CUEVAS, CHAIR
MONTEBELLO PLANNING COMMISSION**

ATTEST:

I, Joseph Palombi, Secretary of the City of Montebello Planning Commission, **DO HEREBY CERTIFY** that the foregoing Resolution, being Resolution No. **12-22** has been duly signed by the Chair, and attested by the Secretary, all at a meeting of the Montebello Planning Commission, held October 18, 2022, and that same was approved and adopted by the following vote to wit:

AYES: Commissioner Cuevas, Commissioner Lomeli, Commissioner Aliksonian

NOES:

ABSENT: Commissioner Del Rio



**JOSEPH PALOMBI, SECRETARY
MONTEBELLO PLANNING COMMISSION**



ITEM # 7

**CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Fernando Pelaez, Fire Chief

SUBJECT: ADOPT RESOLUTION NO. 22-88 TO APPROVE SUBMITTAL OF AN APPLICATION FOR THE PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROGRAM FORMULA FUNDING PLAN

DATE: October 26, 2022

RECOMMENDATION(S):

It is recommended that the City Council:

1. Conduct Public Hearing and adopt Resolution No. 22-88 approving the submission of the grant application for the Permanent Local Housing Allocation (PLHA) Program Formula Funding Plan to collect the City's \$1,900,548 five-year allocation; and
2. Hold a Public Hearing for the consideration of approval of the City's Permanent Local Housing Allocation Program Funding Plan and Resolution; and
3. Take such additional, related, action that may be desirable.

FISCAL IMPACT:

The City of Montebello is eligible to receive an allocation of an estimated \$1,900,548 in formula (i.e., non-competitive) grant funding from the Permanent Local Housing Allocation (PLHA) program formula component. This amount represents the first five years of funding available for this program. This formula funding will be an on-going funding stream if the City continues to meet the eligibility requirements. The funding opportunity is available to local governments for eligible housing and homelessness activities. Jurisdictions must submit a grant application and plan and meet eligibility

CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT - MEETING OF OCTOBER 26, 2022

Page 2 of 6

requirements to access PLHA formula funds. Once the grant application is approved by the State, Staff will return to a future City Council meeting with an action to appropriate the funding in Fiscal Year 2022-23.

BACKGROUND:

In 2017, Governor Jerry Brown signed a 15-bill housing package aimed at addressing the State's housing shortage and high housing costs. The Building Homes and Jobs Act (SB 2, 2017) established a \$75 recording fee on real estate documents to increase the supply of affordable homes. Seventy percent (70%) of the fees collected go towards funding the PLHA Program, which is administered by the California Department of Housing and Community Development (HCD).

PLHA's formula component provides non-competitive funding to entitlement and non-entitlement cities. The current PLHA Notice of Funding Availability (NOFA) was released on August 17, 2022, and grant applications are due October 31, 2022. Staff received City Council approval at the August 1, 2022 City Council meeting to submit an application for the PLHA. Staff were aware that a NOFA would be released as HCD had communicated in advance that the City was now eligible.

The amount of PLHA funds allocated to each jurisdiction is directly proportionate to each jurisdiction's share of the total 2017 CDBG allocation in California. The State estimates the City will receive approximately \$1,900,548 over the program's first five years. Of this amount, the City is eligible to receive an allocation of \$316,758 from the 2019 allocation, \$492,340 from the 2020 allocation, and \$541,805 from the 2021 allocation. The remaining \$549,645 from the 2022 and 2023 allocations will be disbursed in 2023 and 2024. Future allocations may fluctuate from year to year depending on recording fees from the number of real estate transactions. Jurisdictions must submit a grant application and meet eligibility requirements to access PLHA formula funds.

In order to be eligible to apply for this formula funding, local jurisdictions must have:

1. A state certified and compliant Housing Element. On June 22, 2022 the City Council adopted Resolution No. 22-52 approving the Housing Element Update for the 2021-2029 Planning Period (6th Cycle Regional Housing Needs Allocation); and
2. Annual Progress Reports (APR) submitted to HCD for Years 2019, 2020, and 2021. These reports have been submitted to HCD. APRs for 2022 and 2023 will need to be submitted to HCD to be eligible to collect future allocations.

The program guidelines require that the grant application include an adopted City Council resolution authorizing: 1) the request for allocation funding, 2) the proposed PLHA plan (i.e., how the City intends to spend its PLHA allocations), and 3) receipt of grant funds for the five-year period.

There are ten eligible activities under the PLHA grant:

**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT -
MEETING OF OCTOBER 26, 2022**

Page 3 of 6

1. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, or rental housing that is affordable for extremely low-, very low-, low-, or Moderate-income households (up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas). Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of housing, as otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.
2. The predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling Units (ADUs) that meet the needs of a growing workforce earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in high-cost areas. Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of affordable rental and ownership housing, as otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.
3. Matching portions of funds placed into local or Regional Housing Trust Funds. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
5. Capitalized Reserves for Services connected to the preservation and creation of new Permanent Supportive Housing (up to 30 percent of AMI).
6. Assisting persons who are experiencing or at risk of homelessness in conformance with 24 Code of Federal Regulations (CFR Section 578.3), (up to 30 percent of AMI), including:
 - Rapid rehousing in conformance with federal rules contained in 24 CFR Section 576.104, except for legal services;
 - Rental assistance with a term of at least six (6) months (rental arrears is not eligible);
 - Street outreach, and other supportive/case management services in conformance with federal rules contained in 24 CFR Section 576.101 that allow people to obtain and retain housing;
 - Operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.

This Activity may include subawards to administrative entities as defined in HSC Section 50490(a) (1-3) that were awarded California Emergency Solutions and Housing (CESH) Program or Homeless Emergency Aid Program (HEAP) funds for rental assistance to continue assistance to these households.

Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with Welfare Institutions Code (WIC) Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation,

CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT - MEETING OF OCTOBER 26, 2022

Page 4 of 6

and preservation of permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255(b).

7. Accessibility modifications in lower-income owner-occupied housing (up to 80 percent of AMI).
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments (up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High- cost areas).
9. Homeownership opportunities, including, but not limited to, down payment assistance to those earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in high-cost areas.
10. Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing projects, or matching funds invested by a county in an affordable housing development project in a city within the county, provided that the city has made an equal or greater investment in the project.

ENVIRONMENTAL IMPACT:

The California Environmental Quality Act (Section 2100, et. seq. of the California Public Resources Code, hereafter "CEQA") requires analysis of agency approvals of discretionary "projects." A "project," under CEQA, is defined as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment" (State CEQA Guidelines Section 15378). The proposed Project and Plan is a project under CEQA.

The staff has reviewed the Project(s) and Plan to determine the required level of review under CEQA and has determined that the proposed Project is exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the State CEQA Guidelines states that an activity is covered by the common sense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review. Nevertheless, it is important to note that specific projects/programs that qualify for funding under the proposed Project(s) and Plan may be subject to environmental review prior to implementation.

ANALYSIS:

N/A

DISCUSSION:

On October 12, 2022, the Fire Department presented the PLHA 5-Year-Plan to the City Council for review and provided an opportunity to receive input and feedback to the plan. The Plan was posted on the City's Website, including the Notice of Funding Availability (NOFA) and the City PLHA Draft Working Budget as requested by the City Council . It was also posted to the City's social media accounts. As of the publication of this agenda item, Staff had not receive any feedback from the public, therefore no updates or revisions were made to the plan previously presented.

CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT - MEETING OF OCTOBER 26, 2022

Page 5 of 6

The City outlined homeless prevention goals and objectives in the City's Homelessness Plan, adopted in 2018, and the recently adopted Housing Element. The Homeless Prevention Program develops strategic preventative measures to support and engage higher-risk members of the community from entering homelessness or connecting them with resources to exit homeless quickly by either retaining their housing or using other housing strategies to ensure people move into permanent and stable accommodations that are affordable, safe, and appropriate with the support they need to thrive. Without a dedicated funding source to provide housing for the City's homeless households, the remaining goals and objectives of the strategy will be difficult to implement.

Assisting persons who are at risk of homelessness is an eligible activity under PLHA (see Item 6 in the list of eligible PLHA activities, above). To support and address homeless prevention, staff recommends that the City use its PLHA allocation on three eligible activities (Items 5 and 6):

1. Rental assistance for homeless persons and low-income older adults in Montebello (Item 6a); and
2. Operating Support for the Montebello Community Assistance Program (MCAP). MCAP provides street outreach and supportive case management services (Item 6b); and
3. Capitalized Reserves for Services connected to the preservation and creation of new Permanent Supportive Housing (up to 30 percent of AMI).

These activities are eligible under PLHA and are recommended in the newly adopted Housing Element. The City's grant application must include a high-level five-year plan outlining how it will use the total of \$1,900,548 over the five-year period. Attached is a narrative description of these proposed expenditures and a budget illustrating the expenditures over the five-year period.

PLHA funding is time-sensitive, applications for the formula allocation must be submitted within 48-months of the budget appropriation. If a local government does not submit a complete application within that time frame, the allocation will revert to the Housing Rehabilitation Loan Fund for the Multifamily Housing Program or for Department-administered technical assistance to local governments.

The delays associated with the State's approval of the City's Housing Element prevented the City from meeting the eligibility criteria needed to apply for PLHA funding until now. This year (2022) is the final year that the 2019 allocation of \$316,758 will be available to the City. If not claimed this year, the funding will revert back to the HCD programs noted above. The PLHA grant formula component is now open, and applications are due November 30, 2022. It is of the utmost importance that the City submit the application to capitalize on this important funding opportunity. The proposed Plan is currently available on the City's website and was presented at the Homeless Task Force meeting on September 13, 2022 and the October 12, 2022 City Council meeting.

**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT -
MEETING OF OCTOBER 26, 2022**

Page 6 of 6

SUMMARY:

That the City Council adopt Resolution No. 22-88 approving the submission of the grant proposal application and recommendation for the PLHA grant formula component for \$1.9 million dollars in formula funding from the California Department of Housing and Community Development. Once the City receives approval of the application by the State, Staff will return to the City Council with an action appropriating the funding and amending the FY 2022-23 budget.

ATTACHMENT(S)

1. Attachment A - Notice of Funding Opportunity
2. Attachment B - MFD PLHA Draft Working Budget
3. Attachment C - Montebello PLHA Plan
4. Attachment D - Resolution No. 22-88

NEXT STEPS:

That the City Council approve the submission of the grant proposal application for the Proposed City's Permanent Local Housing Allocation Program Formula Funding for the 5-Year-Plan Application with Resolution, and submit the application on October 29, 2022.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF STATE FINANCIAL ASSISTANCE

2020 W. El Camino Avenue, Suite 670
 Sacramento, CA 95833
 (916) 263-2771
www.hcd.ca.gov



August 17, 2022

MEMORANDUM FOR: All Potential Applicants *Jennifer Seeger*

FROM: Jennifer Seeger, Deputy Director
 Division of State Financial Assistance

SUBJECT: 2022 Permanent Local Housing Allocation
 Program Entitlement and Non-Entitlement Local
 Government Formula Component – Notice of
 Funding Availability

The California Department of Housing and Community Development (Department) is pleased to announce the release of the 2022 Entitlement and Non-Entitlement Local government formula component Notice of Funding Availability (NOFA) for approximately **\$335 million** in calendar year 2021 funds in addition to the **\$131 million** in remaining calendar year 2019 and calendar year 2020 funds for the Permanent Local Housing Allocation (PLHA) formula allocation program. Appendix A details the total funds available to each eligible locality under this NOFA for housing-related projects and programs that assist in addressing unmet housing needs of their local communities.

First Time Applicants: This will be the last year for Applicants to apply for their 2019 calendar year allocation. Jurisdictions that have not previously applied must meet all threshold requirements as outlined in Part II, Section F, of the attached NOFA.

Second- or Third-Year Applicants: Jurisdictions that have previously applied and received an award of 2019 and/or 2020 funds are not required to resubmit all threshold documents but must demonstrate all threshold requirements continue to be met as noted in Part II, Section G, of this NOFA.

***** PLEASE NOTE *****

Any 2019 calendar year funds remaining after the close of the NOFA application period will revert to the Housing Rehabilitation Loan Fund established to be used for the Multifamily Housing Program (Chapter 6.7 commencing with Section 50675) pursuant to Health and Safety Code Section 50470 (b)((2)(B)(ii)(VI) to be made available through a future Multifamily Housing Program Notice of Funding Availability.

The application submittal portal will be available and open for applications beginning August 17, 2022.

Personal deliveries will not be accepted. No facsimiles, incomplete applications, application revisions, or walk-in application packages will be accepted. **Applications will be accepted through October 31, 2022 and must be submitted electronically through the Department's [website](#).** Requirements for uploading the Application Workbook and required supporting documentation, including naming conventions, are described in the application instructions available at <http://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>.

The PLHA application forms, workshop details, and Guidelines are posted on the Department's [website](#). To receive information on workshops and other updates, please subscribe to the PLHA listserv by clicking on "Email Sign-Up" on the Department's [website](#). If you have any further questions, please contact PLHA@hcd.ca.gov.

Attachment

Permanent Local Housing Allocation Program Entitlement and Non-Entitlement Local Government Formula Component 2022 Notice of Funding Availability



**Gavin Newsom, Governor
State of California**

**Lourdes M. Castro Ramírez, Secretary
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director
California Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 500, Sacramento, CA 95833
Telephone: (916) 263-2771

Website: <http://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>

Email: PLHA@hcd.ca.gov

August 17, 2022

Table of Contents

I.	Overview	5
A.	Notice of Funding Availability	5
B.	Timeline	6
C.	Authorizing Legislation and Regulations	6
II.	Program Requirements	6
A.	Eligible Applicants	7
B.	Eligible Activities	7
C.	Allocation of funding and award limits	9
D.	Program Administrative, Activity Delivery Costs, and Reimbursement of Costs....	11
E.	Application review	11
F.	Threshold requirements for Previous Awardees.....	11
G.	Threshold requirements for First-Time Applicants.....	13
H.	Administration and reporting requirements.....	15
III.	Application submission and review procedures	15
A.	Application submission process	15
B.	Application Workshops.....	16
IV.	Appeals	16
A.	Basis of appeals.....	16
B.	Appeal process and deadlines	16
C.	Decisions	17
D.	Award announcements and contracts	17
V.	Other state requirements	17
A.	Pet Friendly Housing Act of 2017	17
B.	Accessibility and non-discrimination.....	17
IV.	Other terms and conditions.....	18
A.	Right to modify or suspend.....	18
B.	Disclosure of application	18
C.	Conflicts	18
	APPENDICES	19

I. Overview

A. Notice of Funding Availability

The California Department of Housing and Community Development (Department or HCD) is announcing the release of the 2022 Permanent Local Housing Allocation (PLHA) Program's Formula Component Notice of Funding Availability (NOFA) for approximately **\$335 million** in calendar year 2021 funds in addition to the **\$131 million** in calendar year 2019 and calendar year 2020 funds for Entitlement and Non-Entitlement Local governments. This NOFA is funded from moneys deposited in the Building Homes and Jobs Trust Fund (Fund) in calendar year 2021 and includes any remaining unawarded funds not requested for calendar years 2019 and 2020.

Funding for this NOFA is provided pursuant to Senate Bill 2 (SB 2) (Chapter 364, Statutes of 2017). SB 2 established the Fund and authorizes the Department to allocate 70 percent of moneys collected and deposited in the Fund, beginning in calendar year 2019, to Local governments for eligible housing and homelessness activities. The intent of the bill is to provide a permanent, on-going source of funding to Local governments for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

In 2022, the Department will issue two separate NOFAs to award the PLHA funds:

- Formula Component NOFA for Entitlement and Non-Entitlement Local governments
- Non-Entitlement Local Government Competitive NOFA (anticipated in June 2022)

This NOFA outlines threshold and application requirements for Entitlement Local governments and Non-Entitlement Local governments as defined in Guidelines Section 101. Entitlement Local governments are metropolitan cities and urban counties that received a Community Development Block Grant (CDBG) for fiscal year 2017 pursuant to the federal formula specified in 42 U.S. Code, Section 5306. Please note that this NOFA has two separate threshold requirements sections:

- Local governments that received an award under the 2020 or 2021 Formula Component NOFA are subject to the threshold requirements outlined in Part II, Section F
- Local governments that have not previously applied for and received a PLHA award must meet the threshold requirements outlined in Part II, Section G

***** PLEASE NOTE *****

Any 2019 calendar year funds remaining after the close of the NOFA application period will revert to the Housing Rehabilitation Loan Fund established to be used for the Multifamily Housing Program (Chapter 6.7 commencing with Section 50675) pursuant to Health and Safety Code Section 50470 (b)((2)(B)(ii)(VI) to be made available through a future Multifamily Housing Program Notice of Funding Availability.

B. Timeline

NOFA Release Date	August 17, 2022
Application Submittal	August 17, 2022 – October 31, 2022
Award Announcement	Ongoing through February 2023

C. Authorizing Legislation and Regulations

Senate Bill 2 (Chapter 364, Statutes of 2017) established the PLHA Program. The program operates under the requirements of Health and Safety Code (HSC), Part 2 of Division 31, Chapter 2.5 (commencing with Section 50470).

Section 50470 (b)(2)(B)(i) of the HSC authorizes the Department to allocate 70 percent of the moneys collected and deposited in the Fund, beginning in calendar year 2019, to Local governments.

Section 50470 (b)(2)(B)(i)(I) of the HSC requires the Department to allocate 90 percent of PLHA funds available to Local governments based on the federal CDBG formula specified in 42 U.S. Code, Section 5306, except that the portion allocated to Non-Entitlement Local governments is required to be distributed through a competitive grant program for Non-Entitlement Local governments.

Section 50470 (b)(2)(B)(i)(II) of the HSC requires the Department to allocate the remaining 10 percent of PLHA funds available to Local governments equitably to Non-Entitlement Local governments.

Section 50470 (d) authorizes the Department to adopt Guidelines to implement the PLHA program, not subject to the rulemaking provisions of the California Administrative Procedure Act.

This NOFA governs the administration of funding from the Fund (created by Section 50470, subdivision (a)(1) and appropriated by item 2240-103-3317 in the Budget Act of 2019) and made available under the PLHA program.

Capitalized terms not otherwise defined in this NOFA shall have the meanings set forth in Guidelines Section 101.

II. Program Requirements

The following is provided as a summary for the allocation of the PLHA funds to Entitlement Non-Entitlement Local governments and is not to be considered a complete representation of the eligibility, threshold, or other requirements, terms, and conditions.

This 2022 NOFA represents the third year of funding under the PLHA program for the Entitlement and Non-Entitlement Local Government Formula Component as detailed below:

Revenue Collection period	NOFA Issuance
2019 CY	2020
2020 CY	2021
2021 CY	2022

A. Eligible Applicants

An Applicant must be an Entitlement Local government, a Non-Entitlement Local government, or a Local or Regional Housing Trust Fund delegated by the Local government pursuant to Guidelines Section 300. Appendix A of the NOFA contains the list of eligible Applicants.

1. Delegation of Formula Allocation

An eligible Applicant may delegate their entire formula allocation to either another Local government or to a Local or Regional Housing Trust Fund. A Local government that delegates their formula allocation to another Local government or to a Housing Trust Fund must enter into a legally binding agreement with the other Local government or Housing Trust Fund. The delegate must submit the PLHA application on behalf of the recipient of the PLHA Formula Allocation and wholly administer the entire formula component of PLHA funds on behalf of the delegator for the full term of the PLHA Plan, as set forth in Guidelines Section 300(c). Both the delegating Local government and the Applicant must meet the housing element compliance threshold requirement as outlined in Section II, Part F of this NOFA.

Upon delegating its entire formula allocation to another Local government or to a Local or Regional Housing Trust Fund, the Local government that delegated their allocation is no longer involved in the PLHA application or administration of the PLHA grant for the full term of the PLHA Plan, which extends through 2023. The delegated Local government or Trust Fund assumes full responsibility for compliance with statute and for meeting all the Department's requirements, including any penalties for non-compliance.

A partial funding delegation is not permitted under the delegation authority. However, a Local government can subgrant a portion of its allocation to another entity, as permitted by Guidelines Section 302(c)(3). When a Local government subgrants a portion of its allocation to another entity, the Local government remains fully accountable and responsible for compliance with statute and for meeting all of the Department's requirements, including any penalties for non-compliance.

B. Eligible Activities

Pursuant to Guidelines Section 301(a), the PLHA funds allocated to eligible

Applicants must be used to carry out one or more of the eligible activities listed below. All services must be provided within the county containing the Local government recipient.

1. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, or rental housing that is Affordable to extremely low-, very low-, low-, or Moderate-income households (up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas, see appendix B for a list of High-cost areas, including necessary Operating subsidies). Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of housing, as otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.
2. The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days. See Appendix B for a list of High-cost areas in California.

Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of Affordable rental and ownership housing, as otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.

3. Matching portions of funds placed into Local or Regional Housing Trust Funds. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
5. Capitalized Reserves for Services connected to the preservation and creation of new Permanent Supportive Housing (up to 30 percent of AMI).
6. Assisting persons who are experiencing or At risk of homelessness in conformance with [24 Code of Federal Regulations \(CFR Section 578.3\)](#), (up to 30 percent of AMI), including
 - a. Rapid rehousing in conformance with federal rules contained in 24 CFR Section 576.104, except for legal services;
 - b. Rental assistance with a term of at least six (6) months (rental arrears is not eligible);
 - c. Street outreach, and other supportive/case management services in conformance with federal rules contained in 24 CFR Section 576.101 that allow people to obtain and retain housing;
 - d. Operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and

transitional housing.

This Activity may include subawards to administrative entities as defined in HSC Section 50490(a) (1-3) that were awarded California Emergency Solutions and Housing (CESH) Program or Homeless Emergency Aid Program (HEAP) funds for rental assistance to continue assistance to these households.

Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with Welfare Institutions Code (WIC) Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255(b).

7. Accessibility modifications in Lower-income Owner-occupied housing (up to 80 percent of AMI).
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments (up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas).
9. Homeownership opportunities, including, but not limited to, down payment assistance to those earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas.
10. Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing projects, or matching funds invested by a county in an Affordable housing development project in a city within the county, provided that the city has made an equal or greater investment in the project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an Affordable housing project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the Affordable housing project earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas.

Twenty percent of the moneys in the Fund are required by statute to be expended for Affordable Owner Occupied Workforce Housing (AOWH). If funding proposed in Local government Plans for AOWH activities is lower than 20 percent of the moneys available in the Fund, the Department may require Local governments to use a specific percentage of their annual formula allocations in some future year for AOWH activities as part of the annual funding process.

C. Allocation of funding and award limits

Appendix A lists the dollar amount of the allocation of PLHA funds. There is a

column indicating allocations for calendar years 2021, 2020 and 2019. If a Local government applied for and received their 2010 or 2020 allocations, there is a blank in those columns. If a Local government **HAS NOT** applied before this NOFA, there will be an amount listed in each of the 2019, 2020, and 2021 columns.

The PLHA funds allocated to each Entitlement Local government is directly proportionate to each Entitlement Local Government's share of the total 2017 Community Development Block Grant Fund Allocation in California.

The PLHA funds allocated to each Non-Entitlement Local Government is based on the sum of:

1. Fifty percent of the funding available for the Non-Entitlement formula component divided by the number of Local governments eligible for the Non-Entitlement formula component; and
2. Fifty percent of the funding available for the Non-Entitlement formula component allocated in proportion to each Non-Entitlement Local government's share of the total most severe housing need in California's Non-Entitlement Local governments, based upon the most recent U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS) data.

Two or more Local governments may expend PLHA funds on an eligible jointly funded project, provided the project is an eligible Activity pursuant to Guidelines Section 301(a), and will be located within the boundaries of one of the Local governments.

An Applicant eligible for an allocation of PLHA funds must comply with the Deadline and Funding Requirements set forth in Guidelines Section 304.

In order to avoid amending the Department Standard Agreement each year, and to expedite the disbursement of PLHA funds, the Department Standard Agreement and the Applicant's PLHA resolution shall include a five-year estimate of PLHA formula allocations, as stated in Appendix C, as the maximum funding amount. The actual amounts may be lower, and the disbursements will be based on the actual allocation amounts.

Please be advised that no funding from any subsequent year will be disbursed if the Local government is not in compliance with the housing element requirement and the Housing Element Annual Progress Report (APR) requirement stated in Guidelines Section 302(a) and (b), or in the event that the Local government has not submitted its annual PLHA report, as required by Guidelines Section 503. Please refer to Appendix D for more information on verifying housing element and APR status. In addition, the grantee must be in compliance with commitment requirements stated in Guidelines Sections 300(e) and must not incur penalties stated in Guidelines Section 502.

D. Program Administrative, Activity Delivery Costs, and Reimbursement of Costs

A Local government that receives an award under this NOFA shall not use more than 5 percent (5%) of the award for administrative costs related to the execution of eligible activities.

Staff and overhead costs directly related to carrying out the eligible activities described in Guidelines Section 301(a) are “activity costs” and not subject to the cap on administrative costs. A Local government may share any funds available for administrative costs with entities to which it provides funding.

Predevelopment expenses for construction projects funded by PLHA funds and costs to develop and prepare the PLHA application and Plan may be paid from the PLHA funds regardless of when the costs were incurred. Reimbursement of expenses to prepare the PLHA application and Plan are subject to the cap on administrative costs. Other costs incurred more than one year prior to commitment by the Local government may not be paid from the PLHA funds.

E. Application review

An Applicant must submit a complete application and other documents by the deadline stated in this NOFA. Applications submitted in response to this NOFA must meet the threshold requirements set forth in this section and in the Guidelines Section 302.

F. Threshold requirements for Previous Awardees

Applicants that received awards from the 2021 Formula Allocation NOFA must meet all of the following threshold requirements:

1. Housing Element Compliance: The Applicant and delegating Local government, if applicable, must be a locality with an adopted housing element that has been found by the Department to be in substantial compliance with the requirements of Article 10.6 (commencing with section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code, pursuant to Government Code section 65585 at time of application. If the application is submitted within 120 days of the housing element due date, the Department may refer to the jurisdiction’s compliance from the prior cycle.
2. The Applicant must have submitted to the Department the Annual Progress Report on the Housing Element for the 2021 calendar year reporting period by the submittal date.
3. Applicant must have submitted to the Department the Annual PLHA Report if the application is submitted on or after July 31, 2022, which is the deadline for the Annual Report.

4. Applicant must have met the commitment requirements stated in PLHA Guidelines Section 300(e).
5. The application must request an allocation pursuant to Section 200 of the PLHA Guidelines. Previous awardees have already received Department approval for their five-year PLHA Plan, which lists the activities that the Local government plans to provide using the five years of funding contained in the Standard Agreement. The PLHA Plan continues in force and effect unless the Local government amends the Plan to provide different activities that are eligible under PLHA statute and Guidelines. If the Plan is amended so that more than 10 percent of funds are moved to a different activity, the Plan must be formally amended, including discussion and approval at a publicly noticed meeting of the Local government's governing board, and the Plan must be submitted to the Department for approval. Activities must be carried out in the jurisdiction of the Applicant's Local government. Jointly funded projects may be carried out as described in Section 301(c).
6. Submission of the application must be authorized by the governing board of the Applicant by Resolution, and this Resolution must be submitted as part of the application. The Resolution should use the five-year estimate of funding, as listed in Appendix C.
7. If the Local government proposes to allocate funds for any Activity to another entity, the Resolution must certify that the Local government's selection process shall avoid conflicts of interest and shall be accessible to the public. See PLHA Guidelines Section 302 (c)(3).
8. If the Local government proposes to use funds for the acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, the Resolution must certify that the grantee shall record a deed restriction against the property that will ensure compliance with one of the requirements stated in Guidelines Section 302(c)(6)(A), (B) or (C).
9. The resolution shall certify that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make the PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Local government-approved underwriting of the Project for a term of at least 55 years.
10. If any activity in the five-year Plan consists of loans being made to a homebuyer, homeowner, developer, or owner of a project, a Program income reuse plan describing how repaid loans will be used for eligible activities specified in Section 301 must be included in the application. This reuse plan must also describe how interest earned from PLHA funds deposited in a Local government interest-bearing account will be used for eligible PLHA activities.

G. Threshold requirements for First-Time Applicants

First-time Applicants who have not previously received an award under a prior Formula Allocation NOFA must meet the following threshold requirements:

1. Housing Element Compliance: The Applicant and delegating Local government, if applicable, must have a housing element that has been adopted by the jurisdiction's governing body and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585 by the application date. If the application is submitted within 120 days of the housing element due date, the Department may refer to the jurisdiction's compliance from the prior cycle.
2. The Applicant must have submitted to the Department the Annual Progress Report on the housing element for the corresponding calendar year based on the allocations for which the Applicant is applying by the application submittal date as follows:

Allocation Requested:	APR Reporting Period:
2019 allocation	2019 CY APR
2020 allocation	2020 CY APR
2021 allocation	2021 CY APR

3. Application requests an allocation pursuant to Section 200 of the PLHA Guidelines and identifies the eligible activities to be undertaken. Activities must be carried out in the jurisdiction of the Applicant's Local government. Jointly funded projects may be carried out as described in Section 301(c).
4. Submission of the application must be authorized by the governing board of the Applicant by Resolution, and this Resolution must be submitted as part of the application. The Resolution should use the five-year estimate of funding, as listed in Appendix C.
5. If the Local government proposes to allocate funds for any Activity to another entity, the Resolution must certify that the Local government's selection process shall avoid conflicts of interest and shall be accessible to the public. See PLHA Guidelines Section 302 (c)(3).
6. If the Local government proposes to use funds for the acquisition, construction, or rehabilitation of for-sale housing projects, or units within for-sale housing projects, the Resolution must certify that the grantee shall record a deed restriction against the property that will ensure compliance with one of the requirements stated in Guidelines Section 302(c)(6)(A),(B) or (C).
7. The Resolution shall certify that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make the

PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project. The loan shall be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Local government-approved underwriting of the Project for a term of at least 55 years.

8. The application must include a Plan which details:
 - a. The manner in which the allocated funds will be used for eligible Activities.
 - b. A detailed description of the way the Local government will prioritize investments that increase the supply of housing for household with incomes ator below 60 percent of the AMI.
 - c. A detailed description of how the Plan is consistent with the programs set forth in the Local government’s housing element.
 - d. Evidence that the Plan was authorized and adopted by Resolution by the Local government and that the public had an adequate opportunity to review and comment on the Plan’s contents prior to the Plan Resolution adoption. The plan must be provided to the public for a public comment period, culminating with a public hearing at which the governing board may approve it. The draft Plan should be published for public review on the Applicant’s website.
 - e. The Resolution adopting the Plan should specifically identify the activities the Local government plans to engage in. The Resolution is required to be submitted as part of the application. The Resolution must specifically state the eligible activities from the Plan application.
 - f. The following information is required for each proposed Activity:
 - i. A detailed description of each Activity, pursuant to Section 301 and the percentage of funding being allocated to it. The description must include the percentage, if any, directed to Affordable Owner-Occupied Workforce Housing (AOWH).
 - ii. The projected number of households to be served at each income level and a comparison to the unmet share of the Regional Housing Needs Allocation at each income level.
 - iii. A description of major steps/actions and a proposed schedule required for the implementation and completion of the Activity.
 - iv. The period of affordability for each Activity. Rental Projects are required to have an affordability period of at least 55 years.
9. The Plan shall be for a term of five years, illustrating how the allocations from 2019, 2020, 2021, 2022, and 2023 will be used. Refer to instructions in the Plan tab of the PLHA Application form.
10. If funds are used for acquisition, construction, or rehabilitation of for-sale housing projects or units within for-sale housing projects, then a deed restriction shall be recorded against the property as described in Section 302(c)(6)(A-C).

11. If funds are proposed to be used for development of an Affordable Rental Housing Development, a certification is required that the Local government shall make the PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the ~~Project~~ ^{PLHA}. The loan must be evidenced through a Promissory Note secured by a Deed of Trust, and a Regulatory Agreement is required to restrict occupancy and rents in accordance with the Local government's approved underwriting of the Project for a term of at least 55 years.
12. If any activity in the five-year Plan consists of loans being made to a homebuyer, homeowner, developer or owner of a project, a Program income reuse plan describing how repaid PLHA loans will be used for eligible activities specified in Section 301 must be included in the application. This reuse plan must also describe how interest earned from PLHA funds deposited in a Local government interest-bearing account will be used for eligible PLHA activities.

H. Administration and reporting requirements

A grantee of PLHA funds must meet the administration requirements set forth in Guidelines Sections 500 and 501 and reporting requirements in Section 503.

III. Application submission and review procedures

Applications must be on the Department's forms and cannot be altered or modified by the Applicant. Excel forms must be in Excel format and 'saved as' .xls or .xlsx. Do not 'save as' .xlsm or .pdf format. Applications that do not meet the program requirements stated in this NOFA will not be eligible for funding. Application forms are available for download on the [PLHA webpage](#).

A. Application submission process

Applications must be submitted electronically to the Department's website. Requirements for uploading the Application Workbook and required supporting documentation, including naming conventions, are described in the application instructions available at <https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>. The submittal portal will be available beginning August 17, 2022.

Applicants must upload all application materials to the Department's website. The application portal is open beginning on **August 17, 2022** through **4:00 p.m. Pacific Standard Time on October 31, 2022**. Please note that the on-line support and technical assistance closes at 4:00 p.m. Pacific Standard Time on October 31, 2022.

Personal deliveries will not be accepted. No facsimiles, incomplete applications, application revisions, or walk-in application packages will be accepted. Applications that do not meet the filing deadline requirements will not be eligible for funding.

It is the Applicant's responsibility to ensure that the application is clear, complete, and accurate. The Department may request additional clarifying information and/or

inquire as to where in the application specific information is located. However, missing or forgotten application information or documentation may cause the application not to pass threshold.

Those Applicants that are notified they did not pass threshold requirements will have the opportunity to submit the necessary documentation prior to the NOFA closing date.

B. Application Workshops

Applicants are strongly encouraged to attend a PLHA webinar to gain information critical for preparing the application, which will be discussed at the webinar. PLHA webinar dates and times are located on the Department's [PLHA webpage](#).

IV. Appeals

A. Basis of appeals

1. Upon receipt of the Department's notice that an application has been determined to be incomplete, ineligible, or fail threshold review, Applicants may appeal such decision(s) to the Director of the Department or their designee pursuant to this section.
2. No Applicant shall have the right to appeal a decision of the Department relating to another Applicant's eligibility, point score, award, denial of award, or any other matter related thereto.
3. The appeal process provided herein applies solely to decisions of the Director of the Department or their designee made in this NOFA and does not apply to any decisions made with respect to any previously issued NOFAs or decisions to be made pursuant to future NOFAs.

B. Appeal process and deadlines

1. **Process.** In order to file an appeal, an Applicant must submit to the Director of the Department or their designee a written appeal, which states all relevant facts, arguments, and evidence upon which the appeal is based. Furthermore, the Applicant must provide a detailed description of how the application is complete, eligible or meets threshold requirements, as applicable, or provide additional information to resolve the Department's determination. Appeals are to be submitted to the Department at PLHA@hcd.ca.gov according to the deadline set forth in Department review letters.
2. **Filing deadline.** Appeals must be received by the Department no later than five (5) business days from the date of the Department's threshold review letter representing the Department's decision made in response to the application.

C. Decisions

Any request to appeal the Department's decision regarding an application shall be reviewed for compliance with the Guidelines and this NOFA. All decisions rendered shall be final, binding, and conclusive, and shall constitute the final action of the Department.

D. Award announcements and contracts

The Department will review applications as they are received and will make awards as follows:

1. **Previous Awardees:** For Local governments that have previously received an award and are applying for a new allocation of calendar year 2021 funds, awards will be made within 60 days of receipt.
2. **First Time Awardees:** For Local governments that have not previously received an award, those applications will be reviewed, and awards made at the end of each quarter beginning in July 2022 with subsequent awards made in October 2022 and January 2023. Award recommendations will be posted on the [PLHA webpage](#).

V. Other state requirements

A. Pet Friendly Housing Act of 2017

Housing funded through this program is subject to the Pet Friendly Housing Act of 2017 (HSC Section 50466). Each awardee will be required to submit a signed and dated certification that residents of the program-funded Housing development will be authorized to own or otherwise maintain one or more common household pets as required by HSC Section 50466. Pursuant to this statute, "common household pet" means a domesticated animal, such as a dog or cat, commonly kept in the home for pleasure rather than for commercial purposes.

B. Accessibility and non-discrimination

All projects or programs shall adhere to the accessibility requirements set forth in California Building Code Chapter 11A and 11B and the Americans with Disabilities Act (ADA), Title II. In addition, projects or programs shall adhere to either the Uniform Federal Accessibility Standards, 24 CFR Part 8, or HUD's modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 F.R. 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project and be available in a sufficient range of sizes and amenities consistent with 24 CFR Section 8.26.

Recipients shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender

expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under state or federal fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this NOFA.

Recipients shall comply with the requirements contained in the ADA, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Act, GC Section 11135, Section 504 of the Rehabilitation Act, and regulations promulgated pursuant to those statutes, including 24 CFR Part 100, 24 CFR Part 8, and 28 CFR Part 35, in all of the Sponsor's activities.

IV. Other terms and conditions

A. Right to modify or suspend

The Department reserves the right, at its sole discretion, to suspend, amend, or modify the provisions of this NOFA at any time, including, without limitation, the amount of funds available hereunder. If such an action occurs, the Department will notify all interested parties and will post the revisions to the Department's website.

B. Disclosure of application

Information provided in the application will become a public record and available for review by the public, pursuant to the California Public Records Act (GC Section 6250 et seq.). As such, any materials provided will be disclosed to any person making a request under this Act. The Department cautions Applicants to use discretion in providing information not specifically requested, including, but not limited to, bank account numbers, personal phone numbers, and home addresses. By providing this information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

C. Conflicts

In the event of any conflict between the terms of this NOFA and either applicable state or federal law or regulation, the terms of the applicable state or federal law or regulation shall control. Applicants are deemed to have fully read and understand all applicable state and federal laws, and regulations pertaining to PLHA, and understand and agree that the Department shall not be responsible for any errors or omissions in the preparation of this NOFA.

APPENDICES

Appendix A Entitlement and Non-Entitlement Local Government Formula Allocation for Calendar years 2019, 2020, and 2021.

Please refer to Section II.A. Eligible Applicants for a discussion of the definition of Entitlement and Non-Entitlement Local Governments.

Entitlement Local Government				Non-Entitlement Local Government			
Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021	Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021
Alameda		\$868,493	\$955,750	Alpine County	\$68,065	\$106,216	\$116,768
Alameda County		\$1,451,516	\$1,597,349	Alturas	\$79,305	\$123,577	\$128,224
Alhambra			\$796,443	Amador City	\$65,861	\$100,869	\$112,445
Aliso Viejo	\$119,177	\$185,238	\$203,849	Amador County	\$134,185	\$203,299	\$275,316
Anaheim			\$3,686,550	American Canyon	\$117,435	\$178,785	\$199,555
Antioch		\$612,764	\$674,328	Anderson	\$103,770	\$163,160	\$178,480
Apple Valley		\$446,959	\$491,865	Angels	\$81,289	\$127,049	\$128,764
Bakersfield			\$2,960,656	Arcata	\$176,062	\$284,687	\$208,201
Baldwin Park		\$758,781	\$835,015	Artesia	\$135,728	\$204,479	\$213,605
Bellflower			\$878,539	Arvin		\$220,799	\$217,928
Berkeley			\$2,212,637	Atwater	\$158,209	\$247,535	\$269,804
Buena Park		\$573,917	\$631,578	Auburn	\$119,859	\$185,382	\$203,337
Burbank			\$816,205	Avenal	\$104,652	\$168,021	\$177,939
Camarillo			\$231,519	Benicia	\$141,459	\$222,187	\$229,276
Carlsbad	\$272,582	\$423,678	\$466,244	Biggs	\$70,710	\$109,341	\$121,739
Carson			\$709,383	Bishop	\$83,713	\$132,952	\$146,057
Cathedral City			\$484,445	Blue Lake	\$68,285	\$105,521	\$117,957
Cerritos	\$109,213	\$169,751	\$186,806	Brawley	\$151,156	\$240,243	\$234,139
Chico	\$390,348	\$606,721	\$667,678	Butte County	\$333,428	\$494,061	\$610,245
Chino	\$249,365	\$387,590	\$426,531	Calaveras County			\$429,217
Chino Hills			\$303,241	Calexico	\$203,832	\$307,951	\$284,935
Chula Vista		\$1,646,765	\$1,812,214	Calimesa	\$88,783	\$138,507	\$156,324
Citrus Heights		\$486,125	\$534,966	Calipatria	\$77,101	\$120,452	\$122,280
Clovis City			\$625,364	Calistoga	\$85,256	\$133,646	\$134,709
Compton	\$769,720	\$1,196,383	\$1,316,582	Capitola	\$105,092	\$180,868	\$195,772
Concord			\$836,053	Carmel-by-the-Sea	\$81,950	\$130,174	\$140,653
Contra Costa County			\$3,712,024	Chowchilla			\$164,970

Entitlement Local Government				Non-Entitlement Local Government			
Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021	Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021
Corona			\$995,498	Clearlake	\$145,867	\$208,993	\$232,518
Costa Mesa			\$904,122	Coalinga		\$165,243	\$170,374
Cupertino City			\$283,100	Colfax	\$72,032	\$113,855	\$125,522
Daly City			\$875,455	Colusa	\$85,917	\$135,035	\$161,187
Davis		\$470,837	\$518,142	Colusa County	\$83,493	\$136,077	\$152,541
Delano City			\$556,115	Corcoran	\$113,908	\$178,438	\$179,560
Downey			\$889,923	Corning	\$92,529	\$143,368	\$150,380
El Cajon	\$645,382	\$1,003,123	\$1,103,906	Crescent City	\$80,848	\$125,660	\$142,274
El Centro (Colonia Only)	\$245,998	\$382,358	\$420,773	Del Norte County	\$140,797	\$210,729	\$214,685
El Monte			\$1,449,267	Dinuba			\$230,897
Elk Grove	\$439,787	\$683,565	\$752,243	Dixon	\$115,451	\$189,896	\$194,691
Encinitas	\$156,044	\$242,541	\$266,909	Dorris	\$66,522	\$103,785	\$116,876
Escondido	\$842,911	\$1,310,146	\$1,441,775	Dos Palos	\$82,832	\$120,799	\$143,355
Fairfield			\$668,640	Dunsmuir	\$72,032	\$111,424	\$124,441
Fontana			\$1,678,180	El Centro (Colonia Only)	\$216,175	\$311,076	\$283,314
Fountain Valley			\$247,348	El Dorado County			\$973,923
Fremont			\$1,096,685	Etna	\$67,183	\$105,521	\$114,714
Fresno			\$5,828,601	Eureka			\$346,539
Fresno County			\$2,810,897	Exeter			\$164,970
Fullerton			\$1,177,577	Farmersville			\$176,858
Garden Grove			\$1,700,794	Ferndale	\$71,150	\$108,994	\$121,739
Gardena	\$329,877	\$512,732	\$564,246	Firebaugh	\$95,395	\$144,410	\$159,566
Gilroy City			\$417,798	Fort Bragg	\$106,856	\$163,507	\$142,814
Glendale	\$867,025	\$1,347,626	\$1,483,020	Fort Jones	\$69,167	\$106,910	\$115,795
Glendora City	\$130,258	\$202,461	\$222,802	Fortuna	\$108,619	\$171,840	\$171,995
Goleta			\$160,810	Fowler	\$81,069	\$126,355	\$139,032
Hanford			\$505,389	Glenn County			\$201,716
Hawthorne			\$1,048,208	Grass Valley			\$225,493
Hayward		\$1,012,998	\$1,114,773	Greenfield	\$139,916	\$211,076	\$213,605
Hemet			\$688,525	Gridley	\$92,529	\$144,410	\$143,895
Hesperia	\$505,777	\$786,135	\$865,117	Grover Beach			\$181,182
Huntington Beach			\$938,184	Guadalupe	\$101,125	\$160,035	\$166,051

Entitlement Local Government				Non-Entitlement Local Government			
Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021	Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021
Huntington Park	\$651,678	\$1,012,910	\$1,114,676	Gustine	\$73,575	\$118,021	\$150,920
Indio City			\$779,909	Hidden Hills	\$71,371	\$111,077	\$124,982
Inglewood	\$735,776	\$1,143,625	\$1,258,523	Hollister	\$180,249	\$280,173	\$290,339
Irvine			\$1,296,497	Holtville	\$82,611	\$131,563	\$121,739
Kern County			\$3,695,204	Humboldt County			\$595,871
La Habra		\$604,420	\$665,145	Huron		\$153,438	\$143,355
La Mesa		\$293,468	\$322,953	Imperial	\$91,427	\$147,535	\$169,834
Laguna Niguel			\$262,411	Imperial County	\$173,858	\$260,034	\$311,954
Lake Elsinore			\$425,098	Indian Wells	\$88,783	\$135,730	\$163,889
Lake Forest	\$221,070	\$343,611	\$378,133	Industry	\$65,596	\$101,632	\$110,824
Lakewood	\$270,847	\$420,981	\$463,277	Inyo County	\$103,770	\$166,285	\$220,630
Lancaster			\$1,188,528	Ione	\$75,338	\$118,716	\$141,734
Livermore			\$356,702	Jackson	\$87,460	\$133,299	\$143,355
Lodi			\$575,172	King City		\$205,868	\$173,616
Lompoc	\$227,027	\$352,871	\$388,324	Kings County	\$163,499	\$249,965	\$304,389
Long Beach			\$5,006,175	Lake County	\$241,741	\$360,728	\$401,658
Los Angeles			\$44,847,783	Lakeport	\$79,305	\$126,702	\$163,889
Los Angeles County			\$18,858,143	Lassen County	\$102,007	\$155,868	\$187,666
Lynwood		\$981,371	\$1,079,969	Lemoore	\$145,205	\$217,326	\$237,381
Madera	\$422,319	\$656,414	\$722,364	Lincoln	\$203,171	\$314,201	\$344,377
Marin County			\$1,241,068	Lindsay		\$189,201	\$197,393
Menifee			\$1,079,969	Live Oak	\$89,664	\$132,952	\$156,324
Merced			\$722,364	Livingston	\$108,839	\$172,882	\$179,560
Milpitas City	\$238,595	\$370,850	\$408,109	Loomis	\$81,730	\$123,577	\$147,678
Mission Viejo			\$353,526	Los Banos	\$188,184	\$292,326	\$289,258
Modesto			\$1,658,723	Loyalton	\$67,624	\$105,521	\$116,336
Montebello	\$316,758	\$492,340	\$541,805	Madera County			\$484,877
Monterey		\$180,952	\$199,132	Mammoth Lakes	\$81,730	\$123,924	\$154,162
Monterey County			\$1,109,035	Maricopa	\$66,742	\$105,869	\$116,336
Monterey Park	\$318,871	\$495,625	\$545,420	Marina	\$157,548	\$235,382	\$234,139
Moreno Valley			\$1,761,457	Mariposa County			\$235,220
Mountain View	\$256,551	\$398,761	\$438,824	Marysville		\$169,063	\$183,883
Napa City			\$544,289	McFarland	\$112,806	\$174,618	\$177,939

Entitlement Local Government				Non-Entitlement Local Government			
Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021	Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021
National City			\$672,542	Mendocino County			\$578,903
Newport Beach			\$290,118	Merced County			\$625,917
Norwalk	\$592,762	\$921,336	\$1,013,902	Modoc County	\$76,440	\$120,105	\$146,597
Oakland		\$5,757,902	\$6,336,392	Mono County	\$77,101	\$113,855	\$136,870
Oceanside		\$1,008,982	\$1,110,353	Montague	\$68,726	\$105,174	\$116,876
Ontario			\$1,573,664	Mount Shasta	\$89,885	\$141,285	\$153,082
Orange			\$1,039,081	Napa County		\$220,451	\$261,158
Orange County			\$2,175,998	Nevada City			\$136,870
Oxnard			\$1,981,457	Nevada County			\$566,474
Palm Desert			\$293,014	Orange Cove	\$101,345	\$156,563	\$149,299
Palm Springs			\$328,816	Orland			\$143,355
Palmdale			\$1,332,565	Oroville			\$224,412
Palo Alto	\$231,496	\$359,817	\$395,967	Pacific Grove			\$188,207
Paradise	\$93,596	\$145,477	\$160,093	Palos Verdes Estates	\$96,717	\$157,257	\$170,914
Paramount City	\$438,197	\$681,094	\$749,523	Parlier		\$199,965	\$208,741
Pasadena		\$1,454,952	\$1,601,129	Pismo Beach	\$99,582	\$157,604	\$184,964
Perris City		\$725,136	\$797,990	Placer County			\$813,970
Petaluma			\$315,338	Placerville	\$110,823	\$173,924	\$181,182
Pico Rivera	\$338,973	\$526,870	\$579,804	Plumas County		\$187,118	\$217,387
Pittsburg			\$543,387	Plymouth	\$67,404	\$104,757	\$116,876
Placentia		\$333,825	\$367,364	Point Arena	\$67,404	\$103,785	\$114,174
Pleasanton City	\$151,089	\$234,839	\$258,433	Portola	\$75,338	\$119,757	\$120,659
Pomona			\$1,827,543	Rancho Mirage	\$172,094	\$282,257	\$335,191
Porterville			\$586,270	Red Bluff	\$124,047	\$189,201	\$200,095
Rancho Cordova City	\$285,366	\$443,548	\$488,110	Rio Dell	\$79,085	\$118,716	\$141,193
Rancho Cucamonga	\$450,476	\$700,179	\$770,526	Rio Vista	\$96,276	\$149,271	\$157,945
Rancho Santa Margarita			\$173,436	Riverbank		\$193,021	\$206,039
Redding			\$576,110	San Benito County	\$121,182	\$175,313	\$213,064
Redondo Beach	\$130,830	\$203,351	\$223,781	San Joaquin	\$78,644	\$123,924	\$128,764

Entitlement Local Government				Non-Entitlement Local Government			
Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021	Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021
Redwood City			\$594,763	San Juan Bautista	\$75,999	\$114,549	\$122,280
Rialto	\$597,786	\$929,145	\$1,022,495	San Juan Capistrano	\$236,452	\$359,687	\$335,191
Riverside		\$2,521,285	\$2,774,596	Sand City	\$67,139	\$104,063	\$112,445
Riverside County			\$6,835,329	Santa Cruz County		\$895,101	\$916,102
Rocklin City			\$230,295	Scotts Valley	\$103,770	\$166,979	\$171,995
Rosemead	\$343,238	\$533,498	\$587,099	Shasta County			\$578,903
Roseville			\$536,004	Shasta Lake			\$174,157
Sacramento			\$4,031,691	Sierra County			\$124,441
Sacramento County		\$4,229,006	\$4,653,890	Siskiyou County			\$260,618
Salinas			\$1,722,182	Solano County		\$201,701	\$240,083
San Bernardino		\$2,521,132	\$2,774,428	Soledad	\$120,961	\$188,160	\$188,207
San Bernardino County			\$5,916,756	Sonora	\$91,427	\$138,507	\$143,895
San Buenaventura		\$555,571	\$611,389	South Lake Tahoe			\$299,525
San Clemente			\$323,348	St. Helena	\$89,003	\$137,118	\$149,299
San Diego			\$9,903,933	Suisun City	\$154,683	\$222,187	\$257,916
San Diego County		\$3,077,481	\$3,386,672	Susanville	\$93,191	\$141,632	\$146,597
San Francisco		\$13,550,527	\$14,911,935	Sutter County		\$181,910	\$211,983
San Joaquin County			\$2,241,046	Sutter Creek	\$78,644	\$121,841	\$128,764
San Jose			\$7,438,226	Taft	\$90,546	\$140,591	\$136,330
San Leandro		\$543,946	\$598,596	Tehama	\$65,596	\$101,632	\$111,256
San Luis Obispo County			\$1,492,388	Tehama County	\$186,685	\$318,784	\$414,843
San Marcos City	\$319,178	\$496,102	\$545,945	Trinidad	\$66,081	\$101,702	\$111,256
San Mateo			\$584,800	Trinity County	\$121,622	\$186,424	\$219,008
San Mateo County			\$2,068,899	Truckee			\$181,722
Santa Ana			\$4,795,654	Tulare County			\$969,060
Santa Barbara			\$775,030	Tulelake	\$68,506	\$106,563	\$115,795

Entitlement Local Government				Non-Entitlement Local Government			
Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021	Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021
Santa Barbara County			\$974,603	Tuolumne County	\$242,182	\$368,367	\$476,771
Santa Clara			\$820,156	Ukiah	\$129,777	\$199,618	\$187,666
Santa Clara County			\$1,260,160	Vernon	\$65,376	\$100,591	\$111,472
Santa Clarita	\$588,259	\$914,338	\$1,006,200	Wasco	\$135,508	\$205,174	\$244,947
Santa Cruz			\$452,837	Weed	\$76,661	\$120,105	\$131,466
Santa Maria			\$1,254,581	Westmorland	\$72,693	\$113,507	\$117,957
Santa Monica			\$936,510	Wheatland	\$72,032	\$110,035	\$123,361
Santa Rosa			\$1,187,622	Williams	\$80,848	\$126,355	\$135,249
Santee	\$134,374	\$208,859	\$229,843	Willits	\$92,309	\$137,813	\$141,734
Seaside	\$193,124	\$300,175	\$330,334	Willows			\$138,491
Simi Valley		\$451,305	\$496,647	Winters		\$136,077	\$177,399
Sonoma County			\$1,538,385	Woodlake		\$136,424	\$150,380
South Gate			\$1,233,796	Yolo County		\$222,882	\$234,679
South San Francisco			\$372,849	Yountville	\$81,069	\$127,049	\$133,087
Stanislaus County			\$1,975,561	Yreka	\$102,007	\$154,827	\$162,268
Stockton		\$2,660,093	\$2,927,349	Yuba County			\$483,256
Sunnyvale	\$533,023	\$828,483	\$911,720				
Temecula			\$467,631				
Thousand Oaks			\$506,368				
Torrance			\$760,089				
Tulare		\$494,944	\$544,671				
Turlock	\$309,854	\$481,610	\$529,997				
Tustin			\$659,464				
Union City		\$394,694	\$434,349				
Upland		\$431,845	\$475,232				
Vacaville	\$240,500	\$373,812	\$411,368				
Vallejo			\$864,418				
Ventura County			\$1,470,575				
Victorville			\$1,082,334				
Visalia			\$1,078,990				
Vista		\$635,530	\$699,381				
Walnut Creek			\$236,813				
Watsonville	\$362,515	\$563,461	\$620,071				
West Covina	\$388,763	\$604,258	\$664,967				

Entitlement Local Government				Non-Entitlement Local Government			
Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021	Local Gov	Funding Amount 2019	Funding Amount 2020	Funding Amount 2021

West
Sacramento \$236,679 \$367,872 \$404,832

Westminster			\$873,327
Whittier		\$595,595	\$655,434
Woodland		\$387,006	\$425,889
Yorba Linda			\$182,215
Yuba City		\$483,607	\$532,195

Appendix B
List of High-cost Areas in California

High-cost Area by County	High-cost Area pursuant to Federal Housing Finance Agency's Maximum Loan Limits for Mortgages Acquired in Calendar Year 2020	High-cost Area pursuant to Department of Housing and Urban Development Very Low-Income Adjustments due to High-Housing Cost for Fiscal Year 2020-21
Alameda	X	
Contra Costa	X	
El Dorado	X	
Imperial		X
Los Angeles	X	
Madera		X
Marin	X	
Merced	X	
Monterey	X	
Napa	X	
Orange	X	
Placer	X	
Sacramento	X	
San Benito	X	
San Diego	X	
San Francisco	X	
San Luis Obispo	X	
San Mateo	X	
Santa Barbara	X	
Santa Clara	X	
Santa Cruz	X	
Solano	X	
Sonoma	X	
Tulare		X
Ventura	X	
Yolo	X	

Appendix C
Estimate of Five-Year PLHA Allocation for Entitlement and
Non-Entitlement Local government

Entitlement Local government		Non-Entitlement Local government	
Local government	Estimate 5-Year Funding Amount	Local government	Estimate 5-Year Funding Amount
Alameda	\$3,352,590	Alpine County	\$408,390
Alhambra	\$2,793,768	Alturas	\$475,835
Aliso Viejo	\$715,062	Amador City	\$395,168
Anaheim	\$12,931,710	Amador County	\$805,115
Antioch	\$2,365,410	American Canyon	\$704,612
Apple Valley	\$1,725,366	Anderson	\$622,622
Bakersfield	\$10,385,412	Angels	\$487,737
Baldwin Park	\$2,929,068	Arcata	\$1,056,372
Bellflower	\$3,081,744	Artesia	\$814,372
Berkeley	\$7,761,504	Arvin	\$831,563
Buena Park	\$2,215,452	Atwater	\$949,257
Burbank	\$2,863,092	Auburn	\$719,158
Camarillo	\$812,124	Avenal	\$627,912
Carlsbad	\$1,635,492	Benicia	\$848,754
Carson	\$2,488,380	Biggs	\$424,261
Cathedral City	\$1,699,338	Bishop	\$502,283
Cerritos	\$655,278	Blue Lake	\$409,715
Chico	\$2,342,088	Brawley	\$906,940
Chino	\$1,496,190	Butte County	\$2,000,572
Chino Hills	\$1,063,710	Calaveras County	\$1,238,865
Chula Vista	\$6,356,898	Calexico	\$1,222,996
Citrus Heights	\$1,876,554	Calimesa	\$532,699
Clovis City	\$2,193,654	Calipatria	\$462,611
Compton	\$4,618,320	Calistoga	\$511,540
Concord	\$2,932,710	Capitola	\$630,557
Corona	\$3,492,018	Carmel-by-the-Sea	\$491,704
Costa Mesa	\$3,171,486	Chowchilla	\$662,295
Cupertino City	\$993,060	Clearlake	\$875,203
Daly City	\$3,070,926	Coalinga	\$618,655
Davis	\$1,817,544	Colfax	\$432,196
Delano City	\$1,950,744	Colusa	\$515,507
Downey	\$3,121,674	Colusa County	\$500,961
El Cajon	\$3,872,292	Corcoran	\$683,453
El Centro	\$1,475,988	Corning	\$555,180
Elk Grove	\$2,638,722	Crescent City	\$485,092
El Monte	\$5,083,752	Del Norte County	\$844,787

Entitlement Local government		Non-Entitlement Local government	
Local government	Estimate 5-Year Funding Amount	Local government	Estimate 5-Year Funding Amount
Encinitas	\$936,264	Dinuba	\$889,749
Escondido	\$5,057,466	Dixon	\$692,710
Fairfield	\$2,345,460	Dorris	\$399,135
Fontana	\$5,886,732	Dos Palos	\$496,994
Fountain Valley	\$867,648	Dunsmuir	\$432,196
Fremont	\$3,846,960	El Centro	\$1,297,051
Fresno	\$20,445,618	El Dorado County	\$2,879,974
Fullerton	\$4,130,712	Etna	\$403,103
Gardena	\$1,979,262	Eureka	\$1,125,138
Garden Grove	\$5,966,058	Exeter	\$586,917
Gilroy City	\$1,465,554	Farmersville	\$589,562
Glendale	\$5,202,150	Ferndale	\$426,906
Glendora City	\$781,548	Firebaugh	\$572,371
Goleta	\$564,090	Fort Bragg	\$641,136
Hanford	\$1,772,808	Fort Jones	\$415,004
Hawthorne	\$3,676,914	Fortuna	\$651,715
Hayward	\$3,910,410	Fowler	\$486,414
Hemet	\$2,415,216	Glenn County	\$641,136
Hesperia	\$3,034,662	Grass Valley	\$813,049
Huntington Beach	\$3,290,970	Greenfield	\$839,497
Huntington Park	\$3,910,068	Gridley	\$555,180
Indio City	\$2,735,772	Grover Beach	\$727,093
Inglewood	\$4,414,656	Guadalupe	\$606,754
Irvine	\$4,547,862	Gustine	\$441,452
Laguna Niguel	\$920,484	Hidden Hills	\$428,228
La Habra	\$2,333,202	Hollister	\$1,081,498
Lake Forest	\$1,326,420	Holtville	\$495,671
Lake Elsinore	\$1,491,162	Humboldt County	\$2,066,693
Lakewood	\$1,625,082	Huron	\$597,497
La Mesa	\$1,132,854	Imperial	\$548,568
Lancaster	\$4,169,130	Imperial County	\$1,043,148
Livermore	\$1,251,240	Indian Wells	\$532,699
Lodi	\$2,017,590	Industry	\$393,581
Lompoc	\$1,362,162	Inyo County	\$622,622
Long Beach	\$17,560,704	Ione	\$452,032
Los Angeles	\$157,317,438	Jackson	\$524,764
Lynwood	\$3,788,322	King City	\$805,115
Madera	\$2,533,914	Kings County	\$980,995
Menifee	\$1,509,624	Lake County	\$1,450,450
Merced	\$3,112,314	Lakeport	\$475,835
Milpitas City	\$1,431,570	Lassen County	\$612,043
Mission Viejo	\$1,240,098	Lemoore	\$871,235

Entitlement Local government		Non-Entitlement Local government	
Local government	Estimate 5-Year Funding Amount	Local government	Estimate 5-Year Funding Amount
Modesto	\$5,818,482	Lincoln	\$1,219,029
Montebello	\$1,900,548	Lindsay	\$703,289
Monterey	\$698,514	Live Oak	\$537,988
Monterey Park	\$1,913,226	Livingston	\$653,038
Moreno Valley	\$6,178,854	Loomis	\$490,382
Mountain View	\$1,539,306	Los Banos	\$1,129,105
Napa City	\$1,909,260	Loyalton	\$405,747
National City	\$2,359,146	Madera County	\$1,643,522
Newport Beach	\$1,017,678	Mammoth Lakes	\$490,382
Norwalk	\$3,556,572	Maricopa	\$400,458
Oakland	\$22,226,850	Marina	\$945,290
Oceanside	\$3,894,906	Mariposa County	\$770,732
Ontario	\$5,520,108	Marysville	\$662,295
Orange	\$3,644,898	McFarland	\$676,841
Oxnard	\$6,950,574	Mendocino County	\$2,099,753
Palmdale	\$4,674,384	Merced County	\$1,865,687
Palm Desert	\$1,027,836	Modoc County	\$458,644
Palm Springs	\$1,153,422	Mono County	\$462,611
Palo Alto	\$1,388,976	Montague	\$412,359
Paradise	\$561,576	Mount Shasta	\$539,311
Paramount City	\$2,629,182	Napa County	\$859,334
Pasadena	\$5,616,456	Nevada City	\$473,190
Perris City	\$2,799,192	Nevada County	\$1,837,916
Petaluma	\$1,106,142	Orange Cove	\$608,076
Pico Rivera	\$2,033,838	Orland	\$555,180
Pittsburg	\$1,906,098	Oroville	\$822,306
Placentia	\$1,288,644	Pacific Grove	\$712,546
Pleasanton City	\$906,534	Palos Verdes Estates	\$580,305
Pomona	\$6,410,670	Parlier	\$801,148
Porterville	\$2,056,524	Pismo Beach	\$597,497
Rancho Cordova City	\$1,712,196	Placer County	\$2,730,542
Rancho Cucamonga	\$2,702,856	Placerville	\$664,940
Rancho Santa Margarita	\$608,376	Plumas County	\$727,093
Redding	\$2,020,884	Plymouth	\$404,425
Redondo Beach	\$784,980	Point Arena	\$404,425
Redwood City	\$2,086,314	Portola	\$452,032
Rialto	\$3,586,716	Rancho Mirage	\$1,032,569
Riverside	\$9,732,750	Red Bluff	\$744,284
Rocklin City	\$807,828	Rio Dell	\$474,513
Rosemead	\$2,059,428	Rio Vista	\$577,661
Roseville	\$1,880,196	Riverbank	\$732,382
Sacramento	\$14,142,402	San Benito County	\$727,093

Entitlement Local government		Non-Entitlement Local government	
Local government	Estimate 5-Year Funding Amount	Local government	Estimate 5-Year Funding Amount
Salinas	\$6,041,082	San Joaquin	\$471,868
San Bernardino	\$9,732,162	San Juan Bautista	\$455,999
San Clemente	\$1,134,240	San Juan Capistrano	\$1,418,712
San Diego	\$34,741,098	Sand City	\$402,838
San Francisco	\$52,308,210	Santa Cruz County	\$3,395,713
San Jose	\$26,091,876	Scotts Valley	\$622,622
San Leandro	\$2,099,760	Shasta County	\$1,721,544
San Marcos City	\$1,915,068	Shasta Lake	\$613,366
San Mateo	\$2,051,364	Sierra County	\$405,747
Santa Ana	\$16,822,236	Siskiyou County	\$852,722
Santa Barbara	\$2,718,654	Solano County	\$769,410
Santa Clara	\$2,876,946	Soledad	\$725,770
Santa Clarita	\$3,529,554	Sonora	\$548,568
Santa Cruz	\$1,588,464	South Lake Tahoe	\$994,219
Santa Maria	\$4,400,826	St. Helena	\$534,021
Santa Monica	\$3,285,096	Suisun City	\$928,099
Santa Rosa	\$4,165,950	Susanville	\$559,147
Santee	\$806,244	Sutter County	\$698,000
Seaside	\$1,158,744	Sutter Creek	\$471,868
Simi Valley	\$1,742,142	Taft	\$543,278
South Gate	\$4,327,920	Tehama	\$393,581
South San Francisco	\$1,307,880	Tehama County	\$1,120,113
Stockton	\$10,268,580	Trinidad	\$396,491
Sunnyvale	\$3,198,138	Trinity County	\$729,738
Temecula	\$1,640,358	Truckee	\$627,912
Thousand Oaks	\$1,776,240	Tulare County	\$3,501,506
Torrance	\$2,666,244	Tulelake	\$411,037
Tulare	\$1,910,598	Tuolumne County	\$1,453,095
Turlock	\$1,859,124	Ukiah	\$778,667
Tustin	\$2,313,270	Vernon	\$392,259
Union City	\$1,523,610	Wasco	\$813,049
Upland	\$1,667,022	Weed	\$459,966
Vacaville	\$1,443,000	Westmorland	\$436,163
Vallejo	\$3,032,214	Wheatland	\$432,196
San Buenaventura	\$2,144,634	Williams	\$485,092
Victorville	\$3,796,620	Willits	\$553,857
Visalia	\$3,784,890	Willows	\$561,792
Vista	\$2,453,292	Winters	\$532,699
Walnut Creek	\$830,694	Woodlake	\$539,311
Watsonville	\$2,175,090	Yolo County	\$819,661
West Covina	\$2,332,578	Yountville	\$486,414
Westminster	\$3,063,462	Yreka	\$612,043

Entitlement Local government		Non-Entitlement Local government	
Local government	Estimate 5-Year Funding Amount	Local government	Estimate 5-Year Funding Amount
West Sacramento	\$1,420,074	Yuba County	\$1,634,265
Whittier	\$2,299,140		
Woodland	\$1,493,934		
Yorba Linda	\$639,174		
Yuba City	\$1,866,840		
Alameda County	\$5,603,190		
Contra Costa County	\$13,021,068		
Fresno County	\$9,860,088		
Kern County	\$12,962,064		
Los Angeles County	\$66,150,756		
Marin County	\$4,353,426		
Monterey County	\$3,890,280		
Orange County	\$7,632,984		
Riverside County	\$23,977,026		
Sacramento County	\$16,324,956		
San Bernardino County	\$20,754,846		
San Diego County	\$11,879,796		
San Joaquin County	\$7,861,158		
San Luis Obispo County	\$5,235,012		
San Mateo County	\$7,257,300		
Santa Barbara County	\$3,418,722		
Santa Clara County	\$4,420,398		
Sonoma County	\$5,396,358		
Stanislaus County	\$6,929,892		
Ventura County	\$5,158,494		

Appendix D
Housing Element and Annual Progress Report (APR) Submittal Status
Requirement stated in Guidelines Section 302(a) and (b)

To be eligible to apply, jurisdictions are required to have a housing element that has been adopted by the jurisdiction's governing body and subsequently determined to be in substantial compliance with state Housing Element Law pursuant to GC Section 65585 by the application date. If the application is submitted within 120 days of the housing element due date, the Department may refer to the jurisdiction's compliance from the prior cycle.

To verify current status and eligibility for PLHA funds, please consult the following resources:

Housing Element Compliance: [Housing Element Review and Compliance Report | California Department of Housing and Community Development](#)

Annual Progress Report Submittal: [Annual Progress Reports - Data Dashboard and Downloads | California Department of Housing and Community Development](#)

Please note that PLHA is an over-the-counter program, allowing Applicants to apply at any point during the OTC application window of August 17 to October 31. If a jurisdiction is currently out of compliance, that jurisdiction, once it reaches compliance with the housing element and APR requirements, will be eligible for these funds.

For questions about Housing Element Compliance, please email housingelements@hcd.ca.gov. For inquiries on status of APR submittal, please email APR@hcd.ca.gov.

Update: 09/28/22

City of Montbello PLHA Formula - Working Draft Budget

PLHA Allocation Years	2019 Allocation	2020 Allocation	2021 Allocation	TBD 2022 Allocation	TBD 2023 Allocation	Total
Formula Allocation	\$ 316,758	\$ 492,340	\$ 541,805	\$ 274,823	\$ 274,822	\$ 1,900,548
Award Deadline	Apr-23	Apr-24	Apr-25	Apr-26	Apr-27	***
Expenditure Deadline	4/30/2024	4/30/2025	4/30/2026	4/30/2027	4/30/2028	***
1) Rental Assistance (Eligible Activity 6b)						
Rental Assistance for Up to 12 months for homeless and older adults for households up to 30 percent AMI*	\$ 30,200	\$ 125,308	\$ 126,065	\$ -	\$ -	\$ 281,573
2) Homeless Assistance Program (Eligible Activity 6c)						
MCAP Team: Street outreach and supportive case management to assist homeless persons of up to 30% AMI (see annual budget for costs)	\$ 270,720	\$ 342,415	\$ 388,650	\$ -	\$ -	\$ 1,001,785
3) Capital Reserves for Permanent Supportive Housing Services (Eligible Activity 5)						
Funds to services connected to permanent supportive housing (new or preserve existing) for households up to 30% of AMI	\$ -	\$ -	\$ -	\$ 261,082	\$ 261,081	\$ 522,163
Local Admin (5%)	\$ 15,838	\$ 24,617	\$ 27,090	\$ 13,741	\$ 13,741	\$ 95,027
Total Costs	\$ 316,758	\$ 492,340	\$ 541,805	\$ 274,823	\$ 274,822	\$ 1,900,548
Remaining PLHA Funds to be Allocated	0	0	0	0	0	0

Total 5-Yr Allocation	\$1,900,548
First 3 Yrs Allocation	\$1,350,903
Remainder for Yrs 4-5	\$549,645
Split for Years 4 and 5	\$274,823

MCAP COVERAGE BY PLHA

MCAP Annual Cost = \$409,453 (see next sheet for breakdown of annual costs)

Percent of MCAP Covered by PLHA in Each Year					
66%	84%	95%	0%	0%	

NUMBER OF PERSONS SERVED BY PLHA:

1. Rental Assistance: RA for 1 person for up to 6 months = \$15,000 (per AP and LC for \$2K plus deposits)	Total Budgeted amount for RA =	\$ 281,573	TOTAL PERSONS PROVIDED RA	18.77

2. MCAP Team (see list of annual expenses in next sheet)	Annual # persons served by MCAP						TOTAL SERVED BY MCAP
		Year 1	Year 2	Year 3	Year 4	Year 5	
	100	66.12	83.63	94.92	0.00	0.00	244.66

3. Capital Reserves for Permanent Supportive Housing (PSH) Services	Persons served by PSH						TOTAL SERVED BY PSH
		Year 1	Year 2	Year 3	Year 4	Year 5	
	60	0.00	0.00	0.00	60.00	60.00	120.00

MCAP Annual Budget (from Montebello FD) - 9/26/22

Personnel	FTE	Budget
Social Worker	1	\$ 79,722.00
Field Case Coordinator	1	\$ 59,225.00
Housing Navaigator	1	\$ 103,000.00
Senior Management Analyst	0.25	\$ 22,484.00
Salaries Subtotal		\$ 264,431.00
Employee Benefits @ 26%		\$ 68,752
Subtotal Salaries & Employee Benefits		\$ 333,183.06
Operating Costs		
Direct Client Assistance		\$ 5,000.00
Hotel Vouchers		\$ 25,000.00
Program Supplies (hygiene kits)		\$ 2,500.00
Office Supplies, Postage, Printing		\$ 500.00
Uniforms		\$ 2,500.00
Telephone/Communications		\$ 1,200.00
Transportation		\$ 6,000.00
Case Management Software		\$ 24,720.00
GIS Software Subscription		\$ 6,350.00
Client Transportation		\$ 2,500.00
Operating Costs Subtotal		\$ 76,270.00
Total Cost		\$ 409,453.06

CA HCD Permanent Local Housing Allocation (PLHA) Grant Program – Formula Funding Component

CITY OF MONTEBELLO'S PLHA EXPENDITURE PLAN FOR THE 2019-2023 ALLOCATIONS

1. BACKGROUND: In 2017, Governor Jerry Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. The Building Homes and Jobs Act (SB 2, 2017), established a \$75 recording fee on real estate documents to increase the supply of affordable homes. 70% of the fees collected fund the PLHA Program, which is administered by the California Department of Housing and Community Development (CA HCD) See: <https://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>

2. PURPOSE OF PLHA FORMULA FUNDS: Provide a permanent source of funding to all local governments to:

- Increase the supply of housing for households at or below 60% of area median income
- Increase assistance to affordable owner-occupied workforce housing
- Assist persons experiencing or at risk of homelessness
- Facilitate housing affordability, particularly for lower- and moderate-income households
- Promote projects and programs to meet the local government's unmet share of regional housing needs allocation
- Ensure geographic equity in the distribution of the funds

3. MONTEBELLO'S PLHA FORMULA ALLOCATIONS: TOTAL (Estimated): **\$1,900,548**

- 2019 allocation: \$316,758 (can be claimed now)
- 2020 allocation: \$492,340 (can be claimed now)
- 2021 allocation: \$541,805 (can be claimed now)
- 2022 and 2023 allocations: \$549,645 (can be claimed in FUTURE call for projects)

4. MONTEBELLO'S PLAN TO SPEND PLHA FORMULA FUNDS: (See list on next page of eligible PLHA formula activities; source: 2022 Notice of Funding Opportunity, pp. 7-9)

- 1) Rental assistance for up to six months for homeless persons and low-income older adults in Montebello** (i.e., persons below 30% of Area Median Income – below \$21,407).
 - The City estimates it will be able to provide rental assistance to 19 persons during Years 1-3. (see Eligible Activity 6b, next page).
- 2) Operating Support for the Montebello Community Assistance Program (MCAP).** MCAP provides street outreach and supportive case management services to assist homeless persons in acquiring employment, housing, and other needed services.
 - The City estimates that MCAP will provide services for 245 homeless persons during Years 1-3 (see Eligible Activity 6c, next page).
- 3) Capital Reserves for Services Related to Permanent Supportive Housing.** PSH is long-term leasing or rental assistance and supportive services for the chronically homeless and persons with disabilities (i.e., persons below 30% of Area Median Income).
 - The City estimates that funding for PSH will serve 120 households during Years 4-5 (see Eligible Activity 5, next page).

5. ELIGIBLE ACTIVITIES: PLHA funds allocated to eligible Applicants must be used to carry out **one or more** of the eligible activities listed below. All activities must be provided within the county containing the Local government recipient and must be consistent with the Housing Element. (See 2022 Notice of Funding Opportunity, p. 7-9)

1. The predevelopment, development, acquisition, rehabilitation, and preservation of **multifamily, residential live-work, or rental housing** that is Affordable to extremely low-, very low-, low-, or Moderate-income households (up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas, see appendix B for a list of High-cost areas, including necessary Operating subsidies). Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of housing, as otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.
2. The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable **rental and ownership housing, including Accessory Dwelling Units (ADUs)**, that meets the needs of a growing workforce earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days. See Appendix B for a list of High-cost areas in California. Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of Affordable rental and ownership housing, as otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.
3. **Matching portions of funds placed into Local or Regional Housing Trust Funds**. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
4. **Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund** pursuant to subdivision (d) of HSC Section 34176. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
5. **Capitalized Reserves for Services connected to the preservation and creation of new Permanent Supportive Housing** (up to 30 percent of AMI).
6. **Assisting persons who are experiencing or At risk of homelessness** in conformance with [24 Code of Federal Regulations \(CFR Section 578.3\)](#), (up to 30 percent of AMI), including
 - a. Rapid rehousing in conformance with federal rules contained in 24 CFR Section 576.104, except for legal services;
 - b. Rental assistance with a term of at least six (6) months (rental arrears is not eligible);
 - c. Street outreach, and other supportive/case management services in conformance with federal rules contained in 24 CFR Section 576.101 that allow people to obtain and retain housing;
 - d. Operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
7. **Accessibility modifications in Lower-income Owner-occupied housing** (up to 80 percent of AMI).
8. Efforts to **acquire and rehabilitate foreclosed or vacant homes and apartments** (up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas).
9. **Homeownership opportunities, including, but not limited to, down payment assistance** to those earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas.
10. **Fiscal incentives made by a county to a city within the county to incentivize approval of one or more Affordable housing projects**, or matching funds invested by a county in an Affordable housing development project in a city within the county, provided that the city has made an equal or greater investment in the project.

RESOLUTION NO. 22-88

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, STATE OF CALIFORNIA, AUTHORIZING THE APPLICATION AND ADOPTING THE PLHA PLAN FOR THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM

RECITALS

WHEREAS, the State of California (“State”) Department of Housing and Community Development (“Department”) is authorized to provide up to \$335 million under the SB 2 **Permanent Local Housing Allocation Program Formula Component** from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 et seq.(Chapter 364, Statutes of 2017 (SB 2)).

WHEREAS, the State of California, Department of Housing and Community Development issued a Notice of Funding Availability (“NOFA”) dated 8/17/2022 under the Permanent Local Housing Allocation (PLHA) Program;

WHEREAS, the City of Montebello is an eligible Local Government who is applying for program funds to administer one or more eligible activities; and

WHEREAS, the Department may approve funding allocations for PLHA Program, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement, and other contracts between the Department and PLHA grant recipients;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

SECTION 1. AUTHORITY. If Applicant receives a grant of PLHA funds from the Department pursuant to the above referenced PLHA NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.

Applicant is hereby authorized and directed to receive a PLHA grant, in an amount not to exceed the five-year estimate of the PLHA formula allocations, as stated in Appendix C of the current NOFA \$1,900,548 in accordance with all applicable rules and laws.

Applicant hereby agrees to use the PLHA funds for eligible activities as approved by the Department and in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.

RESOLUTION NO. 22-88

Page 2 of 3

SECTION 2. ADOPTION. Pursuant to Section 302(c)(4) of the Guidelines, Applicant's PLHA Plan for the 2019-2023 Allocations is attached to this resolution, and Applicant hereby adopts this PLHA Plan and certifies compliance with all public notice, public comment, and public hearing requirements in accordance with the Guidelines.

Not applicable: Applicant certifies that it was delegated by [insert name of the delegating local government] to submit an application on its behalf and administer the PLHA grant award for the formula allocation of PLHA funds, pursuant to Guidelines Section 300(c) and 300(d), and the legally binding agreement between the recipient of the PLHA funds and the Applicant is submitted with the PLHA application.

Not applicable: Applicant certifies that it has or will subgrant some or all of its PLHA funds to another entity or entities. Pursuant to Guidelines Section 302(c)(3), "entity" means a housing developer or program operator, but does not mean an administering Local government to whom a Local government may delegate its PLHA allocation.

Not applicable: Applicant certifies that its selection process of these subgrantees was or will be accessible to the public and avoided or shall avoid any conflicts of interest.

Pursuant to Applicant's certification in this resolution, the PLHA funds will be expended only for eligible Activities and consistent with all program requirements.

Applicant shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.

Not applicable: Applicant certifies that, if funds are used for the acquisition, construction or rehabilitation of for-sale housing projects or units within for-sale housing projects, the grantee shall record a deed restriction against the property that will ensure compliance with one of the requirements stated in Guidelines Section 302(c)(6)(A),(B) and (C).

Not applicable: Applicant certifies that, if funds are used for the development of an Affordable Rental Housing Development, the Local government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with a Local government-approved underwriting of the Project for a term of at least 55 years.

The City Manager is authorized to execute the PLHA Program Application, the PLHA Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the PLHA grant awarded to Applicant, as the Department may deem appropriate.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this resolution.

APPROVED AND ADOPTED this 26th day of October 2022.

RESOLUTION NO. 22-88

Page 3 of 3

Kimberly A. Cobos-Cawthorne, Mayor

ATTEST:

APPROVED AS TO FORM:

Christopher Jimenez, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF MONTEBELLO)

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 22-88 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 26th day of October 2022 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

Christopher Jimenez, City Clerk



ITEM # 8

**CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: Arnold Glasman, City Attorney

BY: Arnold Glasman, City Attorney

**SUBJECT: AMENDMENT OF AGREEMENTS RELATED TO QUIET CANNON
MANAGEMENT AND ASSOCIATED BUSINESS ENTITIES**

DATE: October 26, 2022

RECOMMENDATION(S):

It is recommended that the City Council:

1. Approve the amended Agreements related to the Quiet Cannon Management (QCM) and associated business entities related to the Golf Course Improvements in substantially the form as presented; and
2. Take such additional, related, action that may be desirable.

FISCAL IMPACT:

There is a fiscal impact in QCM permitting Topgolf to control food and beverage service at the Topgolf location only, The proposed eleventh (11th) amendment to the food and beverage license agreement would result in a flat fee paid annually to the QCM operator in-lieu of a percentage of food and beverage revenues.

The amount would begin at \$250,000 annually, and be increased in the same percentage and at the same time(s) as increases to the "Base Rent" under the Driving Range Lease are applied to the tenant thereunder.

**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT -
MEETING OF OCTOBER 26, 2022**

Page 2 of 3

BACKGROUND:

Since 1974, Quiet Cannon Management (QCM) and their predecessor has been in contract with the City of Montebello to operate the Quiet Cannon banquet and meeting location, club house facility and related properties at the golf course. This right included exclusive rights for food and beverage sales and distribution for these various properties. When the Hilton Garden Inn and Home 2 Suites were constructed, QCM's exclusive rights were extended to these two properties.

The City has recently expressed its intent to improve the golf course property to remodel and construct new golf course facilities, a new club house property and Topgolf driving range and entertainment complex, as evidenced by City Council action on September 14 and 28, 2022 approving financing plans for the projects. In order to provide these improvements and recognize the exclusive food and beverage rights of QCM, certain agreements must be entered into between the City and QCM to assist in the development of the improvements, yet preserve the rights of QCM.

The agreements presented to the City Council are necessary to accomplish the objectives of defining QCM's role and rights vis-a-vie the new improvements at the Golf Course property.

ENVIRONMENTAL IMPACT:

Pursuant to the provisions of CEQA Section 15061(b)(3), the project is considered covered by the common sense exemption. The common sense CEQA exemption section states that "CEQA applies only to projects which have the potential for causing a significant effect on the environment" and also states that "where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." Consideration of the above-referenced agreements by the City Council does not have the potential to degrade the quality of the environment or have a significant effect on the environment. Any future development will be subject to compliance with the Surplus Land Act, CEQA, and other applicable laws and regulations.

ANALYSIS:

N/A

DISCUSSION:

N/A

SUMMARY:

There are multiple agreements presented to the City Council for consideration and approval (all agreements will be presented prior to the City Council meeting):

**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT -
MEETING OF OCTOBER 26, 2022**

Page 3 of 3

- Assignment and Release of Food and Beverage Service Rights Between Trend Sports II and the City of Montebello.
- Food and Beverage Assignment by and between Quiet Cannon Montebello and Trend Sports II.
- Eleventh Amendment to the Existing License Agreement between the City and QC.
- Extension of the Management rights period for both the Hilton Garden Inn and Home2Suites.
- Food and Beverage Agreement for the New Golf Course Clubhouse between the Quiet Cannon Montebello and the City of Montebello.

If approved, these agreements would accomplish the following:

- Result in QCM waiving their exclusive food and beverage rights to Topgolf for the Topgolf Facility only. It would reconfirm QCM's rights over all other newly constructed facilities.
- Transfer the QCM rights to Trend Sports II to operate the food and beverage rights over the newly constructed facilities.
- Extend the current hotel management agreements between the QCM affiliated parties and the City for a period of thirty (30) years.

ATTACHMENT(S)

None

NEXT STEPS:

N/A



ITEM # 9

**CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Arnold Glasman, City Attorney

SUBJECT: ADOPT RESOLUTION NO. 22-84 APPROVING PLANS AND SPECIFICATIONS FOR THE MONTEBELLO DRIVING RANGE PROJECT – TOPGOLF MONTEBELLO; APPROVING A CONTRACT WITH MCCARTHY BUILDING COMPANIES FOR CONSTRUCTION AND CONSTRUCTION MANAGEMENT SERVICES FOR THE MONTEBELLO DRIVING RANGE PROJECT – TOPGOLF MONTEBELLO, AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

DATE: October 26, 2022

RECOMMENDATION(S):

It is recommended that the City Council:

1. Approve final plans and specifications for the Montebello Driving Range Project – Topgolf Montebello (“Project”) prepared by Aria Group Architects, Inc.; and
2. Approve the waiver of competitive bidding and find that McCarthy Building Companies is the only available and qualified contractor to provide the professional and construction services required to develop the Project; and
3. Approve and award a Guaranteed Maximum Price (GMP) Construction Contract to McCarthy Building Companies for construction and construction management services for the Project; and
4. Approve a Notice of Exemption for the subject project and authorize the City Clerk to file the Notice of Exemption with the Los Angeles County Registrar-Recorder; and

CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT - MEETING OF OCTOBER 26, 2022

Page 2 of 6

5. Authorize the City Manager to make necessary non-monetary changes to the Construction Contract within the Guaranteed Maximum Price (not-to-exceed the net proceeds of the bonds) before execution; and
6. Authorize the City Manager to execute the Construction Contract in a form approved by the City Attorney; and
7. Take any other additional actions necessary.

FISCAL IMPACT:

During its meeting on September 28, 2022, the City Council and Montebello Public Financing Authority held a public hearing and approved issuance and delivery of the Series 2022B Lease Revenue Bonds (“2022B Bonds”). The proceeds of the 2022B Bonds will be used to finance construction of the Montebello Driving Range Project – which will be known as TopGolf Montebello. The Project will be operated by a local subsidiary of TopGolf under a long-term lease agreement with the City that was also approved by the City Council on September 28, 2022. TopGolf will pay for all project costs, including debt service on the 2022B Bonds (i.e., improvement rent), plus the fair market value of the project space, through annual rent payments (i.e., base rent) to the City.

Once bonds are issued, proceeds will be used to reimburse all related design and construction costs for this project. Staff will return at a future City Council meeting to appropriate necessary funds in a Driving Range Project/TopGolf Montebello capital fund. No budget amendment is necessary at this time.

BACKGROUND:

Extensive detail and background on the City’s efforts to address long-standing operating deficits and capital improvement needs of the Golf Course was provided in the staff report for the 2022B Bonds on September 28, 2022; and there is no need to reiterate the full history. The City’s efforts in this regard culminated on September 28, 2022, with the City Council and Public Financing Authority approving issuance of the 2022B Bonds to finance the Project, as well as a lease agreement with Topgolf to operate the Project.

ENVIRONMENTAL IMPACT:

The reasonably foreseeable environmental impacts of the Project have been analyzed pursuant to the requirements of the California Environmental Quality Act (“CEQA”) by way of that certain “Initial Study and Mitigated Negative Declaration for the Montebello Golf Course Driving Range Relocation Project,” dated December 12, 2019 (the “MND”). The MND concluded that, with mitigation, the Project would not result in any significant negative impacts to the environment, and the MND was approved by way of City of Montebello Planning Commission Resolution No. 6-22 in the manner required by CEQA, and a notice of determination was timely posted and published in the manner required by law. This action does not result in any new environmental impacts not previously

CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT - MEETING OF OCTOBER 26, 2022

Page 3 of 6

studied and analyzed in is action to implement the project so studied.

ANALYSIS:

The total design and construction budget for the Project is not-to-exceed \$48 million, with the final budget for the Project being equal to the net proceeds of the 2022B Bonds.

TopGolf Montebello will be a 66,000 square foot TopGolf-branded commercial driving range and entertainment venue which is expected to include a full-service restaurant, event space, and other associated amenities. The Project will include, among other things: a three (3)-story driving range complex/structure with approximately 102 hitting bays; restaurant and entertainment amenities; outdoor seating/patio areas; a parking lot; a miniature golf course; and common facilities, including a driveway that provides access from Via San Clemente, on approximately 15 acres.

Groundbreaking for the Project is scheduled for early November 2022, and the current construction schedule for the Project is as follows:

Activity	Milestone Date
Groundbreaking	11/7/2022
City Utility Extension Completion	12/23/2022
City Common Drive Completion	8/25/2023
Substantial Completion	11/20/2023
Grand Opening	12/29/2023

The goal is for this Project to open approximately at the same time as the Golf Course Renovation Project, funding for which was approved at the September 14, 2022 City Council meeting.

The design and specifications for the Project have been prepared in close collaboration with TopGolf and meet the approval of the City Engineer.

Design Criteria

The new building is designed as a state-of-the-art golf, entertainment, and social gathering place that combines an exciting gaming experience with an upscale dining atmosphere. Topgolf provides a positive atmosphere where both family and friends can relax in an environment that is redefining sports and elevating entertainment.

The new building is a three-story, 66,000 square foot facility with 102 hitting bays and various retail, dining/bar, event/meeting spaces as well as kitchen and other operational and office spaces. The building's overall aesthetic is modern with intersecting planes of

building elements and welcomes guests with a carved-out entry volume. This entry is also the bold color against a simplistic color palette so patrons can easily find their way inside.

Building Envelope and Material Selection

The building will consist of a structural steel frame, concrete floor slabs, and metal stud wall framing with various exterior wall finishes. The exterior palette is composed of a metal composite material panel (MCM), exterior insulation finish system (EIFS), and Knotwood aluminum cladding. Within the field of EIFS, a contrasting horizontal EIFS strip is used as well as an argyle pattern to create additional interest within the overall building design. The first 14 vertical feet of the side of the building is clad with vertical aluminum cladding (Knotwood) to create a pedestrian scale for the three-story structure. Large spans of tinted glass express the building's function and allow views throughout the facility.

The outdoor patio provides patrons with a variety of seating along with additional landscape. The patio design includes a vast planting area to create a parklike setting against the building edge to soften the architecture as well as to help buffer sound with larger trees.

Each of the 102 temperature-controlled hitting bays includes two flat-screen TVs, a digital gaming panel, a dining table with chairs/sofas, golf clubs and a golf bag holder, a hitting mat, and a golf ball dispenser. Due to the nature of the golfing concept, one side of the facility is open-faced, allowing guests to hit golf balls into the outdoor outfield. Due to the open face of the facility and the elevated hitting areas, the building design includes safety netting meeting the standard for elevated helicopter platforms as determined by the United States Department of Transportation (USDOT) and the Federal Aviation Administration (FAA).

The roofing system is a white single-ply membrane specified to meet the Heat Island Reduction requirements. The roof and wall insulation specified exceeds the baseline/minimum code requirements. Exterior glazing efficiency and daylighting is optimized by selecting glass and frame assemblies to provide enhanced thermal and solar control. This provides an overall low U-value, solar heat gain (SHGC), and high visible light transmittance (VLT). Exterior glazing systems specified have thermally broken frame assemblies with insulated, low-E coating and tinted glass. Glazing located under the 20-foot plus Hitting Bay overhang is insulated, low-E coated clear glass. Exterior windows located in the Hitting Bay exterior walls (exterior exposed on both sides) have tinted glass.

Design Attributes

The building incorporates many features to support sustainability goals. Materials such as (but limited to):

- High reflectance white roofing membrane to reduce solar heat gain.
- Insulated, Low-E, and tinted glass to reduce energy use.
- No VOC (Volatile Organic Compounds) paints to improve air quality.

- Tile – Restroom Floors - 20% Pre-consumer recycled content
- Tile – Restroom Walls – 35% Pre-consumer recycled content
- Tile – Main Bar die wall – 35.5% Pre-consumer recycled content
- Carpet – All Locations – 72% recycled content
- Ceiling Tile – Offices – 35% recycled content
- Ceiling Tile – Kitchen – 23% recycled content
- Woodwork/Trim – American Walnut – Reclaimed lumber 100% recycled
- Vinyl Tile Back-of-House – 18% Pre-consumer recycled content
- Plastic Laminate – Office Counters – 30% Post-consumer recycled content

Proposed Contractor – McCarthy Building Companies

Because the Driving Range Project will be operated by TopGolf, it will be designed and operated as a prototypical TopGolf venue and must meet its proprietary standards and specifications.

As is clear from its description above, the Project is complex and multi-faceted from a construction standpoint, as it implicates a variety of design and construction-related disciplines. There are also very few competitors in this market sector, meaning few design professionals or general contractors have experience developing like-facilities. As an example, there are currently more than seventy (70) TopGolf venues operating in the United States, and more than sixty-five (65) of them were designed and constructed by ARCO/Murray Design Build (“ARCO / Murray”), with McCarthy having recently developed and designed the TopGolf facility in El Segundo. Based on representations provided by TopGolf, the facilities designed or developed by other contractors (i.e., not ARCO / Murray or McCarthy) all experienced cost overruns, scheduling delays, or quality control issues resulting from the lack of experience on similar projects.

Given the significance of the Project to the success of the Golf Course Rehabilitation Project, the City’s two hotels, and the Project’s unique design / construction challenges, staff recommends the City Council waive competitive bidding and award the contract to a qualified contractor with demonstrated success on similar projects. As explained in the attached legal opinion, this Project presents one of the unique circumstances in which competitive bidding would not work to advance the public interest, and the quality and nature of services required more closely resemble professional services than typical construction work. (Attachment C).

The City Council made a similar determination when it adopted Resolution No. 21-94 on November 10, 2021, finding that, based on its significant experience designing and developing nearly all TopGolf venues in the domestic United States, awarding a contract to ARCO / Murray was appropriate. Since that time, however, ARCO / Murray has advised the City that it is not available to proceed with constructing the Project. With Topgolf’s consent, ARCO / Murray proposed to assign the completed plans and specifications to McCarthy Building Companies of Newport Beach, which would proceed with providing construction and construction management services for the Project.

McCarthy Building Companies was established in 1864 and is one of the largest and

**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT -
MEETING OF OCTOBER 26, 2022**

Page 6 of 6

most active contractors in the United States with 17 regional offices, and with clear demonstrated professional and financial capacity to complete the Project. After ARCO / Murray, McCarthy is also the next most experienced contractor in the United States on TopGolf venues, and in recent months completed construction of Topgolf's new location in the City of El Segundo. This project was completed on-time, within budget, and shares many similarities with Montebello's Driving Range Project including market region, size, building type, and close proximity to an operating golf course.

Based on these facts and circumstances, staff believes that awarding a contract to McCarthy for development of the Project is consistent with applicable law and in the best interests of the City. A resolution setting forth the applicable facts and circumstances of the award, and approving the proposed Construction Contract with McCarthy, is attached for the City Council's consideration.

Next Steps

If the City Council approves the recommended action, staff would proceed with finalizing the transaction documents and proceeding with overseeing the financing and construction of the Project as approved.

DISCUSSION:

N/A

SUMMARY:

Upon approval of the recommended actions, staff will proceed with finalizing the Construction Contract with McCarthy Building Companies, and following execution of the Construction Contract, coordinate the initiation and progress of the Project moving forward.

ATTACHMENT(S)

1. Attachment A - Construction Contract
2. Attachment B - Proposed Resolution No. 22-84
3. Attachment C - Justification for Competitive Bidding Waiver

NEXT STEPS:

N/A

Attachment A

Construction Contract [to follow under separate cover]

RESOLUTION NO. 22-84

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF MONTEBELLO, CALIFORNIA, AUTHORIZING SOLE SOURCE PROCUREMENT FOR THE AWARD OF CONSTRUCTION CONTRACTS FOR THE PROPOSED MONTEBELLO GOLF COURSE DRIVING RANGE PROJECT, AND MAKING CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH

WHEREAS, the City of Montebello (“City”) is the owner in fee simple of that certain parcel of real property comprised of approximately 118 acres and located at 988 Via San Clemente, City of Montebello, California (the “Golf Course”);

WHEREAS, the Golf Course was acquired by the City for “public golf course purposes” by way of a quitclaim deed dated November 12, 1941, as further evidenced by Resolution No. 1026 of the City Council adopted on December 1, 1941, accepting the quitclaim deed for such public purposes, and the Golf Course has since proudly served patrons for decades and remains an important amenity for residents and visitors;

WHEREAS, the Golf Course presently offers an 18-hole public championship course, driving range, and related golf amenities that were last remodeled in 1999 and that, due to the passage of time, are now in need of significant upgrades and modernization;

WHEREAS, by way of that certain “Initial Study and Mitigated Negative Declaration for the Montebello Golf Course Driving Range Relocation Project,” dated December 12, 2019 (the “MND”), the City has analyzed the feasibility and potential environmental impacts of implementing a driving range modernization and relocation project (the “Project”) on a portion of the Golf Course anticipated to be incorporated into a redesign and rehabilitation of the remainder of the Golf Course;

WHEREAS, the City has approved finding to finance the Project in the form lease revenue bonds (“Bonds”) issued by the Montebello Public Financing Authority (“Authority”), and because the City lacks the specialized knowledge and experience needed to design and operate the Project, the City has approved a lease agreement with Topgolf USA, MB (“Lessee”) for Lessee’s provision of proprietary design expertise and support in connection with the City’s design and construction of the Project, and following construction for Lessee’s operation of the Project for the lease term, and rent payments paid by Lessee being used to pay all costs of the Project and bonds;

WHEREAS, in anticipation of contracting for the professional and construction services necessary to develop the Project, the City has reviewed the laws and regulations governing the solicitation, procurement and contracting of such services for purposes of identifying the mechanism that best serves to advance the City’s goals and public interest;

WHEREAS, the legislative purpose of the Public Contract Code’s competitive

RESOLUTION NO. 22-84

Page 2 of 4

bidding requirements is to guard against favoritism, improvidence, extravagance, fraud and corruption in the awarding of public contracts, and ultimately to deliver a quality project to the public for a reasonable price, but California law recognizes exceptions and limitations to bidding requirements in circumstances where bidding would work an incongruity and not impact the final result, would not produce an advantage, or where it is practically impossible to obtain the goods, services, or product requested by the agency from another source (see, e.g. *Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App.3d 631);

WHEREAS, the Project will be complex and multi-faceted from a construction standpoint, as the proposed facility is unique and implicates a variety of proprietary design and construction-related disciplines, and there are few competitors that operate similar driving range entertainment facilities which means that few design and construction professionals that have actual experience in the design and development of venues similar to the proposed Project;

WHEREAS, based on these factors, and after consideration of the staff report, legal opinions, presentations, public comments, and other evidence submitted in connection with this matter, the City Council finds it appropriate to adopt this Resolution setting forth the facts and findings justifying the waiving of competitive bidding and the awarding of a contract for the design and construction of the Project.

NOW, THEREFORE, THE CITY COUNCIL FOR THE CITY OF MONTEBELLO HEREBY FIND, DECLARE AND RESOLVE AS FOLLOWS:

SECTION 1. Based upon the staff report, legal opinions, presentations, public comments, and other substantial evidence submitted in connection with this matter, the City Council finds and declares that the foregoing recitals are true and correct and incorporated into this Resolution as a material part hereof; and based upon such matters, the City Council makes the additional factual findings and declarations set forth below.

SECTION 2. In consideration of the facts and circumstances set forth in this Resolution and the substantial evidence referenced above, the City Council hereby finds and declares that the solicitation for competitive bids or proposals for the work of constructing and providing professional management and design services relating to the Project would be undesirable, impractical, or impossible, and would be contrary to the legislative objectives for requiring competitive bidding because it would not impact the final result under the circumstances presented, would not produce any advantage to the public or the only qualified contractor, and it is practically impossible for the City to obtain the necessary services of comparable quality from an alternative source.

SECTION 3. The City Council approves the plans and specifications for the Project as are on file in the office of the City Engineer, with the final version being most recently stamped as approved by the City Engineer.

RESOLUTION NO. 22-84

Page 3 of 4

SECTION 4. The City Council hereby waives competitive bidding and approves a contract with McCarthy Building Companies for construction and professional construction management and design services for the Project in the form substantially submitted herewith (“Construction Agreement”), with the guaranteed maximum price of the Construction Agreement not to exceed the net construction proceeds of the Series 2022B Bonds that were issued for the Project (“GMP”). The City Manager is authorized to make necessary non-monetary changes to the Construction Contract within the GMP, and the City Manager is authorized to execute the Construction Contract on behalf of the City in a form approved by the City Attorney.

SECTION 5. CEQA. The City has analyzed the reasonably foreseeable environmental impacts of the Project pursuant to the requirements of the California Environmental Quality Act (“CEQA”) by way of that certain “Initial Study and Mitigated Negative Declaration for the Montebello Golf Course Driving Range Relocation Project,” dated December 12, 2019 (the “MND”). The MND concluded that, with mitigation, the Project would not result in any significant negative impacts to the environment, and the MND was approved by way of Planning Commission Resolution No. 6-22 in the manner required by CEQA, and a notice of determination was timely posted and published in the manner required by law. The Construction Contract merely implements the Project as previously analyzed. The City Council approves a Notice of Exemption therefor and authorizes the City Clerk to file the Notice of Exemption with Los Angeles Registrar-Recorder.

SECTION 6. The City Clerk shall certify to the passage and adoption of this resolution, which shall become effective immediately upon adoption. This Resolution shall repeal, replace, and supersede Resolution No. 21-94 approved on November 10, 2021.

APPROVED AND ADOPTED this 12th day of October 2022.

Kimberly A. Cobos-Cawthorne, Mayor

ATTEST:

APPROVED AS TO FORM:

Christopher Jimenez, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

RESOLUTION NO. 22-84

Page 4 of 4

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF MONTEBELLO)

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 22-84 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 12th day of October 2022 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

Christopher Jimenez, City Clerk



CITY OF MONTEBELLO

TO: Honorable Mayor and Members of the City Council
Honorable Chair and Members of the Financing Authority Governing Board

FROM: René Bobadilla, P.E., City Manager/Executive Director
Arnold M. Alvarez-Glasman, City Attorney / Authority Counsel

BY: Arnold M. Alvarez-Glasman, City Attorney
Christopher G. Cardinale, Senior Partner

SUBJECT: **Sole Source Justification for Construction Contract with McCarthy Building Companies for the Montebello Topgolf Facility**

DATE: **October 12, 2022**

EXECUTIVE SUMMARY

In connection with the complete redesign and rehabilitation of the existing Montebello Golf Course (“Golf Course” or “Course”), the City is considering a partnership with Topgolf USA (“Topgolf”) to develop and operate a three (3)-story driving range and entertainment facility on a portion of the existing Course. If approved by the Montebello City Council (“City Council”) and the governing board of the Montebello Public Financing Authority (“PFA”), construction of the facility will be financed by lease revenue bonds issued by the PFA, and after construction the facility will be operated by Topgolf under a lease agreement with the City.

The project is complex from a design and construction standpoint. Given the various public investments that hinge on success of the project, and the fact that McCarthy Building Companies is the only available design-build contractor with experience on similar projects, staff believes the City Council has the authority to award a “design-build” contract to McCarthy without competitive bidding.

PROJECT BACKGROUND

The City has owned and operated the Montebello Golf Course for nearly 100 years. The eighteen (18)-hole championship course covers approximately 120 acres and is located adjacent to the State Route 60 Freeway (“SR 60”) at 901 Via San Clemente, City of Montebello. The Course is located just minutes from Downtown Los Angeles, is an important recreation amenity to the community, and is integral to success of the other City-owned facilities located on the “Golf Course Campus.”¹

Unfortunately, however, the Golf Course was last remodeled in 1999 and lacks many of the modern upgrades, facilities, and amenities patrons have come to expect from competing courses in the region. As a partial result, the Golf Course has operated at a deficit for the past several years which has required the City’s General Fund to subsidize millions in operating and maintenance

¹ These City-owned facilities include the Quiet Cannon Conference Center, the Montebello Hilton Garden Inn, and the Montebello Home2Suites Hotel.

costs. Though recent operational changes made by the City have narrowed projected future deficits, the revenues generated by the Course remain short of those needed to finance the significant capital improvement and deferred maintenance needs of the Course. The insolvency of the Golf Course was significantly featured in a 2018 State Audit of the City's finances, and the State Auditor recommended the City take action to terminate its ongoing reliance on the General Fund.

Facing these circumstances, the City spent significant time and effort analyzing options for reversing cash flow trends of the Golf Course while maintaining the recreational amenity for the community. The result of these efforts is a proposal to completely redesign and rehabilitate the existing Course with a two (2)-part development: (1) construction and operation of a new driving range and entertainment complex on 18-acres of the existing Course (the "Driving Range Project"); and (2) redesign of the remaining Course with a new 9-hole golf course with improved amenities and features ("New Course Project"). The two (2) adjacent projects will be separately financed and operated but have common elements: they are similar in financing structure, their operations are expected to be complimentary, and the projects will share in the use and cost of certain infrastructure and utilities.

More specifically, the New Course Project will be financed with lease revenue bonds issued in partnership with the PFA; which were approved in a joint meeting of the City Council and PFA on September 14, 2022 (the "New Course Bonds"). Debt service on the New Course Bonds will be paid in the form of rent payments made by the City in exchange for the right to operate the New Course following construction.

Though the City has experience operating golf courses, early in the planning process the City realized that it lacked the requisite knowledge and experience needed to successfully design and operate the Driving Range Facility. Accordingly, the City sought interest from industry professionals and quickly identified Topgolf USA as the leader in the market. After lengthy negotiations the parties reached an agreement on the terms and conditions by which Topgolf will operate the Driving Range Project under a lease agreement with the City ("Topgolf Lease").

The Driving Range Project is expected to be financed by means similar to the New Course: lease-revenue bonds issued by the PFA will finance construction ("Driving Range Bonds"), and Topgolf will operate the completed project pursuant to the Topgolf Lease. The Topgolf Lease will remain in effect for at least 20 years (a period of time equal to debt service on the Driving Range Bonds), and rent paid by Topgolf will be used to make bond payments. In addition, Topgolf will issue a corporate financial guarantee for all rent due during the minimum 20-year term, and all construction and bond costs – plus the fair market value of the leased area – will be paid by Topgolf under the terms of the Topgolf Lease.

Though separately financed and operated, the two (2) projects are not being pursued in isolation. As explained in the agenda report for the New Course Bonds, the City expects base rent payments paid by Topgolf under the Topgolf Lease, together with new tax revenues generated by its operation of the Driving Range Project, to more than cover debt service on the New Course Bonds. Additionally, the two (2) projects allow the City to retain the Golf Course as a recreational and entertainment amenity for the community in a manner that creates positive cash-flow expectations, and is expected to increase demand and usage of the adjacent City-owned hotels and conference center. In these ways, among others, success and viability of the two projects are linked with broad public and financial interests, and are expected to create new local jobs and recreational opportunities benefiting the community for years to come.

THE DRIVING RANGE FACILITY

Topgolf's experience and capacity to operate the Driving Range Project is well-established. Topgolf is a global sports entertainment company headquartered in Dallas, Texas, and is the industry leader in the driving range entertainment industry. It currently operates more than seventy (70) proprietary locations throughout the United States with other locations in the United Kingdom, Australia, Mexico, and Dubai. Topgolf venues feature climate-controlled hitting bays for year-round play, food, beverage, music and HDTVs on which various sports games are shown (e.g. football, basketball and golf), and proprietary technology that tracks play and provides interactive gaming. Topgolf facilities also offer golf lessons, leagues, and tournaments, and their venues are popular hosts for concerts, corporate and social events.

Because the Driving Range Project will be initially operated by Topgolf, it will be designed and operated as a prototypical Topgolf venue. Based on the most recent plans and specifications, the project will include (among other amenities): a three-story high-tech and climate-controlled driving range complex with approximately 102 hitting bays; a 215-yard "outfield" with 11 in-ground targets, technology, and infrastructure that are proprietary to Topgolf; state-of-the-art kitchens with capacity to serve a complete food and beverage menu to all hitting bays and guests of the numerous restaurant and bar areas available to the public generally; indoor and outdoor seating for patrons; themed and golf-related retail sales; private and corporate event hosting and office space; and new surface parking offering between 450 and 500 spaces. In addition, and unique to Topgolf Montebello, the facility will include an adjacent miniature golf course designed and operated under the Topgolf brand.

The Driving Range Project will be complex and multi-faceted from a construction standpoint, as it implicates a variety of design and construction-related disciplines. There are also very few competitors in this market sector, meaning few design professionals or general contractors have experience developing like-facilities. As an example there are currently more than seventy (70) Topgolf venues operating in the United States, and more than sixty-five (65) of them were designed and constructed by *ARCO/Murray Design Build* ("ARCO / Murray"). Based on representations provided by Topgolf, the facilities designed or developed by other contractors all experienced cost overruns, scheduling delays, or quality control issues resulting from the lack of experience on similar projects.

OPTIONS FOR CONTRACTING THE DESIGN AND CONSTRUCTION OF THE DRIVING RANGE FACILITY

Given the significance of the Driving Range Facility to the success of the adjoining projects, and its unique design / construction challenges, staff carefully scrutinized the options for contracting for its design and construction in a manner consistent with California law.

The Driving Range Project is a "public project" within the meaning of California's Public Contract Code ("PCC"),² which means any contracts awarded by the City for its construction must generally be awarded to the "lowest responsible bidder" after a sealed competitive bidding process.³ A "responsible bidder" in this context is a contractor that is able to perform the contract if awarded, meaning a bidder's proposal must demonstrate the appropriate licenses, skills, quality, capacity,

² Public Contracts Code § 20161 defines a "public project" with reference to various categories including "project(s) for the erection, improvement, painting, or repair of buildings and works. The Driving Range Project will be developed on City-owned property, will be financed with the proceeds of bonds issued by the Authority, and following construction will be owned by the City.

³ Public Contracts Code § 20162.

and experience to perform the contracted work.⁴ To ensure bidders are responsible, cities may require prospective bidders submit to a prequalification or screening process before they are qualified to submit a bid for the scope of work;⁵ or alternatively, require that qualified bidders have developed a specified number of similar projects in the recent-past to demonstrate competence and capacity.

The Public Contract Code also allows cities to utilize the “design-build” process to complete public works projects by a process that allows cities to contract with a single firm for both the design and construction of the work of public improvement.⁶ The “design build” process may be utilized to develop public buildings, improvements, and parks and recreational facilities,⁷ and gives cities broader discretion to select among potential contractors. Indeed only three (3) specific evaluation criteria must be considered in the aggregate when selecting among design-build contractors: (1) price, unless a stipulated sum is specified; (2) technical design and construction expertise; and (3) life-cycle costs over fifteen (15) or more years.⁸ An agency’s organizational conflict-of-interest policy must be applied to design-build contractors,⁹ meaning firms that assist an agency with initial planning or development of a project are prohibited from competing for the ensuing construction contract if the firm either has a competitive advantage over other proposers, or if its prior involvement would impair the firm’s objectivity.¹⁰

Though competitive bidding for public works contracts is the statutory norm, there are several well-established exceptions. As relevant here, these exceptions excuse competitive bidding where the nature of the contract is such that competitive proposals would be unavailing or would not produce an advantage, and accordingly the use of a competitive bidding process would be undesirable, impractical, or impossible.¹¹ This exception is clearly established in California laws and is founded in the legislative objectives for requiring competitive bidding for public projects in the first place: to prevent the waste of public funds, obtain the best economic result for the public, and guard against favoritism, improvidence, extravagance, fraud and corruption.¹² California courts have recognized that these legislative goals are not advanced – and thus competitive bidding is not required – in circumstances where bidding would work an incongruity and not impact the final result, would not produce any advantage, or where it is practically impossible to obtain the goods, services or product required by the agency from alternative sources.¹³

This “sole source” exception to competitive bidding requirements has been recognized in a variety of circumstances relevant here, including: the purchase of services and products or the construction of public improvements where no advantage would result from competitive bidding; contracts for personal services that depend upon a peculiar skill or ability; contracts for experimental or unique products and/or services; and contracts for the acquisition or disposition of property for a particular use or with a special value to one person.¹⁴

⁴ *Id.* at § 1103.

⁵ *Id.* at § 20101. See also Cal. Labor Commissioner’s Model Questionnaire for Prequalification of Contractors on Public Works Projects.

⁶ *Id.* at §§ 22160-22169.

⁷ *Id.* at §§ 22161(b); 22162(a).

⁸ *Id.* at § 22164(f).

⁹ *Id.* at § 22162(c).

¹⁰ This rule stems from, *inter alia*, Government Code § 1090 as applied to consultants that contract with a public agency.

¹¹ *Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App.3d 631, 636.

¹² *Id.* at 636.

¹³ *Id.* at 636, 637.

¹⁴ *Ibid.*; see also *Los Angeles Gas & Electric Corporation v. Los Angeles* (1920) 188 Cal. 307 (sole source for electrical power); *Los Angeles Dredging Company v. Long Beach* (1930) 210 Cal. 348 [sole source when dredging pipes could only be rerouted by the onsite dredging company]; *Hodgeman v. City of San Diego* (1942) 53 Cal.App.2d 610 [sole source for a parking meter]; *County of Riverside v. Whitlock* (1972) 22 Cal.App.3d 863 [public utility]; *Domar Electric, Inc. v. City of Los Angeles* (1994) 9 Cal.4th 161 [competitive bidding requirements for school districts are strictly

Another exception to competitive bidding requirements applies to professional services agreements; which must be awarded based on demonstrated competence and capacity to perform the services required.¹⁵ What qualifies as a “professional service” is not strictly defined by the legislature, but is generally understood as applying to areas requiring specialized knowledge, training, or skill, usually of a mental or intellectual nature; and does not always require a specialized license or certification.¹⁶ The “professional services” exemption gives local agencies the ability to enter into contracts for services which require a specialized level of skill, knowledge, and training, especially in instances where awarding such a contract to the lowest bidder could produce undesirable results.¹⁷

AWARDING A “SOLE SOURCE” OR “PROFESSIONAL SERVICES” CONTRACT FOR DEVELOPMENT OF THE DRIVING RANGE PROJECT

Applying the above-concepts to the Driving Range Project leads staff to conclude that awarding a contractor for the design and construction of the Driving Range Project on the basis of a “sole source” or “professional services” determination is justified.

The City Council agreed with this determination when it adopted Resolution No. 21-94 on November 10, 2021, finding that, based on its significant experience designing and developing nearly all Topgolf venues in the domestic United States, awarding a “sole source” contract to ARCO / Murray for design and construction of the project was appropriate. Since that time, ARCO / Murray has diligently proceeded to finalize design, plans and specifications for the Driving Range Facility (“Plans and Specifications”).

Subsequent to the City Council’s sole source determination, however, the City has recently learned that ARCO / Murray is no longer available to proceed with constructing the project. Instead, ARCO / Murray has proposed, with Topgolf’s consent, to transfer the Plans and Specifications to McCarthy Building Companies of Newport Beach, California (“McCarthy”); after which ARCO / Murray would withdraw from the project and McCarthy would proceed its construction.

McCarthy Building Companies was established in 1864 and is one of the largest and most active contractors in the United States with 17 regional offices; and with clear demonstrated professional and financial capacity to complete the project. After ARCO / Murray, McCarthy is also the next most experienced contractor in the United States on Topgolf venues, and in recent months completed construction of Topgolf’s new location in the City of El Segundo. This project was completed on-time, within budget, and shares many similarities with Montebello’s Driving Range Project including market region, size, building type, and close proximity to an operating golf course.

Based on these facts and circumstances, and for reasons similar to the City Council’s previous “sole source” determination on this project, staff believes that awarding a contract to McCarthy

constructed by the courts, but they should not be applied to “deny the public entity’s authority to deal with problems in a sensible, practical way.”.]

¹⁵ The City has broad discretion to contract for professional design support and proprietary professional operating services through its power to award professional services contracts based on demonstrated capacity and experience, or through its authority to lease city-owned property for recreational or other legitimate purposes. (Gov’t Code §§ 4526, 37103, 53060; *Carruth v. City of Madera* (1965) 233 Cal.App.2d. 688; *Hubbard v. City of San Diego* (1976) 55 Cal.App.2d 380; Cal. Const. art XI, § 5; Gov’t Code § 37396(a) [recreational leases].)

¹⁶ *Fair Education Santa Barbara v. Santa Barbara Unified* (2021) 72 Cal.App.5th 884, 898.

¹⁷ *Id.* at 899.

for design and construction of the Driving Range Project is consistent with applicable law and in the best interests of the City. Specifically:

- Using the standard sealed competitive bidding process to select a general contractor for the project would be unavailing, as ARCO/Murray is unavailable to construct the project, and McCarthy is the only other contractor with the experience needed to satisfy the “responsible bidder” threshold, having recently completed a similar facility on-time and on-budget. The size, scale, and complexity of the Driving Range Project justifies the City imposing a requirement that qualified contractors have past recent experience on similar projects.
- The statutory “design build” contract award process would lead to the same result: McCarthy is the only contractor, aside from ARCO / Murray, with the necessary technical design and construction experience on similar projects, and thus has an insurmountable experiential advantage when it comes to selecting among candidates for a design-build contract for the Driving Range Project. Similarly, awarding McCarthy a contract for all design and construction work would not create an unfair competitive advantage over other proposers as they are the only contractor with the requisite knowledge and experience to perform the required scope of work; and in fact recently completed a very similar project in El Segundo.
- The complexity, uniqueness, nature, and size of the Driving Range Project render its design and construction far-more complex than a standard public work of improvement, and on the whole are sufficiently unique and special that the City is unable to obtain them from alternative public sources. In such circumstances where the nature of a contract is that competitive proposals would not produce an advantage; the City is free to contract with the most experienced and qualified source for those services.
- Given the various considerations relating on the long-term success of the Driving Range Project, including the City’s other investments in the vicinity, the public has a greater interest in ensuring the project is designed and constructed in a high-quality matter, on time and on budget, than the public does in making sure the project is completed for the lowest possible price. In such circumstances, the public interest is not favored by competitive bidding and the City may award to the most qualified and responsible contractor.
- Soliciting competitive proposals for construction of the Driving Range Project would result in a number of undesirable results including the unnecessary waste of time and resources, increased risk of contracting with parties lacking the capacity to perform the work, increased potential for cost overruns and time delays, and the potential breach of third-party agreements relating to financing, construction and operation of the projects. Competitive bidding would also be fruitless under the circumstances as it would not impact the final result of the bidding process, as McCarthy is the only available contractor with demonstrated relevant experience on similar projects, the only contractor authorized to receive and use the Plans and Specifications, and it is impossible for the City to acquire similar services from a different service provider.

As a final consideration, staff notes that no public funds will ultimately be applied to design, construction, or operation of the Driving Range Facility. Though the transaction documents have not been approved by the City Council or PFA, the Sublease is structured such that during the term of the Sublease, Topgolf pays any and all costs of design and construction of the facility, as well as any interest or cost of issuance associated with the Driving Range Bonds. Under similar

circumstances, courts have recently deemed competitive bidding requirements of the public contracts code inapplicable.¹⁸

McCarthy is also clearly qualified to perform the scope of work, has served clients from coast-to-coast in a wide array of industries and has an in-house team of expert engineers, project managers, superintendents, modelers, and architects. McCarthy will provide a “not to exceed” price for comprehensive design build services related to the Driving Range Project, which staff will review in context of market norms for like professional services and projects of analogous scope and complexity, and the contract and cost thereof would be subject to the future approval and discretion of the City Council.

In consideration of the foregoing, staff believes that the City would be justified awarding a “sole source” contract to McCarthy Building Companies for design and construction work needed for the Driving Range Project.

CONCLUDING REMARKS

In the event the City Council desires to proceed with the award of a contract to McCarthy Building Companies and waive competitive bidding requirements, staff recommends the City Council adopt a resolution setting forth the facts, findings and circumstances justifying the determination in connection with the contract award.

¹⁸ *SG Blocks, Inc. v. Hola Community Partners*, 521 F.Supp.3d 881 (C.D. Cal. 2021).



ITEM # 10

**CITY OF MONTEBELLO
CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Fernando Pelaez, Fire Chief

SUBJECT: ADOPT RESOLUTION NO. 22-87 FOR AN AWARD FROM THE CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE) FIRE PREVENTION GRANTS PROGRAM

DATE: October 26, 2022

RECOMMENDATION(S):

It is recommended that the City Council:

1. Adopt Resolution NO. 22-87 for an award from the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program; and
2. Take such additional, related, action that may be desirable.

FISCAL IMPACT:

The California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention awarded the Montebello Fire Department \$108,997 for the Montebello Wildfire Fuel Reduction and Public Education Project. At the August 10, 2022 City Council meeting, these funds were appropriated in Account No. 265-85-856-6040.10 (Grants, Fire, Cal Fire Wildfire Prevention), amending the Fiscal Year 2022-23 budget to make these funds available. Therefore, no budget amendment action is needed as part of the recommended action to adopt the attached resolution.

BACKGROUND:

The California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention

**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT -
MEETING OF OCTOBER 26, 2022**

Page 2 of 3

(FP) Grants Program is funded by the State of California General Fund and with Cap-and-Trade auction proceeds appropriated by the California Legislature. Up to \$120 million is being allocated to CAL FIRE's Fire Prevention Grants Program in Fiscal Year 2021-22 from the CCI Greenhouse Gas Reduction Fund (GGRF) and State General Fund.

CAL FIRE's FP Grants Program provides funding for fire prevention projects and activities in and near fire-threatened communities that focus on increasing the protection of people, structures, and communities. Funded activities include hazardous fuel reduction, wildfire prevention planning, and wildfire prevention education with an emphasis on improving public health and safety while reducing greenhouse gas emissions.

ENVIRONMENTAL IMPACT:

The California Environmental Quality Act (Section 2100, et. seq. of the California Public Resources Code, hereafter "CEQA") requires analysis of agency approvals of discretionary "projects." A "project," under CEQA, is defined as "the whole of an action, which has a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment" (State CEQA Guidelines Section 15378). The proposed Project is a project under CEQA.

The staff has reviewed the Project to determine the required level of review under CEQA and has determined that the proposed Project is exempt from CEQA under State CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption). Section 15061(b)(3) of the State CEQA Guidelines states that an activity is covered by the common sense exemption that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA review. Nevertheless, it is important to note that specific projects/programs that qualify for funding under the proposed Project may be subject to environmental review prior to implementation.

ANALYSIS:

N/A

DISCUSSION:

The objective of the CAL FIRE Grants Program is to fund fire prevention projects and activities in and near threatened communities that focus on increasing the protection and reducing the threat of wildfires to people, structures, and communities. This grant provides funding for three activities: 1) Hazardous Fuels Reduction, 2) Wildfire Prevention Plan, and 3) Wildfire Prevention Education.

The Montebello Fire Department will aid in the fuel reduction of the Montebello Dam Area by reducing the amount of hazardous and flammable trees. This will help prevent the

**CITY COUNCIL AND PUBLIC FINANCING AUTHORITY AGENDA REPORT -
MEETING OF OCTOBER 26, 2022**

Page 3 of 3

potential for larger wildfires and will protect structures and property such as Montebello Metro Heights by reducing the fuel load in the area.

With the increase of wildfires, it is imperative that suppression personnel help to mitigate these hazards. This grant will allow certified instructors to train and certify Montebello Fire Department personnel on how to properly perform hazard reduction and remove large trees. They will also gain California State recognized certificates and will be able to take more classes to be better trained to protect the residents of Montebello. The awarded grant will help pay for proper tools and equipment for reducing fuel, certified instructors and state certificates. The grant will also pay for fuel removal and waste after trees have been felled.

The City Council approved the receipt of this award and appropriated funds in Fiscal Year 2022-23 at the August 10, 2022 meeting. However, CAL FIRE requires a Board Resolution to execute the grant agreement.

SUMMARY:

That the City Council approve the Resolution for an award from the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program.

ATTACHMENT(S)

1. Attachment A - Resolution No. 22-87
2. Attachment B - Grant Agreement
3. Attachment C - August 10, 2022 Staff Report

NEXT STEPS:

N/A

RESOLUTION NO. 22-87

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, STATE OF CALIFORNIA REGARDING APPLICATION FOR GRANT FUNDS TO THE CALIFORNIA CLIMATE INVESTMENT FIRE PREVENTION GRANT PROGRAM

RECITALS

WHEREAS, the governor of the State of California in cooperation with the California State Legislature has enacted State of California **Climate Investment**, which provides fund to the State of California and its political subdivisions for **fire prevention programs**; and

WHEREAS, the State Department of Forestry and Fire Protection (CAL FIRE) has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures governing application by local agencies, non- profit organizations, and others under the program; and

WHEREAS, the applicant will enter into an agreement with the State of California to carry out the **Montebello Wildfire Fuel Reduction and Public Education** project;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Montebello, State of California:

1. Approved the filing of an application for “**California Climate Investment Fire Prevention Grant Program**”; and
2. Certifies that said applicant has or will have sufficient funds to operate and maintain the project; and
3. Certifies that funds under the jurisdiction of the City Council of the City of Montebello, California are available to begin the project; and
4. Certifies that said applicant will expend grant funds prior to March 15, 2026; and
5. Appoints the Fire Chief of the Montebello Fire Department, or a designee, to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, amendments, payment requests and so on, which may be necessary for the completion of the aforementioned project.

RESOLUTION NO. 22-87

Page 2 of 2

PASSED AND ADOPTED this 26th day of October, 2022 by the City Council.

Kimberly A. Cobos-Cawthorne, Mayor

ATTEST:

APPROVED AS TO FORM:

Christopher Jimenez, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF MONTEBELLO)

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 22-87 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 26th day of October 2022 and that said Resolution was adopted by the following vote, to-wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

Christopher Jimenez, City Clerk

State of California
 Department of Forestry and Fire Protection (CAL FIRE)
 Office of the State Fire Marshal
 GRANT AGREEMENT

APPLICANT: City of Montebello Fire Department
PROJECT TITLE: Montebello Wildfire Fuel Reduction and Public Education Project
GRANT AGREEMENT: 5GG21136

PROJECT PERFORMANCE PERIOD is from date of latter signature by CAL FIRE Deputy Director or Grantee through March 15, 2026.

Under the terms and conditions of this Grant Agreement, the applicant agrees to complete the project as described in the project description, and the State of California, acting through the Department of Forestry & Fire Protection, agrees to fund the project up the total state grant amount indicated.

PROJECT DESCRIPTION: The project will reduce hazardous fuels and educate the project by clearing vegetation and trees in the 83-acre target area, while implementing a complementary public awareness and education campaign to alert residents about MFD's prevention activities with a focus on helping residents harden their homes to reduce the risk of wildfire hazards. An estimated 330 homes are within 0.25 miles of the target area.

Total State Grant not to exceed **\$ 108,997.00** (or project costs, whichever is less).

**The Special and General Provisions attached are made a part of and incorporated into this Grant Agreement.*

City of Montebello Fire Department <hr/> Applicant	STATE OF CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION <hr/>
By _____ Signature of Authorized Representative	By _____ Title: Daniel Berlant, Deputy Director
Title _____	Date _____

CERTIFICATION OF FUNDING

GRANT AGREEMENT NUMBER 5GG21136	PO ID	SUPPLIER ID 0000011767
FUND 3228	FUND NAME Greenhouse Gas Reduction Fund	
PROJECT ID N/A	ACTIVITY ID N/A	AMOUNT OF ESTIMATE FUNDING \$ 108,997.00
GL UNIT N/A	BUD REF 101	ADJ. INCREASING ENCUMBRANCE \$ 0.00
PROGRAM NUMBER 2470010	ENY 2021	ADJ. DECREASING ENCUMBRANCE \$ 0.00
ACCOUNT 5340580	ALT ACCOUNT 5340580000	UNENCUMBERED BALANCE \$ 108,997.00
REPORTING STRUCTURE 35405909	SERVICE LOCATION 96190	

Acknowledged - I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance.

 Certification of CAL FIRE Accounting Officer

10/13/22

 Date

TERMS AND CONDITIONS OF GRANT AGREEMENT

I. RECITALS

1. This Agreement, is entered into between the State of California, by and through the California Department of Forestry and Fire Protection (CAL FIRE), hereinafter referred to as "STATE" and, City of Montebello Fire Department, hereinafter referred to as "GRANTEE".
2. The STATE hereby grants to GRANTEE a sum (hereinafter referred to as "GRANT FUNDS") not to exceed One Hundred Eight Thousand, Nine Hundred Ninety Nine Dollars (**\$108,997.00**).
3. In addition to the terms and conditions of this Agreement, the STATE and GRANTEE agree that the terms and conditions contained in the documents set forth below are hereby incorporated and made part of this agreement.
 - a. California Climate Investments Department of Forestry and Fire Protection Fire Prevention Program Procedural Guide FY 2020-2021 and FY 2021-2022
 - b. The submitted Application, Scope of Work, Project Budget Workbook, GHG Emissions Workbook and Exhibits
 - c. **ADDENDUM – CALIFORNIA CLIMATE INVESTMENTS (CCI) GRANT PROJECTS**

II. SPECIAL PROVISIONS

1. Recipients of GRANT FUNDS pursuant to California Public Resources Code Section 4124.5 shall abide by the provisions in this Agreement. This includes the requirement that work shall not commence prior to the execution of this Agreement by both parties. Any work started prior to the execution of this Agreement will not be eligible for funding under the terms of this Agreement.
2. As precedent to the State's obligation to provide funding, GRANTEE shall provide to the STATE for review and approval a detailed budget, specifications, and project description. Approval by the STATE of such plans and specifications, or any other approvals provided for in this Agreement, shall be for scope and quality of work, and shall not relieve GRANTEE of the obligation to carry out any other obligations required by this Agreement, in accordance with applicable law or any other standards ordinarily applied to such work or activity.
3. All informational products (e.g., data, studies, findings, management plans, manuals, photos, etc.) relating to California's natural environment produced with the use of GRANT FUNDS shall be available for public use.

III. GENERAL PROVISIONS

1. Definitions

- a. The term "Agreement" means grant agreement number 5GG21136.
- b. The term "GRANT FUNDS" means the money provided by the STATE to the GRANTEE in this Agreement.
- c. The term "GRANTEE" means an applicant who has a signed Agreement for the award for GRANT FUNDS.
- d. The term "Other Sources of Funds" means all matching fund sources that are required or used to complete the Project beyond the GRANT FUNDS provided by this Agreement.
- e. The term "STATE" means the State of California, Department of Forestry and Fire Protection (CAL FIRE).
- f. The term "Project" means the development or other activity described in the "Project Scope of Work".
- g. The term "Project Budget Detail" as used herein defines the approved budget plan.
- h. The term "Project Scope of Work" as used herein means the individual scope of work describing in detail the approved tasks.

2. Project Representatives

The project representatives during the term of the agreement will be:

STATE: CAL FIRE	GRANTEE: City of Montebello Fire Department
Section/Unit: LAC – Los Angeles	Section/Unit: N/A
Attention: Trevor Moore	Attention: Felix Hussakhoon
Mailing Address: County of Los Angeles Fire Department 12605 Osborne Street Pacoima, CA 91131-1220	Mailing Address: 600 N. Montebello Blvd. Montebello, CA 90640
Phone Number: (818) 228-4263	Phone Number: (323) 887-4526 Secondary: (818) 419-2885
Email Address: Trevor.Moore@fire.lacounty.gov	Email Address: fhussakhoon@cityofmontebello.com

Changes to the project representatives during the term of the agreement shall be made in writing. Notice shall be sent to the above representative for all notice provisions of this Agreement.

3. Project Execution

- a. Subject to the availability of grant monies, the STATE hereby grants to the GRANTEE a sum of money (GRANT FUNDS) not to exceed the amount stated on Section I. RECITALS, Paragraph 2 in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of the Project in this Agreement and its attachments and under the terms and conditions set forth in this Agreement.
- b. GRANTEE shall assume any obligation to furnish any additional funds that may be necessary to complete the Project. Any amendment to the Project as set forth in the Application on file with the STATE must be submitted to the STATE for approval in writing. No amendment is allowed until written approval is given by the STATE.
- c. GRANTEE shall complete the Project in accordance with the time of Project performance set forth in this Agreement, unless an amendment has been approved and signed by the STATE under the terms and conditions of this Agreement. Amendments must be requested in advance and will be considered in the event of circumstances beyond the control of the GRANTEE, but in no event less than 90 days from the Agreement expiration date and in no event less than 60 days before the effective date of the amendment. Approval of amendment is at the STATE's discretion.

GRANT NUMBER 5GG21136
City of Montebello Fire Department
Montebello Wildfire Fuel Reduction and Public Education Project

- d. GRANTEE certifies that the Project Scope of Work complies with all local, State, and federal laws and regulations.
- e. GRANTEE shall comply with the California Environmental Quality Act (CEQA) (Public Resources Code, Section 21000, et. seq. Title 14, California Code of Regulations, Section 15000 et. seq.) and all other local, State, and federal environmental laws. A copy of the certified CEQA document must be provided to STATE before any GRANT FUNDS are made available for any Project activity that could directly impact the environment (e.g. cutting, piling or burning bush, masticating, dozer work, etc.). CEQA compliance shall be completed within one (1) year from start date of the Agreement. The start date is considered the latter date of signature by the Grantee Authorized Representative or CAL FIRE Deputy Director. GRANT FUNDS will be made available in advance of CEQA compliance for project activities that do not have the potential to cause a direct environmental impact (e.g. project planning, locating and marking property or project boundaries, contacting and signing up landowners, etc.).
- f. GRANTEE shall permit periodic site visits by representative(s) of the STATE to ensure program compliance and that work is in accordance with the approved Project Scope of Work, including a final inspection upon Project completion.
- g. GRANTEE, and the agents and employees of GRANTEE, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents, of the STATE. No person who, as an officer, employee, or agent of the state participated in the preparation or creation of or determination to award this Grant Agreement shall serve as an agent or employee of GRANTEE including but not limited to those acts prohibited by Government Code Sections 1090, and 87100.

4. Project Costs and Payment Documentation

- a. Payment by the STATE shall be made after receipt of an acceptable invoice and approval by a duly authorized representative of the STATE. GRANTEE shall submit an invoice for payment to the CAL FIRE Project Representative of the STATE. A final invoice shall be submitted no later than 30 days after completion, expiration, or termination of this Agreement.
- b. For services satisfactorily rendered, and upon receipt and approval of invoices for payment, the STATE agrees to compensate GRANTEE for actual expenditures incurred in accordance with the rates specified herein,

GRANT NUMBER 5GG21136
City of Montebello Fire Department
Montebello Wildfire Fuel Reduction and Public Education Project

which is attached hereto, as Final Project Budget Detail, and made a part of this Agreement.

- c. Equipment purchased using GRANT FUNDS, wholly or in part, must be used by the GRANTEE for the project which it was acquired. STATE retains a vested interest in the equipment for the useful life of the equipment, even after completion of the grant. GRANTEE shall provide written disposition of the equipment upon completion of the grant and upon any changes to the disposition of the equipment. Such disposition must be approved in advance by STATE. Equipment purchased using GRANT FUNDS cannot be used as collateral, financed, or sold without prior written approval from the STATE.
- d. GRANTEE shall submit, in arrears, not more frequently than once a month, and no less than quarterly, an invoice to the STATE for costs paid by GRANTEE pursuant to this Agreement. Each invoice shall contain the following information: the Agreement number, the dates or time period during which the invoiced costs were incurred, expenditures for the current invoice and cumulative expenditures to date by major budget category (e.g., salaries, benefits, supplies, etc.), appropriate supporting documentation, project progress reports, and the signature of an authorized representative of GRANTEE as detailed in the Invoice Guidelines of the California Climate Investments Department of Forestry and Fire Protection Fire Prevention Program Procedural Guide FY 2020-2021 and FY2021-2022.
- e. GRANT FUNDS in this Agreement have a limited period in which they must be expended. All GRANTEE expenditures must occur prior to the end of the Project performance period of this Agreement.
- f. Except as otherwise provided herein, GRANTEE shall expend GRANT FUNDS in the manner described in the Project Budget Detail approved by the STATE. The dollar amount of an item in the Project Budget Detail may be increased or decreased by up to ten percent (10%) of the budget item through reallocation of funds from another item or items, without approval by the STATE; however, GRANTEE shall notify the STATE in writing in project progress reports when any such reallocation is made, and shall identify both the item(s) being increased and those being decreased. Any increase or decrease of an item of more than ten percent (10%) of the budget item must be approved in writing by the STATE before any such increase or decrease is made. A formal approved amendment is required to increase the total amount of GRANT FUNDS.
- g. GRANTEE shall promptly submit any and all records at the time and in the form as the STATE may request.

GRANT NUMBER 5GG21136
City of Montebello Fire Department
Montebello Wildfire Fuel Reduction and Public Education Project

- h. GRANTEE shall submit each invoice for payment electronically to both the appropriate CAL FIRE Project Representative as identified in Item 2 and Southern Region Email Address (SouthernRegionGrants@fire.ca.gov). Hard copy submissions will not be accepted.
- i. Notwithstanding any of the provisions stated within this Agreement, the STATE may at its discretion make advance payment from the grant awarded to the GRANTEE if GRANTEE is a nonprofit organization, a local agency, a special district, a private forest landowner or a Native American tribe. Advance payment made by the STATE shall be subject to the following provisions.
- GRANTEE shall submit a written request identifying how funds will be used over a six-month period. The written request must be accompanied by an invoice that contains the same level of detail as a regular invoice.
 - GRANTEE shall file an accountability report with STATE four months from the date of receiving the funds and every four months thereafter.
 - Multiple advance payments may be made to a GRANTEE over the life of a project.
 - No single advance payment shall exceed 25% of the total grant amount and must be spent on eligible costs within six months of the advance payment request. GRANTEE may request additional time to spend advance funds but must be approved in writing by the STATE. The balance of unspent advance payment funds not liquidated within the six-month spending period will be billed for the return of advanced funds to the STATE.
 - All work under a previous advance payment must be fully liquidated via an invoice and supporting documentation and completed to the STATE's satisfaction before another advance payment will be made.
 - Any advance payment received by a GRANTEE and not used for project eligible costs shall be returned to CAL FIRE. The amount will be returned to the grant balance.
 - Advance payments must be deposited into an interest-bearing account. Any interest earned on advance payment funds must be accounted for and used toward offsetting the project cost or returned to the STATE.

5. Budget Contingency Clause

- a. If STATE funding for any fiscal year is reduced or deleted for purposes of the Fire Prevention Program California Climate Investments Grant Program, the STATE shall have the option to either cancel this Agreement

GRANT NUMBER 5GG21136
City of Montebello Fire Department
Montebello Wildfire Fuel Reduction and Public Education Project

with no liability occurring to the STATE, or if possible and desirable, offer an Agreement amendment to GRANTEE to reflect the reduced amount available for the Project.

6. Project Administration

- a. GRANTEE shall provide the STATE a written report showing total final Project expenditures and matching funds upon Project completion or grant expiration, whichever occurs first. GRANTEE must report to the STATE all sources of other funds for the Project. If this provision is deemed to be violated, the STATE will request an audit of GRANTEE and can delay the disbursement of funds until the matter is resolved.
- b. GRANTEE shall promptly submit written Project reports as the STATE may request throughout the term of this Agreement.
- c. GRANTEE shall submit a final accomplishment report, final invoice with associated supporting documentation, and copies of materials developed using GRANT FUNDS, including but not limited to plans, educational materials, etc. within 30 days of Project completion.

7. Financial Records

- a. GRANTEE shall retain all records described in Section 7(c) below for three (3) years after final payment by the STATE. In the case an audit occurs, all such records shall be retained for one (1) year from the date is audit is completed or the three (3) years, whichever date is later.
- b. GRANTEE shall maintain satisfactory financial accounts, documents, and records for the Project and make them available to the STATE for review during reasonable times. This includes the right to inspect and make copies of any books, records, or reports of GRANTEE pertaining to this Agreement or matters related thereto.
- c. GRANTEE shall keep such records as the STATE shall prescribe, including, but not limited to, records which fully disclose (a) the disposition of the proceeds of state funding assistance, (b) the total cost of the Project in connection with such assistance that is given or used, (c) the amount and nature of that portion of the Project cost supplied by other sources, and (d) any other such records as will facilitate an effective audit. All records shall be made available to the STATE, other State of California agency, or other entity as determined by the State of California for auditing purposes at reasonable times.
- d. GRANTEE shall use any generally accepted accounting system.

8. Research

- a. GRANTEE that receives funding, in whole or in part, in the form of a research grant shall provide for free public access to any publication of a peer-reviewed manuscript describing STATE funded knowledge, STATE funded invention, or STATE funded technology shall be subject to the following conditions:
 - i. GRANTEE is responsible for ensuring that any publishing or copyright agreements concerning peer-reviewed manuscripts fully comply with this section
 - ii. GRANTEE shall report to STATE the final disposition of the peer-reviewed manuscript, including, but not limited to, if it was published, date of publication, where it was published, and, when the 12-month time period from official date of publication expires, where the peer-reviewed manuscript will be available for open access.
- b. For a peer-reviewed manuscript that is accepted for publication pursuant to the terms and conditions of this Agreement, the GRANTEE shall ensure that an electronic version of the peer-reviewed manuscript is available to STATE and on an appropriate publicly accessible repository approved by the state agency, including, but not limited to, the University of California's eScholarship Repository at the California Digital Library, the California State University's ScholarWorks at the Systemwide Digital Library, or PubMed Central, to be made publicly available not later than 12 months after the official date of publication. GRANTEE shall make reasonable efforts to comply with this requirement by ensuring that the peer-reviewed manuscript is accessible on an approved publicly accessible repository, including notifying the state agency that the manuscript is available on a state-agency-approved repository. If the grantee is unable to ensure that his or her manuscript is accessible on an approved, publicly accessible repository, the grantee may comply by providing the manuscript to the state agency not later than 12 months after the official date of publication.
- c. For publications other than those described in (b), including scientific meeting abstracts, GRANTEE shall comply by providing the manuscript to the STATE not later than 12 months after the official date of publication.
- d. The grant shall not be construed to authorize use of a peer-reviewed manuscript that would constitute an infringement of copyright under the federal copyright law described in Section 101 of Title 17 of the United States Code and following.
- e. Use of GRANT FUNDS for publication costs, including fees charged by a publisher for color and page charges, or fees for digital distribution are

allowable costs but must be within the GRANT FUNDS and item 4 of the agreement.

- f. GRANTEE may request a waiver to the publication requirement if GRANTEE has an existing publication requirement that meets or exceeds the requirements of the research provision. Waiver shall include information on GRANTEE's existing requirements. Approval of the waiver is at STATE's discretion.

9. Project Termination

- a. This Agreement may be terminated by the STATE or GRANTEE upon 30-days written notice to the other party.
- b. If either party terminates the Agreement prior to the completion of the Project, GRANTEE shall take all reasonable measures to prevent further costs to the STATE under the Agreement and the STATE shall be responsible for any reasonable and non-cancelable obligations incurred by GRANTEE in the performance of this Agreement prior to the date of the notice to terminate, but only up to the undisbursed balance of funding authorized in this Agreement.
- c. Failure by GRANTEE to comply with the terms of this Agreement may be cause for suspension of all obligations of the STATE hereunder at the discretion of the STATE.
- d. Failure of GRANTEE to comply with the terms of this Agreement shall not be cause for the suspension of all obligations of the STATE hereunder if in the judgment of the STATE such failure was due to no fault of GRANTEE. At the discretion of the STATE, any amount required to settle at minimum cost any irrevocable obligations properly incurred shall be eligible for reimbursement under this Agreement.
- e. Final payment to GRANTEE may not be made until the STATE determines the Project conforms substantially to this Agreement.

10. Hold Harmless

- a. GRANTEE shall defend, indemnify and hold the STATE, its officers, employees, and agents harmless from and against any and all liability, loss, expense (including reasonable attorney's fees), or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorney's fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of GRANTEE, its officers, agents, or employees. The duty of GRANTEE to indemnify and hold harmless includes the duty to defend as set forth in Civil Code Section 2778. This

GRANT NUMBER 5GG21136
City of Montebello Fire Department
Montebello Wildfire Fuel Reduction and Public Education Project

Agreement supersedes GRANTEE's right as a public entity to indemnify (see Government Code Section 895.2) and contribution (see Government Code Section 895.6) as set forth in Government Code Section 895.4.

- b. GRANTEE waives any and all rights to any type of express or implied indemnity or right of contribution from the STATE, its officers, agents, or employees for any liability resulting from, growing out of, or in any way connected with or incident to this Agreement.
- c. Nothing in this Agreement is intended to create in the public or in any member of it rights as a third-party beneficiary under this Agreement.

11. Tort Claims

FEDERAL:

The United States shall be liable, to the extent allowed by the Federal Tort Claims Act 28 United States Code 2671-2680, for claims of personal injuries or property damage resulting from the negligent or wrongful act or omission of any employee of the United States while acting within the scope of his or her employment, arising out of this Agreement.

STATE:

The State of California shall be liable, to the extent allowed by law and subject to California Government Code, Title 1, Division 3.6, providing for the filing of tort claims against the State of California, for personal injuries or property damage resulting from the negligent or wrongful act or omission of State of California employees while acting within the scope of his or her employment, arising out of this Agreement.

12. Nondiscrimination

The State of California prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, sex, marital status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. GRANTEE shall not discriminate against any person on any of these bases.

13. Conflict of Interest

GRANTEE or anyone acting on behalf of GRANTEE shall not have any conflicting personal and/or financial interests in carrying out the duties of the Agreement.

14. Incorporation

GRANT NUMBER 5GG21136
City of Montebello Fire Department
Montebello Wildfire Fuel Reduction and Public Education Project

The grant guidelines and the Project Scope of Work, Project Budget Detail and any subsequent amendments or modifications to the Project Scope of Work and Project Budget Detail approved in writing by the STATE are hereby incorporated by reference into this Agreement as though set forth in full in this Agreement.

15. Severability

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

16. Waiver

No term or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing and signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether expressed or implied, will constitute consent to, waiver of, or excuse of any other, different, or subsequent breach by either party.

17. Assignment

This Agreement is not assignable by GRANTEE either in whole or in part.

ADDENDUM – CALIFORNIA CLIMATE INVESTMENTS (CCI) GRANT PROJECTS

I. SPECIAL PROVISIONS

1. Grant funds shall be used on projects with the primary goal of reducing greenhouse gases (GHGs) and furthering the purposes of California’s Global Warming Solutions Act of 2006, Division 25.5 (commencing with Section 38500) of the Health and Safety Code, and related statutes.
2. Grant funds shall be used on projects limited to specific activities as described in CCI Grants Procedural Guides.
3. Grantee shall report project and benefits information when requested by the State. This may include, but is not limited to, funding expended, acres treated, GHG emissions, trees planted, disadvantaged community benefits, energy/water savings, job creation, and other co-benefits.
4. Grantee shall maintain accurate and detailed records documenting project description, project location, and schedule, CCI dollars allocated, and leveraged funds throughout the duration of the project.
5. Failure of Grantee to meet the agreed upon terms of achieving required GHG reduction may result in project termination and recovery of funds.

II. MONITORING AND REPORTING REQUIREMENTS

All funds expended through CCI are subject to emissions reporting and requirements. Grantee is expected to provide the appropriate materials for completing program quantification methodology. Grantee shall use the current reporting template provided by the STATE. The reporting shall be submitted to the STATE no less frequently than quarterly. In addition, STATE may request additional information in order to meet current CARB reporting requirements. The requirements are available on the CARB CCI Quantification, Benefits and Reporting Materials webpage:

<https://ww2.arb.ca.gov/resources/documents/cqi-quantification-benefits-and-reporting-materials>.

III. PROGRAM ACKNOWLEDGEMENT/RECOGNITION

1. All projects funded both fully and partially by the GGRF must clearly display, identify and label themselves as being part of the “California Climate Investments” program. The acknowledgement must contain the California Climate Investments and CAL FIRE logos as well as the following statement:

“Funding for this project provided by the California Department of Forestry and Fire Protection’s Fire Prevention Program as part of the California Climate Investments Program.”

A draft of the acknowledgement must be approved by the STATE prior to publication. For stationary projects, acknowledgement may include, but is not limited to, a sign on the project site. For other project types, such as vehicles, equipment, and consumer-based incentives, acknowledgement is encouraged by using a decal, sticker or other signage.

Guidance on California Climate Investments logo usage, signage guidelines, and high-resolution files are contained in a style guide available at: www.caclimateinvestments.ca.gov/logo-graphics-request.

2. In addition, all projects funded both fully and partially by GGRF must contain the following statement in public announcements or press releases on said projects:

“Montebello Wildfire Fuel Reduction and Public Education Project, is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing GHG emissions, strengthening the economy, and improving public health and the environment— particularly in disadvantaged communities. The Cap-and-Trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments are located within and benefiting residents of disadvantaged communities, low-income communities, and low-income households across California. For more information, visit the California Climate Investments website at: www.caclimateinvestments.ca.gov.”

California Department of Forestry and Fire Protection (CALFIRE)
California Climate Investments
Fire Prevention Program Grant Application
Fiscal Year 2021-22 Funding Opportunity



Please request a Project Tracking # for each separate application by following the instructions in the 2021-22 [California Climate Investments](#) (CCI) Grant Guidelines on the [Fire Prevention Grants Web Page](#). Submit the application and all supporting materials to the SharePoint folder assigned to your tracking number **no later than 3:00pm PT on February 9, 2022**. Up to \$120 million is being allocated to CAL FIRE's Fire Prevention Grants Program in Fiscal Year 2021-2022 from the CCI Greenhouse Gas Reduction Fund (GGRF) and General Fund.

Please note: Items marked in red are required.

1. **Project Tracking #:** 21-FP-LAC-0188

Project Name/Title: Montebello Wildfire Fuel Reduction and Public Education Project

County: Los Angeles

CAL FIRE Unit/Contract County: LAC - Los Angeles County

(Please use this 3-letter Unit Identifier for file naming. See item 14.)

CalMAPPER ID: Not applicable

(If you have an existing CalMAPPER ID related to the project please supply it in the appropriate box. If you do not have an existing CalMapper ID, it is **NOT required**.)

2. **Organization Type:** City If Other, please specify:

If Non-Profit, are you a registered 501(c)(3)? Yes No

3. **Sponsoring Organization:** City of Montebello Fire Department

Project Manager Title: Firefighter/Paramedic- A-shift

First Name: Felix **Last Name:** Hussakhon

Address Line 1: 600 N Montebello Blvd

Address Line 2:

City: Montebello **State:** California **Zip Code:** 90640

Phone Number: (323) 887-4510 **Secondary Phone Number:** (818) 419-2885

Email Address: fhussakhon@cityofmontebello.com **Fax Number:** (323) 887-4502

Tracking #: 21-FP-LAC-0188

Page 1 of 5

Project Name: Montebello Wildfire Fuel Reduction and Public Education Project

4. For which primary activity is funding being requested?

Hazardous Fuels Reduction

5. Project Completion Date:

If your project is expected to be completed earlier than March 15, 2026, please include a date here. Otherwise, leave blank. Please use MM/DD/YYYY format.

6. Timber Harvest Plans: For fuel reduction projects, is there a timber harvesting document on any portion of the proposed project area for which a "Notice of Completion" has not been filed with CAL FIRE?

If checked, provide the THP identification number and describe the relationship to the project in the attached Scope of Work document.

THP ID Number:

7. Community at Risk: Is the project associated with a community that is listed as a Community at Risk? See the list of [Communities at Risk](#) on the Office of the State Fire Marshal web page.

Yes

No

Number of Communities in the project area:

8. Disadvantaged/Low Income Community: Is the project associated with a low-income community that is listed as a Community at Risk? See the information on [Priority Population Investments](#) on the California Air Resources Board web page.

Yes

No

If Yes, select all that applies:

Disadvantaged

Low Income

Both

Buffer Zone

Tracking #: 21-FP-LAC-0188

Page 2 of 5

Project Name: Montebello Wildfire Fuel Reduction and Public Education Project

9. Federal Responsibility Area: Does your project/activity include work on Federal Lands that might require a National Environmental Policy Act (NEPA) document, or use a framework similar to Good Neighbor Authority?

- Yes
- No

If Yes, please select all that apply:

- Good Neighbor Authority
- National Environmental Policy Act

Does your project/activity include work on Tribal Lands:

- Yes
- No

If yes, how many acres?

10. Project Area Statistics: For all projects, provide an estimate of the Project Influence Zone (PIZ) acres and the Treatment Influence Zone (TIZ) acres.

PIZ - The Project influence Zone (PIZ) is the broad geographic area encompassing the neighborhoods or communities that the grant proposal is designed to protect with fuel reductions, public education, or planning activities. This can be the sum of all treatment areas or could include a buffer area around the planning/public education target. Please keep the PIZ from encompassing an overly large area, unless benefits are clearly defined in the Scope-of-Work.

TIZ - Treatments are areas within a PIZ, where on-the-ground activities are accomplished (e.g. hazard fuel reductions, shaded fuel breaks, masticating, etc.). There can be multiple discrete Treatment areas associated with a PIZ. Some projects (e.g. Planning & Public Education) may NOT have treatment areas.

	LRA	FRA	SRA
Project Influence Zone (PIZ)	483.00	200.00	0.00
Treatment Influence Zone (TIZ)	83.00	0.00	0.00

Tracking #: 21-FP-LAC-0188

Page 3 of 5

Project Name: Montebello Wildfire Fuel Reduction and Public Education Project

11. Project Budget: Please include a discussion of the project budget in the Scope of Work and enter the total Amount of award requested below.

Budget Item	Amount
Grant Funding Requested (\$)	108,997.00

12. CEQA Compliance: Describe how compliance with the California Environmental Quality Act (CEQA) will be achieved in the Scope of Work. Is there an existing (CEQA) document that addresses this project or can be used to meet CEQA requirements?

Please indicate the CEQA document type (For planning, education and other projects that are exempt from CEQA, select "Not Applicable"):

Notice of Exemption

Document Identification Number:

13. Have you applied for or received any other CAL FIRE Grants for this project?

Yes

No

If yes, please identify the other CAL FIRE grant program and how the additional grant will be or is being applied to this project.

Tracking #: 21-FP-LAC-0188

Page 4 of 5

Project Name: Montebello Wildfire Fuel Reduction and Public Education Project

14. Application Submission:

Note to Applicant: If you modify the language contained in any part of this document, other than to fill in the blanks or to provide requested information, your application **will be rejected**.

Use the table below as a tool to make sure you have all documents ready prior to submitting the application.

Replace "XXXX" in the file name with the project's ID Number. Replace "UUU" in the file name with the 3-letter identifier for the Unit where the project is located. Unit identifiers are listed in the instructions for this application form.

Attachments	File Name
<input checked="" type="checkbox"/> Application Form (.pdf)	21-FP-LAC-0188-Application.pdf
<input checked="" type="checkbox"/> Scope of Work (.doc)	21-FP-LAC-0188-SOW.doc
<input checked="" type="checkbox"/> Project Budget (.xls)	21-FP-LAC-0188-Budget.xls
<input checked="" type="checkbox"/> Project Map (.pdf)	21-FP-LAC-0188-MAP.pdf
<input type="checkbox"/> Articles of Incorporation (.pdf) - Applies to Non-Profits only	Not applicable
<input checked="" type="checkbox"/> Mapping	Create a Geo Point & Polygon web link

I certify that the above and attached information is true and correct:



Original Signature Required: Grantee's Authorized Representative

2/8/22

Date Signed

Fernando Pelaez

Printed Name

Fire Chief

Title

Executed on:

2/8/22

Date

at

Montebello

City

Please fill out this form completely. Be sure to save a copy of this form and all attachments for your records. Submit the application and all supporting materials to the SharePoint folder assigned to your tracking number **no later than 3:00pm PT on February 9, 2022**. Please submit the documents as early as possible to avoid unanticipated issues. **Applications submitted or modified in the SharePoint folder after this date will be considered late.** Access to SharePoint after the due date may be revoked.

Tracking #: 21-FP-LAC-0188

Page 5 of 5

Project Name: Montebello Wildfire Fuel Reduction and Public Education Project



California Department of Forestry and Fire Protection
(CAL FIRE) California Climate Investments
Fire Prevention Grants Program
Project Scope of Work



Project Name: Montebello Wildfire Fuel Reduction and Public Education Project

Project Tracking Number: 21-FP-LAC-0188

Project Description Summary: Please provide a paragraph summarizing proposed project including the location, habitable structures, acres treated, etc. (Please type in blank space below. Please note there is no space limitations).

The City of Montebello Fire Department (MFD) requests \$108,997 in grant funding to implement the Montebello Wildfire Fuel Reduction and Public Education Project. The project will focus on an 83-acre open space area that is located on the northern edge of the City of Montebello, population 64,640, in eastern Los Angeles County, see attached Project Maps. An estimated 78% of the City is classified by the State as disadvantaged and/or low income. The Median Household Income (MHI) for the City (\$56,150) is 23% lower than the MHI for Los Angeles County and 30% lower than the MHI for the State. The City is urban and densely-populated, but there is a large wildland-urban interface (WUI) that includes two large open spaces in the northern part of the City (the target area and the adjacent



Fig. 1: Location of the 83-acre target area.

488-acre Montebello Hills open space that is set for development), and these are directly adjacent to the 1,500-acre Whittier Narrows Recreation Area (including the Dam and Reservoir), all of which is a Federal Responsibility Area (FRA). The WUI has been the site of numerous fires, including 39 in the target area in 2021, and the 370-acre Lincoln Fire in 2015. There are numerous adjacent and nearby structures and communities that are at-risk when wildfire breaks out in this area: Whittier Narrows Dam and Reservoir and Whittier Narrows Recreation Area; two large residential areas in the Cities of Montebello and Pico Rivera, with an estimated 330 homes, are within 0.25 miles of the target area and thousands more homes beyond; two large shopping malls; oil and gas storage tanks and pumping units in the Montebello Hills; power distribution lines that run along the eastern and northern boundaries of the target area, three major ingress/egress arterials, and more. This project will be MFD's first ever wildfire fuel reduction project. MFD seeks to reduce current risk and expand departmental capacity to continue these prevention efforts beyond the scope of the proposed project.

The three-year project will be implemented in three phases:

1. Project Preparation, which includes procurement of supplies, consultants, and vendors; development of a fuel reduction plan and CEQA compliance activities by a Certified Ecologist; training for the MFD firefighters who will conduct the fuel reduction activities; development of an outreach plan for the project's public awareness and education activities; and development of the fuel reduction schedule.

2. Hazardous Fuels Reduction and Public Education, which includes MFD firefighters strategically clearing vegetation and trees in the 83-acre target area, following a fuel reduction plan and schedule, over an 18-month period. An MFD vendor will remove the debris for their own reuse or recycling purposes. Simultaneously, MFD will implement a complementary public awareness and education campaign to alert residents about MFD's prevention activities with a focus on helping Montebello residents harden their homes to reduce the risk of wildfire hazards. The public awareness element will include social media outreach and press releases; the public education element will include monthly social media outreach and door-to-door outreach by MFD firefighters, MFD auxiliary firefighters (trainees), and Fire Explorers (MFD's youth volunteers) at the 210 Montebello homes directly adjacent to the target area.

3. Maintenance, which includes monitoring the target area to identify new areas that need to be cleared, and to schedule and implement future fuel reduction activities.

MFD's goals are to prevent wildfire frequency and/or intensity in the most wildfire-prone area of the City, building the Department's wildfire prevention capacity, and educating residents on wildfire and encouraging their implementation of wildfire hardening efforts.

All of MFD's staff time to implement the project will be provided in-kind, including fuel reduction activities which will be conducted by MFD firefighters, engineers, and captains, and MFD's staff to administer the project and oversee project vendors and consultants.

MFD requests grant funds for all other costs including:

- Costs for the Certified Ecologist (consultant) who will develop the fuel reduction plan (and maps) and file the required CEQA paperwork;
- Costs for the expert consultant who will train the MFD firefighters, engineers, and captains on fuel reduction implementation and safety;
- Costs for a vendor to remove the biomass/debris for reuse or recycling;
- Supplies needed to implement fuel reduction activities (e.g., long-blade chainsaws, hand tools, PPE, etc.); and
- Supplies needed for the project's public education element (e.g., color brochures and flyers).

MFD's in-kind contribution is valued at \$401,737, or 79% of the \$510,734 total project cost.

A. Scope of Work

Section 1: Hazardous Fuels Reduction

1. Describe the geographic scope of the project, including an estimate of the number of habitable structures and the names of the general communities that will benefit.

Geographic Scope of the Project.

The target area for hazardous fuel reduction is approximately 83 acres on the northern edge of the City of Montebello in eastern Los Angeles County. The target area is bounded by Lincoln Avenue to the north, San Gabriel Boulevard to the east, and the Whittier Narrows Dam and Reservoir to the south and east. The target area is open space within the city limits and is full of dry vegetation (mostly chaparral brush, chamise, and bamboo), and many small to medium-sized trees. The fuels in the target area are both patchy and continuous. The target area has power distribution lines running along the north and east sides which create fire risk in high winds. This open space in northern Montebello was the location of 39 fires in 2021. The area was the site of the 2015 Lincoln Fire which was started by a homeless person along the banks of the Rio Hondo River (just 0.25 miles south of the target area) and spread to the target area and beyond. This 370-acre fire

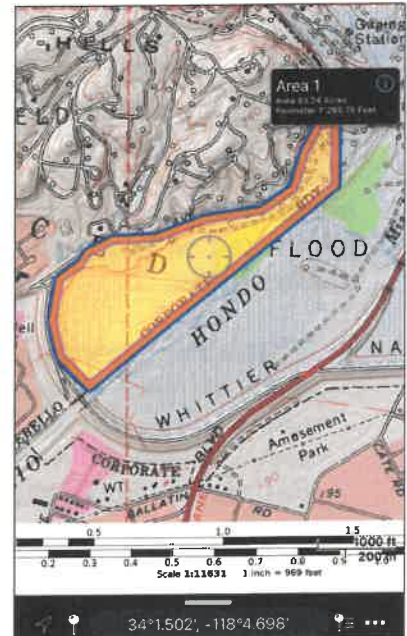


Fig. 2: Geographic details about the target area.



Fig. 3: Aerial view of the target area on the left beyond the dam, and the reservoir on the right.

required the assistance of multiple departments and more than three days to extinguish.

Proposed Hazardous Fuel Reduction Activities

The project will include formal training for MFD firefighters, engineers, and captains to conduct the fuel reduction activities in the target area and to continue this important wildfire prevention activity in the target area and other wildfire-prone areas after the project period ends. The removal of fuel in the

target area will be based on a plan developed by a Certified Ecologist in conjunction with input from the MFD's Battalion Chiefs and other MFD staff. The Ecologist will also conduct the required environmental review, and file all required CEQA paperwork (fuel reduction work will only commence after documentation of CEQA compliance). The project will conduct the following activities in the 83-acre target area on land owned by the City of Montebello:



Fig. 4: A helicopter dumps water on a 2018 fire at Whittier Narrows Reservoir directly adjacent to the target area. Traffic built up along Rosemead Boulevard as people stopped to watch.

- **Vegetation clearance** with a focus on major egress/ingress routes which surround the target area (i.e., Lincoln Avenue and San Gabriel Boulevard).
- **Removal of selected trees.** MFD estimates that almost half of the trees in the target area are dead and need removal. Among the living trees, a selection of strategically-identified trees will be removed to eliminate ladder and aerial fuels.
- **Creation of fuel breaks** in strategic locations such as the southwest and southeast parts of the target area which are near large residential neighborhoods.

Structures, Infrastructure, and Communities that will Benefit

Directly Adjacent:

1. Whittier Narrows Dam and Reservoir. The facility is a flood risk management and water conservation project that is operated by the U.S. Army Corps of Engineers, and located just east of the target area. The reservoir area is directly adjacent to the target area and it is heavily vegetated with a large number of trees (see Figs. 4 and 5). The dam itself is considered vulnerable; the Corps rated it as structurally unsafe with a high risk of failure (a multi-year modification project will not be complete until 2026).

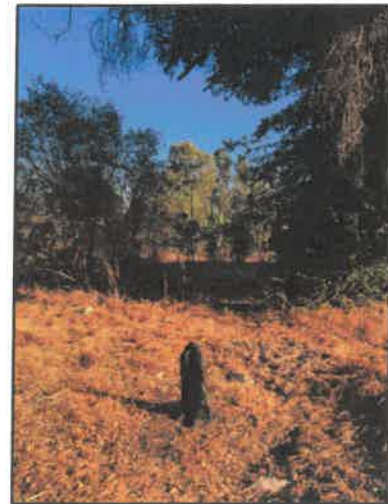


Fig. 5: Dense vegetation and trees in the Whittier Narrows Reservoir.

2. Montebello Hills. This 488-acre hilly, open space is directly adjacent to the target area. The area was previously an oil field and it is home to 26 abandoned wells, numerous storage tanks, and operations offices. The area is slated for housing development with construction to begin in 2022. The area has been the location of multiple fires, putting the surrounding homes and commercial properties at risk.



Figs. 6 and 7: Montebello Hills is home to abandoned oil wells (left); the area has seen many fires including part of the 2015 Lincoln Fire (right).

3. Rio Hondo River and Homeless Encampments. The banks of the Rio Hondo River are home to more than 100 homeless people and their encampments. While the City is making concerted efforts to provide housing and services to these people, they are classified as chronically homeless and difficult-to-engage due to significant mental health and substance use issues. The homeless who live on the river bank are the source of many of the wildfires in the city, both inadvertently started due to activities for cooking or keeping warm, and also on purpose (see Fig. 8).



Fig. 8: Wildfire on the banks of the Rio Hondo River, watched by homeless people who live in the river bank encampment (adjacent to the target area, southwest of the dam).

4. Whittier Narrows Recreation Area (FRA). This 1,500-acre park and open space is located approximately 0.25 miles north and east of the target area. A wildfire in the target area that occurs during strong southerly winds could easily blow embers creating significant risk to the area which is classified as an FRA.

5. Two large residential neighborhoods (with a total of 330 homes) are directly adjacent to the target area. To the west in Montebello is the Lincoln Avenue residential area which directly abuts the target area with no break except a dirt service road and has 210

homes within 0.25 miles of the target area. Two schools (La Merced Elementary and La Merced Intermediate School) are located in this neighborhood, just 0.5 miles from the target area. To the south is a residential area in the City of Pico Rivera which has an estimated 120 homes within 0.25 miles of the target area.

6. Ingress and Egress Routes: Three four-lane arterials are the only ingress and egress points to the target area for first responders: Lincoln Avenue, Rosemead Boulevard (SR 19/164), and San Gabriel Boulevard. Lincoln Avenue and Rosemead Boulevard are critical evacuation routes for residents in homes near the target area. Lincoln Avenue is a critical evaluation route for oil field and housing development workers in the southeastern side of the Montebello Hills (and eventually for the homeowners who will reside there).

Within 1.0 Miles:

1. Multiple Residential Communities. Tens of thousands of homes are located north, south, and west of the target area within and beyond 1.0 mile in the Cities of Montebello, Pico Rivera, and Rosemead.

2. Commercial Shopping Areas. Two large shopping area are 0.8 miles to the north of the target area including The Shops at Montebello – a large regional indoor shopping center with 160+ retailers and restaurants and a retail floor area of 758,504 square feet, and Montebello Town Square – a small outdoor shopping center with 16+ retailers and restaurants including a large AMC movie complex and a healthcare clinic.

2. Describe the goals, objectives, and expected outcomes of the project.

GOAL 1: Reduce Wildfire Frequency and/or Intensity in the Most Wildfire-Prone Area of Montebello.

Objective 1.1: Reduce wildfire fuel and establish fuel breaks in the most risk-prone area in the City: 83 acres of open space located between the Montebello Hills and the Whittier Narrows Dam and Reservoir. More than 39 fires occurred in this area in 2021 alone, and the area was involved in the 2015 370-acre Lincoln Fire.

Outcome 1.1.1: Reduced wildfire risk in the most wildfire prone area in the City which includes an 83-acre target area and 200-acre influence area.

Outcome 1.1.2: Reduced risk to numerous structures and infrastructure surrounding the target area, including the Whittier Narrows Dam and Reservoir, critical ingress and egress routes to/from this wildland-urban interface, multiple commercial businesses, oil and gas infrastructure, and the 1,500-acre Whittier Narrows Recreation Area. The area is bordered by power distribution lines to the north and east.

Outcome 1.1.3: Reduced risk to residential neighborhoods in Montebello (all of which are classified as disadvantaged) and Pico Rivera and the City's largest

encampment of homeless people who reside on the banks of the Rio Hondo River just 0.25 miles away.

Outcome 1.1.4: Reduced GHG emissions due to reduced wildfire frequency and intensity in the 83-acre target area and the 683-acre project influence zone.

Outcome 1.1.5: Reduced risk to MFD firefighters and their mutual aid partners who must work together to battle wildfire in this remote, hard-to-reach wildland-urban interface.

Objective 1.2: Implement a Public Awareness and Public Education Campaign. Public Awareness activities will include social media outreach and formal press releases from the City's Public Information Officer to alert residents to the wildfire prevention activities being undertaken by the City. Public education activities will encourage homeowners to implement wildfire hardening recommendations to include: (1) Citywide social media outreach will share tips and steps for homeowners to implement to reduce risk. The project will utilize the City and Fire Department's social media channels and local neighborhood Facebook groups. MFD will utilize existing campaign materials from Cal FIRE's readyforwildfire.org website. (2) Door-to-Door outreach will be conducted by a two-person team to the estimated 210 Montebello homes located within 0.25 miles of the target area. The team will be comprised of an MFD firefighter and either a member of MFD's Fire Explorers (youth volunteers) or MFD's firefighter trainees (Auxiliary). The Door-to-Door outreach teams will answer questions and share an educational packet with each home they visit that includes Cal FIRE's "Wildfire is Coming, are You Ready?" color brochure, Cal FIRE's Low Cost/No Cost Retrofit List, and a list of links to other resources such as "Wildfire Home Retrofit Guide" on readyforwildfire.org.

Outcome 1.2.1: Increased knowledge among Montebello residents about the City's wildfire prevention efforts and steps residents can take to reduce their own risk.

Outcome 1.2.2: Reduced number of damaged homes and homes lost in the event of a wildfire in Montebello.

GOAL 2: Expand Capacity of MFD to Conduct Future Wildfire Fuel Reduction Projects to Minimize Risk in the Target Area and Other Wildfire-Prone Areas in the City.

Objective 2.1: Train/Certify 41 MFD firefighters, engineers, and captains on wildfire prevention including vegetation clearing, tree felling, and fuel break establishment. The project is the MFD's first foray into wildfire prevention activities, and thus training will be required. Training will be provided by Precision Training Group who provides specialized in-person, hands-on wildfire training, offering more than 30 courses and certifications (<https://www.precisiontraininggroup.com/what-we-do>). The training will consist of 16 hours of classroom and hands-on instruction and will include S-212 certification on chainsaw operation and tree felling. The training consultant will provide the training at

MFD and in the target area, and will be conducted by Battalion Chief Daniel Montoya (City of LaVerne Fire Department).

Outcome 2.1.1: Enhanced knowledge and skill development of MFD firefighters to implement fuel reduction activities for the current project and beyond.

Outcome 2.1.2: Improved safety for MFD firefighters who will receive training on implementing fuel reduction activities and safety using chainsaws and hand tools.

Objective 2.2: Obtain supplies needed for MFD to conduct fuel reduction activities (i.e., long-blade chainsaws, axes, rakehoes, cutting tools, and PPE such as specialized pants and jackets, safety glasses, etc.). As noted above, this project represents MFD's first time conducting fuel reduction activities, so all required supplies are needed.

Outcome 2.2.1: Enhanced capacity of MFD to implement fuel reduction activities for the current project and beyond.

Outcome 2.2.2: Improved safety for MFD firefighters who will be equipped with the proper PPE including safety glasses, chainsaw chaps, etc.

3. Provide a clear rationale for how the proposed project will reduce the risks associated with wildfire to habitable structures.

The target area is directly adjacent to numerous single-family homes located west and south of the project area. Reducing wildfire fuel will directly reduce risk to these neighborhoods and their homes. There is an estimated 330 single-family homes within 0.25 miles of the target area (in the Cities of Montebello and Pico Rivera), and thousands more homes within one mile. The homes located west of the target area have no barrier between them and the target area; the target area is directly behind these properties. The homes located south of the target area are separated by Rosemead Boulevard, providing just a small buffer. Both neighborhoods are at high-risk when wind and wildfire produce airborne firebrands and embers.

4. Identify any additional assets at risk to wildfire that will benefit from the proposed project. These may include, but are not tied to, domestic and municipal water supplies, power lines, communication facilities and community centers.

1. Power Distribution Lines. Power lines run along the edge of target area



Fig. 9: Lincoln Avenue looking southeast; target area and the walking/biking trail is on the left, and the Montebello Hills and power lines on the right.

to the north (along Lincoln Avenue) and to the east (along San Gabriel Boulevard), see Fig. 9 (previous page).

2. Rio Hondo Walking and Biking Trail Runs Through the Target Area. The trail runs the length of the Rio Hondo River on the east side of the City and through the western side of the target area.

5. How will the project/activity utilize the left-over woody biomass? Will the project/activity use a biomass facility to reduce greater greenhouse gas emissions?

The project will strategically reduce hazardous fuel in an 83-acre target area, which is predominately dry brush and small- to medium-sized trees. After award, MFD will hire a vendor to gather and remove the biomass for their own reuse and recycling purposes (none of the biomass will be burned). As part of the City's Go Green initiative, they have vetted and authorized a number of solid waste removal companies for collection, transport, and recycling of solid waste in the City. The estimate for this work was provided by one of the vetted vendors. After award, the project will request formal bids from these authorized vendors (for the list of vetted and authorized companies, see <https://www.cityofmontebello.com/solid-waste-haulers.html>).

B. Degree of Risk

1. Discuss the location of the project in relation to areas of moderate, high, or very high fire hazard severity zone as identified by the latest Fire and Resource Assessment Program maps.

A Very High Fire Hazard Severity Zone (VHFHSZ) is located 1.8 miles southeast of the target area on the north and east sides of the City of Whittier (see Fig. 10). The target area itself is not classified by Cal FIRE as a high fire hazard severity zone; however, the 83-acre target area is adjacent to two other large open spaces: the 488-acre Montebello Hills and the 1,500-acre Whittier Narrows Recreation Area, Dam, and Reservoir. Together, these three contiguous areas represent a significant wildland-urban interface

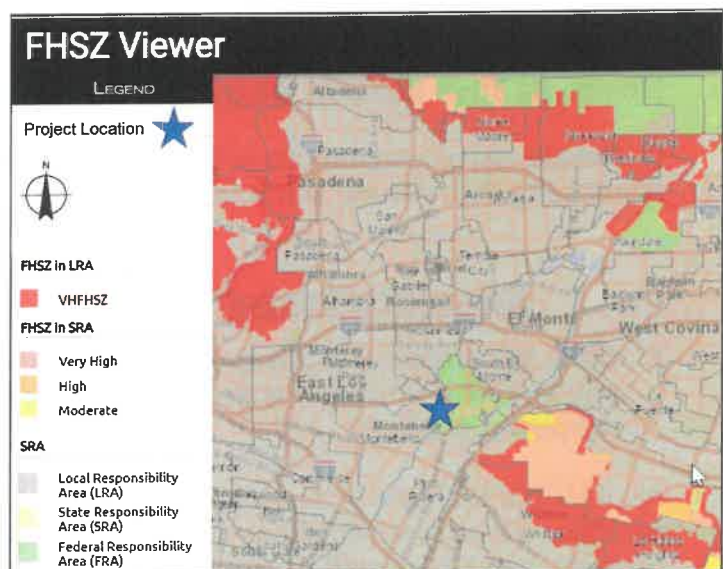


Fig. 10: The target area in relation to a Very High Fire Hazard Severity Zone (1.8 miles away to the southeast).

that is more than 2,000 acres in size with a high amount of primarily chaparral fuel source. The target area had 39 fires in 2021 alone, and the larger wildland-urban interface has been the site of multiple past fires including:

- 2015 Lincoln Fire (370 acres);
- 2021 Rosemead Fire (52 acres);
- 2018 Lincoln Fire (21 acres); and
- Numerous fires of less than 5 acres in size.

2. Describe the geographic proximity of the project to structures at risk to damage from wildfire. (Please type in blank space below. Please note there is no space limitations).

The target area is part of a larger wildland-urban interface with multiple habitable structures, critical infrastructure, and communities that will benefit, which are detailed above. The structures at risk include:

1. Residential neighborhoods with 330 homes: **within 0.25 miles** to the south and west in the Cities of Montebello (210 homes) and Pico Rivera (120 homes).
2. Oil field operation offices and housing development slated to begin construction in 2022 in the Montebello Hills: **0.25 miles** to the north.
3. La Merced Elementary School and La Merced Intermediate School (1,882 students): **0.5 miles**.
4. Water management and operations offices for the Whittier Narrows Recreation, Dam, and Reservoir: **0.7 miles** to the northeast.
5. Commercial centers (two large shopping centers – The Shops at Montebello and Montebello Town Square): **0.8 miles** to the north.
6. Residential neighborhoods with thousands of homes: **within 1.0 mile** in the Cities of Montebello, Pico Rivera, and Rosemead.

C. Community Support

1. Does the project include any matching funds from other funding sources or any in-kind contributions that are expected to extend the impact of the proposed project?

All of MFD's staff time to implement the project will be provided in-kind, including fuel reduction activities which will be conducted by MFD firefighters, engineers, and captains, and MFD's staff to administer the project and oversee project consultants and vendors.

MFD requests grant funds for all other costs including the Certified Ecologist (includes costs for CEQA), firefighter training on fuel reduction activities, supplies needed for fuel reduction activities, debris removal for reuse/recycling, and supplies for the public education campaign.

MFD's in-kind contribution is valued at \$401,737, or 79% of the \$510,734 total project cost.

2. Describe plans for external communications during the life of the project to keep the effected community informed about the goals, objectives, and progress of the project. Activities such as planned press releases, project signage, community meetings, and field tours are encouraged.

The project will include both public awareness and public education components:

1. Public Awareness about the Project. To promote awareness of the project, the importance of hazardous fuel removal, and the efforts of MFD to implement wildfire prevention activities, the project will implement the following activities:

- Social Media Posts. Monthly posts during the duration of the fuel reduction activities (approximately 18 months) will be posted to the City and MFD's social media channels (Facebook and Instagram) and on Nixle (a community information channel). To the greatest extent possible, MFD will use Cal FIRE's existing wildfire prevention materials including social media as presented on readyforwildfire.org.
- Press Releases. The City's Public Information Officer will issue two press releases: one at the beginning of the fuel reduction activities and one at the conclusion. The press releases will include before and after photos and describe the City's planned continuation of fuel reduction activities.

2. Public Education on Wildfire Hardening. The project will include a public education element to guide and encourage residents to wildfire harden their homes and neighborhoods, and will include:

- Social Media Posts. Monthly posts during the duration of the fuel reduction activities and beyond will provide information and checklists on how to harden homes and neighborhoods against wildfire. The project will utilize and disseminate existing materials from Cal FIRE's readyforwildfire.org website that speak to low-cost or no-cost steps residents can take at their own home to reduce wildfire risk.
- Door-to-Door Outreach. Door-to-Door outreach will be conducted by a two-person team to the estimated 210 Montebello homes located within 0.25 miles of the target area. The team will be comprised of a Montebello firefighter and either a member of MFD's Fire Explorers (youth volunteers) or MFD's firefighter trainees (Auxiliary). The Door-to-Door outreach teams will answer questions about wildfire risk and hardening and share an educational packet with each home they visit that includes Cal FIRE's "Wildfire is Coming, are You Ready?"

color brochure and checklist, a magnet with wildfire prevention tips, and an MFD-branded pen for use to complete the checklist.

3. Describe any plans to maintain the project after the grant period has ended.

The project is designed as a three-phase effort that includes maintenance as the third and final ongoing phase. As described above, the project represents MFD's first time conducting formal wildfire fuel reduction activities. Cal FIRE funding will position MFD to implement fuel reduction activities during the course of the project and continue this important prevention effort after the project performance period. The project elements that will support ongoing fuel reduction activities include:

- Training for MFD firefighters, engineers, and captains on fuel reduction safety procedures and proper and safe use of chainsaws and hand tools.
- Guidance from a Certified Ecologist on the strategic selection of vegetation and trees for removal.
- Supplies and Materials such as chainsaws, hand tools, and PPE, to conduct fuel reduction activities during the project and significantly expand capacity to conduct fuel reduction activities in the future.

**4. Does the proposed project work with other organizations or agencies to address fire hazard reduction at the landscape level?
(Please type in blank space below. Please note there is no space limitations).**

1. MFD will keep its neighboring Fire Departments apprised of activities and strategies that are being used in Montebello to encourage residential wildfire hardening. This will be accomplished in two ways:

(1) The project influence zone includes the Cities of Pico Rivera and Rosemead; the project will share social media postings and examples of educational materials with these Cities for their own distribution and/or targeting to the homes located near the target area.

(2) MFD's Fire Chief is a member of the Los Angeles Area Fire Chiefs Association (see letter of support, attached), which is comprised of 30 local fire departments in the Los Angeles region. MFD's Fire Chief will brief that group on Montebello's efforts and offer to share examples of social media postings and educational materials for other departments to model to encourage residential wildfire hardening in their own communities.

2. MFD's request for funding will establish a partnership with Cal FIRE to address fire hazard reduction at the landscape level. The requested grant funding will allow MFD to disseminate educational materials to our residents who reside near the wildfire-urban interface and are most at-risk for wildfire. The project will use existing Cal FIRE educational materials for this purpose and utilize both social media and direct resident contact for dissemination.

D. Project Implementation

1. Discuss the anticipated timeline for the project. Make sure to take seasonal restrictions into account.

The MFD estimates that it will take 36 months to complete the Montebello Fuel Reduction and Public Education Project. The proposed project tasks and timeline for the three-phase project is provided below.

Implementation Schedule Phases 1 - 3																	
Task No.	Major Project Tasks	Calendar Year 2022				Calendar Year 2023				Calendar Year 2024				Calendar Year 2025			
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
0.1	Grant Agreement Signed/Kick-off Meeting with Cal FIRE																
0.2	Project Management (Performance Monitoring; Progress Reporting; Invoicing)																
1	Phase I - Project Preparation																
1.1	Procurement: Ecologist, Trainer, Biomass Removal Vendor, Public Education Supplies/Materials (in order of priority)																
1.2	Ecologist: Review target area and meet with MFD staff, provide a written fuel reduction plan																
1.3	Ecologist: Conduct assessment of CEQA requirements, file CEQA compliance paperwork																
1.4	Hazardous Fuel Reduction Training: 16 hours; separate trainings for 3 engine companies																
1.5	Develop Outreach Plan for the Project's Public Education Element																
1.6	Develop Hazardous Fuel Reduction Schedule (includes coordination with biomass removal vendor, ecologist/forester, and MFD Battalion Chiefs)																
2	Phase II - Hazardous Fuels Reduction and Public Education																
2.1	Hazardous Fuels Reduction and Removal (83-acre target area; reduction performed by MDF firefighters; removal conducted by vendor) - work will not commence until CEQA compliance is confirmed																
2.2	Public Awareness - City Wide: Information about the Project and Benefits on Social Media and in Pre-Post Project Press Releases																
2.3	Public Education - City Wide: Wildfire Educational Outreach on Social Media (Monthly) - MFD, City, and Neighborhood Social Media Sites; Post educational information on City and MFD Websites																
2.4	Public Education - Door-to-Door: Wildfire Educational Outreach/Materials Dissemination to the 210 Montebello Homes within 0.25 miles of the Target Area																
3	Phase III - Maintenance																
3.1	Ongoing Fuel Reduction Activities In the Target Area (Maintenance Beyond the Project Period)																

*Milestones = ●

2. Verify the expected time frames to complete the project will fall under the required completion dates depending on the source of the funds awarded.

The three-year project will be complete by the end of the third calendar quarter of 2025 (i.e. September 2025), ahead of the conclusion of the performance period in March 2026. The funding plan for the proposed project only includes two entities: Cal FIRE (grant funding) and MFD (all staffing provided in-kind), so there are no third parties with requirements that will complicate or potentially delay the project timeline.

3. Using bullets, list the milestones that will be used to measure the progress of the project.

As noted in the above implementation schedule, the 36-month project's 10 milestones include:

- Procurement of supplies and providers (including the Certified Ecologist, trainer, and biomass removal vendor) no later than Month 3.
- Ecologist's completion of CEQA assessment and filing CEQA compliance paperwork by Month 9 (a Categorical Exemption is expected).
- Training for MFD firefighters, engineers, and captains on fuel reduction safety procedures and proper and safe use of chainsaws and hand tools by Month 9.
- Develop an outreach plan for the project's public education element by Month 9.
- Develop a schedule by Month 9 to layout fuel reduction activities over an 18-month period.
- Fuel removal and reduction - half of the 83-acre target area addressed by Month 21.
- Fuel removal and reduction – all 83 acres of the target area addressed by Month 30.
- Public awareness activities – half of activities in the outreach plan are complete by Month 21.
- Citywide public education activities – half of activities in the outreach plan are complete by Month 21.
- Door-to-Door public education activities – half of activities in the outreach plan are complete by Month 15.

4. Using bullets, list the measurable outcomes (i.e., project deliverables) that will be used to measure the project's success.

- Reduced wildfire risk in the most wildfire prone area in the City which includes an 83-acre target area and 200-acre influence zone.
- Reduced risk to numerous structures and infrastructure surrounding the target area, including the Whittier Narrows Dam and Reservoir, critical ingress and egress routes to/from this wildland-urban interface, multiple commercial businesses, oil and gas infrastructure, and the 1,500-acre Whittier Narrows Recreation Area. The area is bordered by power distribution lines to the north and east.
- Reduced risk to residential neighborhoods in Montebello (all of which are classified as disadvantaged) and Pico Rivera, and Montebello's largest encampment of homeless people who reside on the banks of the Rio Hondo River just 0.25 miles away.
- Reduced GHG emissions due to reduced wildfire frequency and intensity in the 83-acre target area and the 683-acre project influence zone.
- Reduced risk to MFD firefighters and their mutual aid partners who must work together to battle wildfire in this remote, hard-to-reach wildland-urban interface.

- Increased knowledge among Montebello residents about the City's wildfire prevention efforts and steps residents can take to reduce their own risk.
- Reduced number of damaged homes and homes lost in the event of a wildfire in Montebello.
- Enhanced knowledge and skill development of MFD firefighters to implement fuel reduction activities for the current project and beyond.
- Improved safety for MFD firefighters who will receive training on how to safely implement fuel reduction activities and safely using chainsaws and hand tools.
- Enhanced capacity of MFD to implement fuel reduction activities for the current project and beyond.
- Improved safety for MFD firefighters who will be equipped with the proper PPE including safety glasses, chainsaw chaps, etc.

5. If applicable, how will the requirements of the California Environmental Quality Act (CEQA) be met?

MFD will rely on the expertise of the Certified Ecologist (who will be selected within one month of grant award) to assess CEQA requirements for the proposed project and to file the appropriate paperwork (a Categorical Exemption is expected). The Ecologist's goal will be to develop a fuel reduction plan that avoids activities that would trigger the requirement for a formal environmental review. For instance, if a certain protected species of flora or fauna were found in a portion of the target area, then the plan for fuel reduction would avoid that area. The Ecologist will work with MFD's Battalion Chiefs (and other MFD staff as needed) on the development of the fuel reduction plan. MFD understands that no ground disturbance activity can take place until CEQA compliance is confirmed.

During the course of the development of this application, MFD conferred with two different local environmental consulting agencies about their services and costs, and both confirmed they have CEQA experts in-house who could complete the required CEQA site review and paperwork.

6. Are there any existing forest or land management plans; Conservation Easements; Covenant, Conditions & Restrictions (CC&R's); matters related to zoning; use restrictions, or other factors that can or will limit the wildfire prevention proposed activity? (Please type in blank space below. Please note there is no space limitations).

The proposed fuel reduction activities will take place on land owned by the City of Montebello, and there are no known plans, easements, or use restrictions that would limit these activities.

E. Administration

1. Describe any previous experience the project proponent has with similar projects. Include a list of recent past projects the proponent has successfully completed if applicable.

The City of Montebello and the Montebello Fire Department have extensive experience in managing grant-funded projects, and these include:

- Federal grants such as Community Development Block Grant (U.S. Department of Housing and Urban Development) and Drug Enforcement-Equitable Sharing Program (U.S. Department of Justice);
- State grants such as the Highway Safety Improvement Program (Caltrans) and Beverage Container Recycling Program (CalRecycle); and
- Regional grants such the Homeless Grant from the Gateway Cities Council of Governments.

As noted earlier, this project represents MFD's first fuel reduction project, and funds are requested to both conduct fuel reduction activities during the project period and position MFD to continue these activities after the grant period. To ensure that MFD has the needed guidance to complete the project and to build their overall capacity, the scope of work includes the participation of two important partners:

- **Certified Ecologist.** The removal of fuel in the target area will be based on a plan developed by a Certified Ecologist in conjunction with input from the MFD's Battalion Chiefs and other MFD staff. The plan will include a schedule for the fuel reduction activities and will strategically select vegetation and trees for removal. The Ecologist will also conduct the required environmental review, and file all required CEQA paperwork (fuel reduction work will only commence after documentation of CEQA compliance). MFD conferred with two different local environmental consulting agencies about their services and costs, and both confirmed they have CEQA experts in-house who could complete the required CEQA site review and paperwork. The cost estimate includes the plan and schedule, CEQA work, onsite orientation for MFD staff, and treatment area flagging.
- **Expert Trainer.** The project will include formal training for MFD firefighters, engineers, and captains to conduct the fuel reduction activities in the target area and to continue this important wildfire prevention activity in the target area and other wildfire-prone areas after the project period ends. Training will be provided by Precision Training Group, who provides specialized in-person, hands-on wildfire training, offering more than 30 courses and certifications (<https://www.precisiontraininggroup.com/what-we-do>). The training will consist of 16 hours of classroom and hands-on instruction and will include S-212 certification on chainsaw operation and tree felling. The training consultant will provide the training at MFD and in the target area, and will be conducted by Battalion Chief Daniel Montoya (City of LaVerne Fire Department).

2. Identify who will be responsible for tracking project expenses and maintaining project records in a manner that allows for a full audit trail of any awarded grant funds. (Please type in blank space below. Please note there is no space limitations).

The scope of work and the project budget includes a 25% FTE Grant Coordinator who will be responsible for managing the project budget including tracking expenditures, financial recordkeeping, financial and performance reporting, and invoicing. The Grant Coordinator will also monitor the project schedule to ensure that the project stays on-track and assist with overseeing and monitoring project vendors and consultants. The proposed Grant Coordinator (Lynda Chavez, MPA) has six years of experience at the Montebello Fire Department and the Orange County Transportation Authority, and brings strong administrative, financial, and organization skills and knowledge to the project.

F. Budget

1. Explain how the grant funds, if awarded, will be spent to support the goals and objectives of the project. If equipment grant funds are requested, explain how the equipment will be utilized and maintained beyond the life of the grant.

MFD proposes a project to reduce hazardous fuels in an 83-acre target area and complements this with public education activities to encourage residents to harden their homes and neighborhoods against wildfire. The project will train MFD firefighters to conduct the fuel removal activities. The project's Project Manager and Grant Coordinator will coordinate public awareness and education activities.

All of MFD's staff time to implement the project will be provided in-kind, including fuel reduction activities which will be conducted by MFD firefighters, engineers, and captains, and MFD's staff to administer the project and oversee project vendors and consultants.

MFD requests grant funds for all other costs including:

- Costs for the Certified Ecologist (consultant) who will develop the fuel reduction plan (and maps) and file the required CEQA paperwork;
- Costs for the expert consultant (Precision Training Group) who will train the MFD firefighters, engineers, and captains on fuel reduction implementation and safety;
- Costs for a vendor to remove the biomass/debris for reuse or recycling;
- Supplies needed to implement fuel reduction activities (e.g., long-blade chainsaws, hand tools, PPE, etc.); and
- Supplies needed for the project's public education element (e.g., color brochures).

- 3. Biomass Removal: \$30,150
 - o One 6-hour shift to treat 2 acres
 - o 41.5 6-hour shifts to treat 83 acres
 - o Over 18 months (78 weeks), one 6-hour shift every 1.9 weeks
 - o 40 yard roll off bin (5 tons, 7 day rental) = \$835
 - \$835 x once per month for 18 months \$15,030
 - o Live bin loading = \$105/hour
 - \$105 x 8 hours per month for 18 months \$15,120
- **Supplies: \$36,919**
 - 1. Chainsaws (3 x \$600 + tax/contingency) \$2,160
 - 2. Hand Tools
 - Rhino Cutting Tool (12 X \$36.95 + tax/contingency) \$532
 - Rhino Combination Tool (12 X 148.95 + tax/contingency) \$2,145
 - Pulaski Axe (12 X \$74.95 + tax/contingency) \$1,079
 - McLeod Rakehoe (12 X \$118.95 + tax/contingency) \$1,713
 - Spade Shovels (12 X \$103.34 + tax/contingency) \$1,488
 - Square Nose Shovel (12 X \$14.95 + tax/contingency) \$215
 - 3. Safety gear: Brush Jackets and Pants (40 x \$500 + tax/contingency) \$24,000
 - 4. Safety Glasses (40 X \$12 + tax/contingency) \$576
 - 5. Chainsaw Chaps (3 X \$105 + tax/contingency) \$378
 - 6. Public Education Outreach Supplies/Materials \$2,633
 - 6.1 Color Brochure Printing \$1,368
 - Use Cal Fire "Wildfire is Coming...Are you Ready?"
 - 250 x 8 pages = 2,000 color pages x \$0.57/per page plus
 - 20% for tax and contingency
 - 6.2 Door Hangers (for people who aren't home) \$46
 - Use Cal Fire single page home hardening design
 - 50 door hangers for \$38 plus 20% for tax and contingency
 - 6.3 MFD-branded pen to fill out the checklist \$180
 - \$0.60 per pen x 250 plus 20% for tax and contingency
 - 6.4 Postcard sized fridge magnet with wildfire safety tips \$390
 - \$1.30 per magnet x 250 plus 20% for tax and contingency
 - 6.5 Magnetic clip - MFD branded \$649
 - To clip brochure and magnet and attach pen
 - \$541 for 250 clips plus 20% for tax and contingency

- **Indirect Costs: \$11,678**

MFD is requesting indirect costs at a rate of 12% of the total direct costs (grant request):

$$\text{Total Direct Costs} = \$97,319 \times 12\% = \$11,678$$

All MFD staff time, including time for fuel removal activities, training, public outreach, and project administration will be provided in-kind.

G. California Climate Investments

The space provided here is to allow for a narrative description to further explain how the project/activity will reduce Greenhouse Gas emissions. (Please type in blank space below. Please note there is no space limitations).

1. How will the project/activity reduce Greenhouse Gas emissions?

The project will impact GHG emissions in two ways:

1. Reduced frequency and intensity of wildfire in the target area (83 acres) and the project influence zone (a total of 683 acres), due to reduced wildfire fuel and the establishment of fuel breaks, will result in a net decrease in GHG emissions. The GHGs emitted by fire are carbon dioxide, methane, and nitrous oxide. Fire releases biomass carbon into the atmosphere in the form of carbon dioxide. Methane is emitted due to incomplete combustion of biomass, and nitrous oxide is a product of combustion.

2. The biomass produced by the project will be reused or recycled. The vendor will be selected from among the City's 13 approved solid waste haulers, and a number of these have confirmed that their services include reuse or recycling in conjunction with their own network of partners. The City will select a vendor that will focus on reuse and recycling of the biomass, not burning nor use of landfills, both of which are sources of GHG emissions. Landfills are among the nation's largest sources of methane, a GHG more potent than carbon dioxide.

Project Budget

Project Name: Montebello Wildfire Fuel Reduction and Public Education Project

Budget Category	Item Description	Cost Basis			Cost Share (%)			Funding Source (\$)			Total (\$)
		Quantity	Units	Cost/Unit	Grant	Grantee	Partner	Grant	Grantee	Partner(s)	
A. Salaries and Wages											
	F. Hussakhoon, Proj Manager	2,189	Hours	\$ 32	0%	100%	0%	\$ -	\$ 70,048	\$ -	\$ 70,048
	L. Chavez, Grants Coordinator	1,560	Hours	\$ 38	0%	100%	0%	\$ -	\$ 59,280	\$ -	\$ 59,280
	MFD Firefighters (Fuel Reduction)	1533	Hours	\$ 32	0%	100%	0%	\$ -	\$ 49,056	\$ -	\$ 49,056
	MFD Engineers	1204	Hours	\$ 36	0%	100%	0%	\$ -	\$ 43,344	\$ -	\$ 43,344
	MFD Captains	907	Hours	\$ 42	0%	100%	0%	\$ -	\$ 38,094	\$ -	\$ 38,094
	MFD Firefighters (Public Educ)	53	Hours	\$ 32	0%	100%	0%	\$ -	\$ 1,696	\$ -	\$ 1,696
	MFD Auxilliary	26	Hours	\$ 25	0%	100%	0%	\$ -	\$ 650	\$ -	\$ 650
	MFD Explorers	27	Hours	\$ 15	0%	100%	0%	\$ -	\$ 405	\$ -	\$ 405
	Sub-Total Salaries and Wages:							\$ -	\$ 262,573	\$ -	\$ 262,573
B. Employee Benefits											
	F. Hussakhoon, Proj Manager	0.53	Each	\$ 70,048	0%	100%	0%	\$ -	\$ 37,125	\$ -	\$ 37,125
	L. Chavez, Grants Coordinator	0.53	Each	\$ 59,280	0%	100%	0%	\$ -	\$ 31,418	\$ -	\$ 31,418
	MFD Firefighters (Fuel Reduction)	0.53	Each	\$ 49,056	0%	100%	0%	\$ -	\$ 26,000	\$ -	\$ 26,000
	MFD Engineers	0.53	Each	\$ 43,344	0%	100%	0%	\$ -	\$ 22,972	\$ -	\$ 22,972
	MFD Captains	0.53	Each	\$ 38,094	0%	100%	0%	\$ -	\$ 20,190	\$ -	\$ 20,190
	MFD Firefighters (Public Educ)	0.53	Each	\$ 1,696	0%	100%	0%	\$ -	\$ 899	\$ -	\$ 899
	MFD Auxilliary	0.53	Each	\$ 650	0%	100%	0%	\$ -	\$ 345	\$ -	\$ 345
	MFD Explorers	0.53	Each	\$ 405	0%	100%	0%	\$ -	\$ 215	\$ -	\$ 215
	Sub-Total Employee Benefits:							\$ -	\$ 139,164	\$ -	\$ 139,164
C. Contractual											
	Certified Ecologist/CEQA	1	Contract	\$ 19,000	100%	0%	0%	\$ 19,000	\$ -	\$ -	\$ 19,000
	Expert Trainer	1	Contract	\$ 11,250	100%	0%	0%	\$ 11,250	\$ -	\$ -	\$ 11,250
	Biomass Removal Vendor	1	Contract	\$ 30,150	100%	0%	0%	\$ 30,150	\$ -	\$ -	\$ 30,150
		0	Contract	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Contract	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
	Sub-Total Contractual:							\$ 60,400	\$ -	\$ -	\$ 60,400
D. Travel & Per Diem:											
	Not Applicable	0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Days	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
	Sub-Total Travel & Per Diem:							\$ -	\$ -	\$ -	\$ -
E. Supplies											
	Chainsaws and Handtools	1	Each	\$ 9,332	100%	0%	0%	\$ 9,332	\$ -	\$ -	\$ 9,332
	Safety Gear: Brush Jackets/Pants	1	Each	\$ 24,000	100%	0%	0%	\$ 24,000	\$ -	\$ -	\$ 24,000
	Safety Glasses	1	Each	\$ 576	100%	0%	0%	\$ 576	\$ -	\$ -	\$ 576
	Chainsaw Chaps	1	Each	\$ 378	100%	0%	0%	\$ 378	\$ -	\$ -	\$ 378
	Public Education Materials	1	Each	\$ 2,633	100%	0%	0%	\$ 2,633	\$ -	\$ -	\$ 2,633
	Sub-Total Supplies:							\$ 36,919	\$ -	\$ -	\$ 36,919
F. Equipment											
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
	Sub-Total Equipment:							\$ -	\$ -	\$ -	\$ -
G. Other Costs											
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
		0	Each	\$ -	0%	0%	0%	\$ -	\$ -	\$ -	\$ -
	Sub-Total Other Costs							\$ -	\$ -	\$ -	\$ -
Total Direct Costs								\$ 97,319	\$ 401,737	\$ -	\$ 499,056
Indirect Costs (Exclude Equipment)								12%	\$ 11,678		\$ 11,678
Total Project Costs								\$ 108,997	\$ 401,737	\$ -	\$ 510,734
Less Program Income								\$ -			\$ -
Total Grant Proposed Costs								\$ 108,997	\$ 401,737	\$ -	\$ 510,734

MONTEBELLO WILDFIRE FUEL REDUCTION AND PUBLIC EDUCATION PROJECT
Project Tracking Number: 21-FP-LAC-0188



Project Location Map





MONTEBELLO WILDFIRE FUEL REDUCTION AND PUBLIC EDUCATION PROJECT
Project Tracking Number: 21-FP-LAC-0188

Site Map

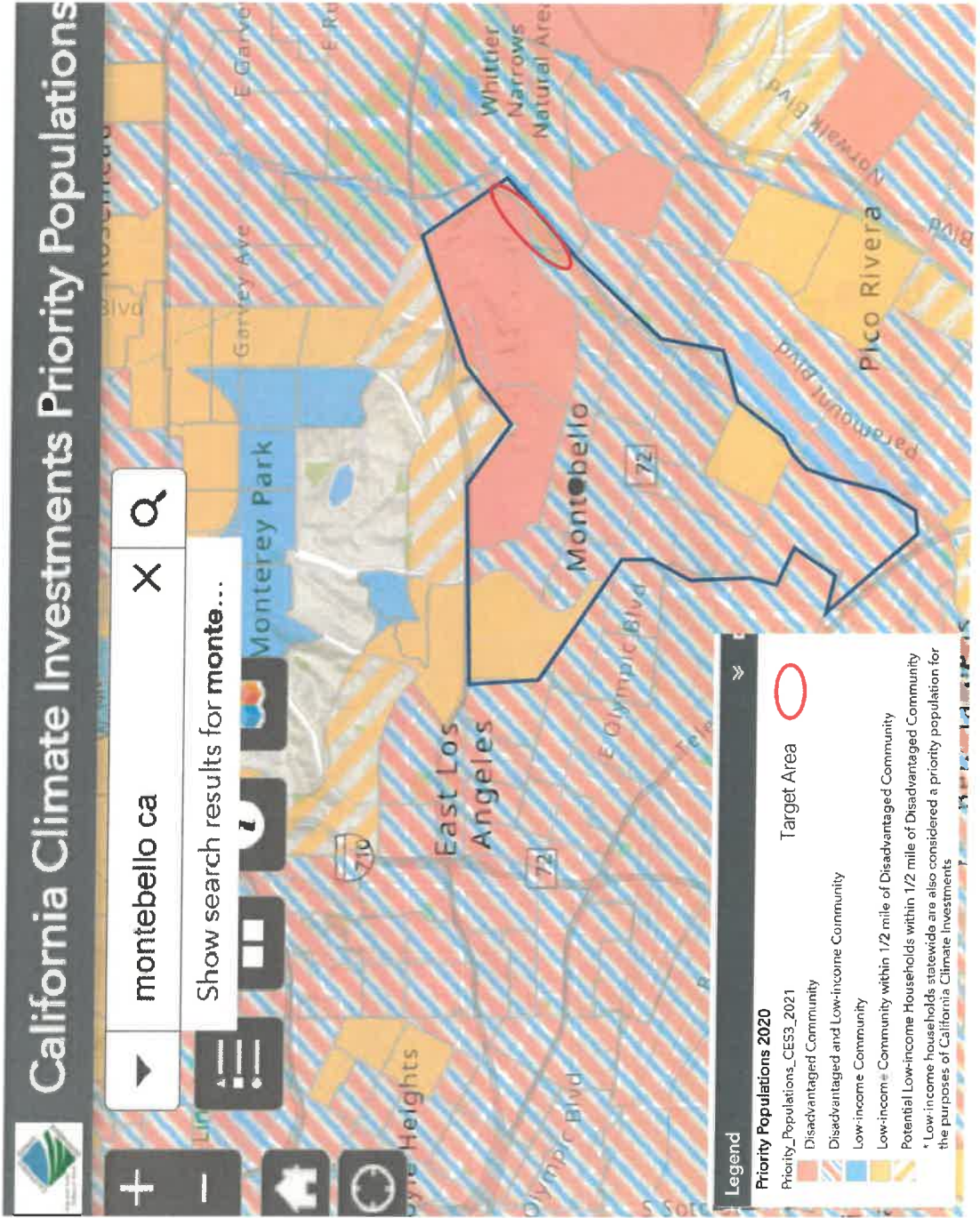




MONTEBELLO WILDFIRE FUEL REDUCTION AND PUBLIC EDUCATION PROJECT

Project Tracking Number: 21-FP-LAC-0188

Disadvantaged Communities Map





ITEM # _____

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Fire Chief Fernando Pelaez, Fire Department

SUBJECT: **Approve Receipt of an Award from the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program and Appropriate Funds in Fiscal Year 2022-23**

DATE: August 10, 2022

RECOMMENDATION (S):

It is recommended that the City Council:

- 1) Approve the appropriation of \$108,997 awarded to the Fire Department by the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program for Fiscal Year 2022-23; and
- 2) Amend the Fiscal Year 2022-23 budget by increasing appropriations by \$108,997 in Expense Account No. 265-85-856-6040.10 and Revenue Account No. 265-99-4198.10 (Grants, Fire, Cal Fire Wildfire Prevention, Other Contract Services and Grants, Cal Fire Wildfire Prevention; and
- 3) Take such additional, related, action that may be desirable.

FISCAL IMPACT

The California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention awarded the Montebello Fire Department \$108,997 for the Montebello Wildfire Fuel Reduction and Public Education Project.

BACKGROUND

The California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention (FP) Grants Program is funded by the State of California General Fund and with Cap-

Approval to Submit Application for the for the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program

Page 2 of 3

and-Trade auction proceeds appropriated by the California Legislature. Up to \$120 million is being allocated to CAL FIRE's Fire Prevention Grants Program in Fiscal Year 2021-22 from the CCI Greenhouse Gas Reduction Fund (GGRF) and State General Fund.

CAL FIRE's FP Grants Program provides funding for fire prevention projects and activities in and near fire threatened communities that focus on increasing the protection of people, structures, and communities. Funded activities include hazardous fuels reduction, wildfire prevention planning, and wildfire prevention education with an emphasis on improving public health and safety while reducing greenhouse gas emissions.

DISCUSSION

The objective of the CAL FIRE Grants Program is to fund fire prevention projects and activities in and near threatened communities that focus on increasing the protection and reducing the threat of wildfires to people, structures, and communities. This grant provides funding for three activities: 1) Hazardous Fuels Reduction, 2) Wildfire Prevention Plan, and 3) Wildfire Prevention Education.

The Montebello Fire Department will aid in the fuel reduction of the Montebello Dam Area by reducing the amount of hazardous and flammable trees. This will help prevent the potential for larger wildfires and will protect structures and property such as Montebello Metro Heights by reducing the fuel load in the area.

With the increase of wildfires, it is imperative that suppression personnel help to mitigate these hazards. This grant will allow certified instructors to train and certify Montebello Fire Department personnel on how to properly perform hazard reduction and remove large trees. They will also gain California State recognized certificates and will be able to take more classes to be better trained to protect the residents of Montebello. The awarded grant will help pay for proper tools and equipment for reducing fuel, certified instructors and state certificates. The grant will also pay for fuel removal and waste after trees have been felled.

SUMMARY

That the City Council approve the appropriation of \$108,997 awarded to the Fire Department by the California Department of Forestry and Fire Protection (CAL FIRE) Fire Prevention Grants Program and amend the FY 2022-23 budget by increasing appropriations by \$108,997 in Expense Account No. 265-85-856-6040.10 and Revenue Account No. 265-99-4198.10 (Grants, Fire, Cal Fire Wildfire Prevention, Other Contract Services and Grants, Cal Fire Wildfire Prevention).

ATTACHMENT (S):

- A. Attachment A – Grant Agreement

CITY COUNCIL AGENDA REPORT – MEETING OF TBD
**Approval to Submit Application for the for the California Department of Forestry
and Fire Protection (CAL FIRE) Fire Prevention Grants Program**
Page 3 of 3

B. Attachment B – January 26,2022 City Council Agenda

RESOLUTION NO. 22-85
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO
APPROVING AND ALLOWING CERTAIN CLAIMS AND DEMANDS

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO
HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

SECTION 1. That the reference is hereby made to that certain Register of Audited Demand No.1540, consisting of 8 pages, and including:

Warrant No.

General: Checks No. 597829 through 597958
ACH No. 2991 through 3054

Successor Agency: Check No. 1496 through 1496

On file in the office of the City Clerk, the same having been audited and approved by the Assistant Director of Finance 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 passage and adoption of this Resolution and that the same shall be in full force and effect.

APPROVED AND ADOPTED this 26^h day of October 2022.

Kimberly A. Cobos-Cawthorne, Mayor

ATTEST:

APPROVED AS TO FORM:

RESOLUTION NO. 22-85

Page 2 of 2

Christopher Jimenez, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF MONTEBELLO)

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No.22-85 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 26th day of October 2022 and that said Resolution was adopted by the following vote, to-wit:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

Christopher Jimenez, City Clerk

- Exhibit A – Warrant Register



City of Montebello
Register of Demands No. 1540
From Payment Date 09/30/22 - To Payment Date 10/13/22

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
General Account					
2991	10/06/2022	\$862.57	SUPPLIES	3163	BANK OF AMERICA
2992	10/06/2022	\$1,890.58	SUPPLIES	3163	BANK OF AMERICA
2993	10/06/2022	\$686.81	SUPPLIES	3163	BANK OF AMERICA
2994	10/06/2022	\$1,011.96	SUPPLIES	3163	BANK OF AMERICA
2995	10/06/2022	\$4,678.79	SUPPLIES	3163	BANK OF AMERICA
2996	10/06/2022	\$1,827.80	SUPPLIES	3163	BANK OF AMERICA
2997	10/06/2022	\$104.50	VEHICLE MAINTENANCE/EXPENSES	29680	INLAND KENWORTH INC
2998	10/06/2022	(\$104.50)	VEHICLE MAINTENANCE/EXPENSES	29680	INLAND KENWORTH INC
2999	10/06/2022	\$311,010.75	PENSION/RETIREMENT PAYABLE	17	CAL PERS
3000	10/06/2022	\$3,000.00	ADVERTISING/PRINTING SERVICES	1293	923 MEDIA GROUP INC
3001	10/06/2022	\$5,800.00	TRAINING	41790	ADLERHORST INTERNATIONAL LLC
3002	10/06/2022	\$1,225.98	CONTRACT SERVICES	423	AIR EXCHANGE INC
3003	10/06/2022	\$8,898.67	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC
3004	10/06/2022	\$2,534.02	VEHICLE MAINTENANCE/EXPENSES	47980	AMERICAN MOVING PARTS
3005	10/06/2022	\$35,404.31	CONTRACT SERVICES	3016	ANTARES GOLF LLC
3006	10/06/2022	\$400.00	CONTRACT SERVICES	2102	JOHN P BEROKOFF
3007	10/06/2022	\$3,413.01	SUPPLIES	3780	JACOB CASTILLO
3008	10/06/2022	\$1,666.87	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO INC
3009	10/06/2022	\$500.00	MACHINERY & EQUIPMENTS	72	COGRAN SYSTEMS LLC
3010	10/06/2022	\$6,333.10	LEASE PAYMENT	74920	EXECUTIVE CAR LEASING COMPANY
3011	10/06/2022	\$215.21	TRAVEL & MEETINGS	3384	ALICIA FERNANDEZ
3012	10/06/2022	\$34.00	CONTRACT SERVICES	23660	DAIOHS USA
3013	10/06/2022	\$62,077.06	CONTRACT SERVICES	371	FLO-SERVICES INC
3014	10/06/2022	\$2,516.79	VEHICLE MAINTENANCE/EXPENSES	270	HARBOR DIESEL AND EQUIPMENT INC
3015	10/06/2022	\$3,274.77	COPIER REPAIR/SERVICES	2793	IBE DIGITAL



City of Montebello
Register of Demands No. 1540
From Payment Date 09/30/22 - To Payment Date 10/13/22

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
3016	10/06/2022	\$15,682.14	CONTRACT SERVICES	2152	JOHNSON CONTROLS INC
3017	10/06/2022	\$3,661.34	SUPPLIES	26670	LIFE-ASSIST INC
3018	10/06/2022	\$564.85	CONTRACT SERVICES	3276	MARK ROBERT LOPEZ
3019	10/06/2022	\$22,240.00	CONTRACT SERVICES	19040	MUNICIPAL CONTRACT ADMINISTRATORS INC
3020	10/06/2022	\$1,274.18	BUILDING IMPROVEMENTS	3365	MOHAWK FACTORING LLC
3021	10/06/2022	\$216,766.20	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
3022	10/06/2022	\$1,300.00	CONTRACT SERVICES	13680	PEERY & ASSOCIATES INC
3023	10/06/2022	\$229.74	SUPPLIES	1120	BLUETRITON BRANDS INC
3024	10/06/2022	\$36,942.42	CONTRACT SERVICES	2787	S & S LABARGE GOLF INCORPORATED
3025	10/06/2022	\$176.12	SUPPLIES	2594	THE SAUCE CREATIVE SERVICES CORP
3026	10/06/2022	\$5,199.48	FUEL	1059	AMBER RESOURCES LLC
3027	10/06/2022	\$1,120.75	SUPPLIES	2686	THE SHERWIN-WILLIAMS CO
3028	10/06/2022	\$937.13	CONTRACT SERVICES	3176	PHILLIP SISNEROS
3029	10/06/2022	\$3,075.00	CONTRACT SERVICES	3075	AIMEE GALICIA TORRES
3030	10/06/2022	\$115.00	ADVERTISING/PRINTING SERVICES	6460	TRANSIT TALENT COM
3031	10/06/2022	\$63,346.13	CONTRACT SERVICES	3133	ULTIMATE MAINTENANCE SERVICE
3032	10/06/2022	\$255.93	CONTRACT SERVICES	57140	UNDERGROUND SERVICE ALERT OF SOUTHERN CA
3033	10/06/2022	\$7,000.00	CONTRACT SERVICES	3433	VECTIS DC LLC
3034	10/06/2022	\$4,349.50	SUPPLIES	3088	WAXIES ENTERPRISES LLC
3035	10/06/2022	\$235.00	CONTRACT SERVICES	2865	WEBSTERS BEE REMOVAL SERVICES
3036	10/06/2022	\$72.75	CONTRACT SERVICES	3140	WEX HEALTH INC
3037	10/13/2022	\$36,173.66	CONTRACT SERVICES	37720	ADVANCED APPLIED ENGINEERING INC
3038	10/13/2022	\$2,568.75	CONTRACT SERVICES	38010	ADVANCED AVANT-GARDE CORPORATION
3039	10/13/2022	\$39,100.00	CONTRACT SERVICES	3411	AIM CONSULTING SERVICES
3040	10/13/2022	\$58.42	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC
3041	10/13/2022	\$4,299.76	SUPPLIES	62880	AMERICAN MARKER
3042	10/13/2022	\$360,937.60	CONTRACT SERVICES	40970	ARAKELIAN ENTERPRISES



City of Montebello
Register of Demands No. 1540
From Payment Date 09/30/22 - To Payment Date 10/13/22

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
3043	10/13/2022	\$174.20	ADVERTISING/PRINTING SERVICES	35980	SAEED RADMEHR
3044	10/13/2022	\$100.00	VEHICLE MAINTENANCE/EXPENSES	1101	BLACK AND WHITE EMERGENCY VEHICLES LLC
3045	10/13/2022	\$855.00	CONTRACT SERVICES	3025	COMPLETE LANDSCAPE CARE INC
3046	10/13/2022	\$880.40	SUPPLIES	3091	DOUBLE DIAMOND INVESTMENT GROUP INC
3047	10/13/2022	\$2,450.00	CONTRACT SERVICES	71920	TOYETTA L BEUKES
3048	10/13/2022	\$16,142.52	CONTRACT SERVICES	2793	IBE DIGITAL
3049	10/13/2022	\$17,100.80	CONTRACT SERVICES	3490	INTER-CON SECUIRITY SYSTEMS INC
3050	10/13/2022	\$12,358.76	CONTRACT SERVICES	26880	SEBASTIAN WATERWORKS INC
3051	10/13/2022	\$27,338.00	CONTRACT SERVICES	3028	ONWARD ENGINEERING
3052	10/13/2022	\$20,000.00	CONTRACT SERVICES	61050	REDFLEX TRAFFIC SYSTEMS
3053	10/13/2022	\$4,466.22	SUPPLIES	395	MARIA TERESA VASQUEZ
3054	10/13/2022	\$72.75	CONTRACT SERVICES	3140	WEX HEALTH INC
	ACH TOTAL	\$1,388,883.55			
597829	10/06/2022	\$471.50	CONTRACT SERVICES	3084	ABM INDUSTRIES INC
597830	10/06/2022	\$153.20	CONTRACT SERVICES	3577	ACTION DOOR REPAIR CORPORATION
597831	10/06/2022	\$789.49	UTILITY SERVICES	2257	AIRESPRING INC
597832	10/06/2022	\$423.95	UTILITY SERVICES	39550	AT&T
597833	10/06/2022	\$1,250.00	VEHICLE MAINTENANCE/EXPENSES	278	ATLAS RADIATOR INC
597834	10/06/2022	\$39,469.50	CONTRACT SERVICES	2589	AXON ENTERPRISE INC
597835	10/06/2022	\$6,560.63	CONTRACT SERVICES	3724	BELFOR USA GROUP INC
597836	10/06/2022	\$52.50	CONTRACT SERVICES	2769	KATALINA BELTRAN
597837	10/06/2022	\$183.48	SUPPLIES	159	BOUND TREE MEDICAL LLC
597838	10/06/2022	\$50.00	TRAINING	21620	BURRO CANYON ENTERPRISES INC
597839	10/06/2022	\$257.51	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
597840	10/06/2022	\$765.70	CONTRACT SERVICES	40850	MARIA E CASAS



City of Montebello
Register of Demands No. 1540
From Payment Date 09/30/22 - To Payment Date 10/13/22

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597841	10/06/2022	\$691.52	CONTRACT SERVICES	36870	CINTAS CORPORATION NO 3
597842	10/06/2022	\$125.00	TRAINING	842	CSULB FOUNDATION
597843	10/06/2022	\$175.00	CONTRACT SERVICES	2759	D F POLYGRAPH
597844	10/06/2022	\$190.00	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
597845	10/06/2022	\$525.00	ADVERTISING/PRINTING SERVICES	1847	DODGE DATA AND ANALYTICS LLC
597846	10/06/2022	\$750.45	CONTRACT SERVICES	47770	DUTHIE ELECTRIC SERVICE CORPORATION
597847	10/06/2022	\$1,469.15	SUPPLIES	7610	EWING IRRIGATION PRODUCTS
597848	10/06/2022	\$38.29	MAIL/ POSTAL EXPENSE	22400	FEDERAL EXPRESS CORPORATION
597849	10/06/2022	\$2,928.85	UNIFORM EXPENSE	55650	GALLS LLC
597850	10/06/2022	\$439.65	MACHINERY & EQUIPMENTS	3350	GARVEY EQUIPMENT COMPANY
597851	10/06/2022	\$5,415.59	IMPROVEMENTS OTHER THAN BUILDING	57890	GENTRY BROTHERS INC
597852	10/06/2022	\$602.93	VEHICLE MAINTENANCE/EXPENSES	33720	GILLIG LLC
597853	10/06/2022	\$715.00	CONTRACT SERVICES	3846	GREGORY A MILES
597854	10/06/2022	\$270.50	TRAVEL & MEETINGS	3454	KIMBERLY GUILLEN
597855	10/06/2022	\$314.05	VEHICLE MAINTENANCE/EXPENSES	30190	IB AUTO PARTS INC
597856	10/06/2022	\$1,198.14	MACHINERY & EQUIPMENTS	3436	HPC COMPUTERS USA INC
597857	10/06/2022	\$15,741.25	CONTRACT SERVICES	3302	JACOB GREEN & ASSOCIATES INC
597858	10/06/2022	\$7,930.00	CONTRACT SERVICES	2942	JAIROS PLUMBING INC
597859	10/06/2022	\$595.00	CONTRACT SERVICES	3295	JORGE CORREA
597860	10/06/2022	\$616.00	CONTRACT SERVICES	1244	LOS ANGELES COUNTY AGRICULTURAL
597861	10/06/2022	\$24,616.83	UTILITY SERVICES	4760	MONTEBELLO LAND & WATER CO
597862	10/06/2022	\$910.00	DUES & SUBSCRIPTIONS	2355	MONTEBELLO ROTARY CLUB
597863	10/06/2022	\$2,110.70	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES INC
597864	10/06/2022	\$294.43	SUPPLIES	66340	BENNELLI LLC
597865	10/06/2022	\$39,945.00	CONTRACT SERVICES	3845	NANCY P. DOUMANIAN, INC.
597866	10/06/2022	\$6,129.48	CONTRACT SERVICES	3225	NELSON NYGAARD CONSULTING ASSOC INC
597867	10/06/2022	\$883.50	CONTRACT SERVICES	41180	MANUEL NUNEZ



City of Montebello
Register of Demands No. 1540
From Payment Date 09/30/22 - To Payment Date 10/13/22

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597868	10/06/2022	\$9,150.74	SUPPLIES	3305	OCML INC
597869	10/06/2022	\$9,445.46	CONTRACT SERVICES	3526	PATH
597870	10/06/2022	\$48.56	UTILITY SERVICES	100	PICO WATER DISTRICT
597871	10/06/2022	\$10,275.00	CONTRACT SERVICES	1720	PLANETBIDS INC
597872	10/06/2022	\$800.00	TRAINING	979	PRADO FAMILY SHOOTING RANGE
597873	10/06/2022	\$9,272.18	CONTRACT SERVICES	3279	PROCURE AMERICA INC
597874	10/06/2022	\$121.26	SUPPLIES	56260	PRUDENTIAL OVERALL SUPPLY
597875	10/06/2022	\$150.00	TRAVEL & MEETINGS	3849	GARY T ROBINSON
597876	10/06/2022	\$400.00	CONTRACT SERVICES	3632	JAMIE J SAENZ
597877	10/06/2022	\$76,379.60	UTILITY SERVICES	14730	SAN GABRIEL VALLEY WATER CO
597878	10/06/2022	\$126,280.22	CONTRACT SERVICES	14730	SAN GABRIEL VALLEY WATER COMPANY
597879	10/06/2022	\$45.42	VEHICLE MAINTENANCE/EXPENSES	716	SOUTH BAY FORD INC
597880	10/06/2022	\$185,065.94	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
597881	10/06/2022	\$1,947.50	CONTRACT SERVICES	13330	STATE WATER RESOURCES CONTROL BOARD ACCOUNTING OFFICE
597882	10/06/2022	\$177.08	CONTRACT SERVICES	3397	STERICYCLE INC
597883	10/06/2022	\$158.59	CONTRACT SERVICES	1963	SUEZ WTS SERVICES USA INC
597884	10/06/2022	\$6,778.90	UTILITY SERVICES	526	T-MOBILE USA INC
597885	10/06/2022	\$7,216.00	CONTRACT SERVICES	74560	TARGETSOLUTIONS LLC
597886	10/06/2022	\$3,773.84	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY LLC
597887	10/06/2022	\$126.50	SUPPLIES	3110	TOMAS ALVARADO
597888	10/06/2022	\$114.00	SUPPLIES	45120	ULINE INC
597889	10/06/2022	\$653.44	SUPPLIES	131	UNITED SITE SERVICES INC
597890	10/06/2022	\$7,872.07	COPIER REPAIR/SERVICES	2747	US BANK EQUIPMENT FINANCE
597891	10/06/2022	\$3,886.00	CONTRACT SERVICES	37	US SECURITY ASSOCIATES INC
597892	10/06/2022	\$627.36	UTILITY SERVICES	23610	VERIZON WIRELESS
597893	10/06/2022	\$4,366.92	VEHICLE MAINTENANCE/EXPENSES	25860	WAYNE HARMEIER INC
597894	10/06/2022	\$49,193.00	CONTRACT SERVICES	40860	WEST COAST ARBORISTS INC



City of Montebello
Register of Demands No. 1540
From Payment Date 09/30/22 - To Payment Date 10/13/22

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597895	10/06/2022	\$1,141.00	CONTRACT SERVICES	71170	YOUNG ELECTRIC SIGN COMPANY
597896	10/06/2022	\$7,469.01	CONTRACT SERVICES	3731	YUNEX LLC
597897	10/06/2022	\$471.24	TRAINING	49660	RUBEN ZABALA
597898	10/06/2022	\$4,514.56	MACHINERY & EQUIPMENTS	3738	CALIFORNIA SURVEYING AND DRAFTING SUPPLY INC
597899	10/06/2022	\$4,000.00	PROMOTIONS	1415	SAN GABRIEL VALLEY COMMERCE & CITIES CONSORTIUM
597900	10/06/2022	\$11,013.23	CONTRACT SERVICES	673	SILVER & WRIGHT LLP
597901	10/13/2022	\$59.03	UTILITY SERVICES	1732	AT&T CORP
597902	10/13/2022	\$2,493.57	UTILITY SERVICES	39550	AT&T
597903	10/13/2022	\$4.76	UTILITY SERVICES	39550	AT&T
597904	10/13/2022	\$43.52	UTILITY SERVICES	73760	AT&T TELECONFERENCE SERVICES
597905	10/13/2022	\$2,409.55	CONTRACT SERVICES	27170	BEVERLY HOSPITAL
597906	10/13/2022	\$250.00	TRAINING	3728	BLUE TO GOLD LLC
597907	10/13/2022	\$1,287.27	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
597908	10/13/2022	\$806.80	CONTRACT SERVICES	3847	CCF FLOORING CONTRACTORS, INC
597909	10/13/2022	\$225.00	CONTRACT SERVICES	3862	JACQUELINE ALEJANDRA MURILLO CERVANTES
597910	10/13/2022	\$998.43	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
597911	10/13/2022	\$5,464.51	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
597912	10/13/2022	\$734.93	VEHICLE MAINTENANCE/EXPENSES	45170	MONTEBELLO AUTO GROUP LLC
597913	10/13/2022	\$703.30	CONTRACT SERVICES	36870	CINTAS CORPORATION NO 3
597914	10/13/2022	\$467,571.95	CONTRACT SERVICES	2530	CJ CONCRETE CONSTRUCTION INC
597915	10/13/2022	\$1,495.84	SUPPLIES	2455	HASA, INC.
597916	10/13/2022	\$7,998.00	CONTRACT SERVICES	3784	CPACINC.COM
597917	10/13/2022	\$1,085.16	TRAINING	54160	MONIQUE DELLIBOVI
597918	10/13/2022	\$500.00	CONTRACT SERVICES	3856	MARTIN EDWARD ESPINO
597919	10/13/2022	\$2,893.03	CONTRACT SERVICES	1117	FILE KEEPERS LLC
597920	10/13/2022	\$1,949.38	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
597921	10/13/2022	\$888.60	SUPPLIES	55650	GALLS LLC



City of Montebello
Register of Demands No. 1540
From Payment Date 09/30/22 - To Payment Date 10/13/22

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597922	10/13/2022	\$1,457.15	TRAINING	72010	SCOTT D HOWARD
597923	10/13/2022	\$250.00	GENERAL GOVERNMENT	3508	DAYANA ILLESCAS
597924	10/13/2022	\$13,400.00	CONTRACT SERVICES	3321	JOSE LUIS ZAVALA
597925	10/13/2022	\$250.00	GENERAL GOVERNMENT	3860	MELISSA LOPEZ
597926	10/13/2022	\$305.00	GENERAL GOVERNMENT	3852	MIRIAM MATA
597927	10/13/2022	\$95.00	GENERAL GOVERNMENT	3853	DAVID VALENZUELA MENA
597928	10/13/2022	\$11,000.00	CONTRACT SERVICES	1665	MONTEBELLO SPEAKER REPAIR CENTER INC
597929	10/13/2022	\$1,856.61	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES INC
597930	10/13/2022	\$300.00	TRAINING	3859	GREGORY MORALES
597931	10/13/2022	\$2,797.14	SUPPLIES	2480	SOCAL AUTO & TRUCK PARTS INC
597932	10/13/2022	\$1,500.00	CONTRACT SERVICES	1496	NON STOP FUN
597933	10/13/2022	\$5,440.00	CONTRACT SERVICES	3782	PC SPECIALISTS INC., DBA TECH. INTEGRATION GROUP
597934	10/13/2022	\$200.00	CONTRACT SERVICES	3861	DAVID PERALTA
597935	10/13/2022	\$1,598.00	CONTRACT SERVICES	3055	CHARLES R ONEAL
597936	10/13/2022	\$8,618.36	UNIFORM EXPENSE	161	PREMIERE CUSTOM SILKSCREENING
597937	10/13/2022	\$172.52	SUPPLIES	56260	PRUDENTIAL OVERALL SUPPLY
597938	10/13/2022	\$700.00	CONTRACT SERVICES	3687	JESSE PUEBLA
597939	10/13/2022	\$1,664.00	TRAINING	51460	RIO HONDO COMMUNITY COLLEGE
597940	10/13/2022	\$1,500.00	CONTRACT SERVICES	3851	ROBERT JOHN BIELMA
597941	10/13/2022	\$400.00	CONTRACT SERVICES	61140	MICHAEL SAVEDRA
597942	10/13/2022	\$400.00	CONTRACT SERVICES	61140	MICHAEL SAVEDRA
597943	10/13/2022	\$9,464.99	UTILITY SERVICES	51430	SOUTH MONTEBELLO IRRIGATION DISTRICT
597944	10/13/2022	\$5,279.16	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
597945	10/13/2022	\$59,581.51	FUEL INVENTORY	40520	SOUTHERN CALIFORNIA GAS CO
597946	10/13/2022	\$855.08	CONTRACT SERVICES	3397	STERICYCLE INC
597947	10/13/2022	\$500.09	CONTRACT SERVICES	1963	SUEZ WTS SERVICES USA INC
597948	10/13/2022	\$2,484.67	UTILITY SERVICES	72570	US TELEPACIFIC CORP



City of Montebello
Register of Demands No. 1540
From Payment Date 09/30/22 - To Payment Date 10/13/22

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
597949	10/13/2022	\$27,009.66	CONTRACT SERVICES	3187	TRISTAR RISK MANAGEMENT
597950	10/13/2022	\$9,178.28	CONTRACT SERVICES	3406	UNIVERSAL PROTECTION SERVICE LP
597951	10/13/2022	\$80.00	GENERAL GOVERNMENT	3854	PATRICIA VALENZUELA
597952	10/13/2022	\$141,014.62	CONTRACT SERVICES	3850	VARIABLE SPEED SOLUTIONS, INC.
597953	10/13/2022	\$700.00	CONTRACT SERVICES	3839	JOSE VASQUEZ
597954	10/13/2022	\$7,758.81	UTILITY SERVICES	23610	VERIZON WIRELESS
597955	10/13/2022	\$550.00	GENERAL GOVERNMENT	3832	DANIEL VILLANUEVA LUNA
597956	10/13/2022	\$400.00	CONTRACT SERVICES	3855	VINCENT D CHAN
597957	10/13/2022	\$67.95	CONTRACT SERVICES	3572	JIM WARINO
597958	10/13/2022	\$14,672.21	CONTRACT SERVICES	3731	YUNEX LLC
	CHECK TOTAL	\$1,542,346.83			
Successor Agency (SA)					
1496	10/13/2022	\$2,432.00	CONTRACT SERVICES	17870	THE BANK OF NEW YORK MELLON
	SA TOTAL	\$2,432.00			
GRAND TOTAL		\$2,933,662.38			