

**CITY OF BELMONT
CITY COUNCIL AND BELMONT FIRE
PROTECTION DISTRICT BOARD OF
DIRECTORS**



www.belmont.gov

CITY COUNCIL REGULAR MEETING AGENDA

Tuesday, February 28, 2023

7:00 PM

City Council Chambers

City Hall, One Twin Pines Lane, Belmont, California

TELECONFERENCE PARTICIPANTS

Some Members may Participate Virtually

Being held under Gov. Code 54953(e)

The meeting will be broadcast live to Belmont residents on Comcast Cable Channel 27, streamed live via the City's website at www.Belmont.gov. The public may also attend the meeting in the Chambers and address the Council from the Chambers. Social distancing must be practiced, and seating will be limited.

PUBLIC COMMENT:

To maximize time for live public comment, we encourage members of the public to provide comments by joining the Committee meeting via Zoom : For web, visit <https://belmont-gov.zoom.us/> select "Join" and enter Meeting ID: 95745673035. Use the Raise Hand feature to request to speak. You may rename your profile if you wish to remain anonymous.

For dial- in comments, call *67 1-(669) 900-6833 (your phone number will appear on the live broadcast if *67 is not dialed prior to the phone number), enter Meeting ID: 95745673035, and press *9 to request to speak. All public comments are subject to a 3-minute time limit unless otherwise determined by the Committee Chair.

If you wish to submit written public comment, you may send an email to cclerk@belmont.gov before the council considers the item. Please indicate the agenda item topic or agenda item number you wish to comment on in your email's subject line. Any public comment regarding agenda items that are received from the publication of the agenda through the meeting date will be made part of the meeting record but will not be read during the Council meeting.

- 1. ROLL CALL**
- 2. PLEDGE OF ALLEGIANCE**
- 3. REPORT FROM CLOSED SESSION**
- 4. SPECIAL PRESENTATIONS**

A. 2023 Dr. Martin Luther King, Jr. Poetry & Essay Contest Winners Recite Winning Pieces

5. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

This portion of the meeting is reserved for persons wishing to address the Body on any City matter not on the agenda. The period for public comment at this point in the agenda is limited to 15 minutes, with a maximum of 3 minutes per speaker. Speakers who requested but did not receive an opportunity to speak during this comment period will be given an opportunity to address the Body later in the meeting. State law prohibits the Body from acting on non-agenda items.

6. COUNCILMEMBER ANNOUNCEMENTS

7. CONSENT BUSINESS

Consent business items are considered to be routine in nature and will be enacted by one motion. There will be no separate discussion on these items unless a member or staff request specific items to be removed for separate action. The City Attorney will read the title of ordinances to be adopted.

A. Approval of Minutes

Recommendation: Approve Minutes as presented

Attachment(s):

[Minutes of February 13, 2023 Special Meeting Commission Interviews](#)

[Minutes of February 14, 2023 Regular Meeting](#)

[BFPD Meeting Minutes of February 14, 2023](#)

[Minutes of February 24, 2023 Special Meeting Commission Interviews](#)

B. Monthly Financial Reports - January

Recommendation: Motion to Receive Monthly Financial Reports

Attachment(s):

[Monthly Financial Report - January](#)

C. Service Agreement Amendment with Regional Government Services Authority

Recommendation: Adopt a resolution authorizing the City Manager to negotiate and execute Amendment No. 1 to the Service Agreement with Regional Government Services Authority (RGS) for payroll services in the amount of \$90,000, for a total not-to-exceed amount of \$140,000

Attachment(s):

[Staff Report](#)

[Resolution](#)

D. Belmont's Children's Outdoor Bill of Rights

Recommendation: Adopt a motion approving the Children's Outdoor Bill of Rights for the City of Belmont

Attachment(s):

[Staff Report](#)

[Resolution](#)

[Children's Outdoor Bill of Rights](#)

E. Twin Pines Park Storm Water Capture Project Contract Amendment

Recommendation: Adopt a resolution authorizing the City Manager to execute an amendment

to the contract with Craftwater Engineering, Inc. for additional services to include archaeological testing based on the approved Archaeological Testing Plan and prepare an Archaeological Testing Results Report for an additional amount of \$85,070, for a not-to-exceed amount of \$998,404.00

Attachment(s):

[Staff Report](#)

[Resolution](#)

[Attachment B - Scope of Work for Tribal...and Archaeological Testing Program](#)

F. Side Letter Agreement #2 between the City of Belmont and the Belmont Police Officers' Association

Recommendation: Adopt a resolution approving side letter agreement #2 between the City of Belmont and the Belmont Police Officers' Association

Attachment(s):

[Staff Report](#)

[Resolution](#)

[BPOA Side Letter Agreement_ February 2023](#)

G. State Legislative Advocacy for the City of Belmont 2023 Update

Recommendation: Motion to reaffirm Belmont's State and Federal Legislative Platform as presented

Attachment(s):

[Staff Report](#)

[2023 Belmont Legislative Platform Draft](#)

8. PUBLIC HEARINGS (none)

9. GENERAL BUSINESS

General Business items are considered separately, typically in the order listed. The chair will call for public comment on each item when the body considers the item.

A. Disposition Development and Loan Agreement with Linc-Hill Street, L.P., for an Affordable Housing Project at 876, 884, 898, and 900 El Camino Real at Hill Street

Recommendation: Adopt a Resolution 1) authorizing the City Manager to complete negotiations and enter into a Disposition Development and Loan Agreement (DDLA) between the City of Belmont and Linc-Hill Street, L.P. for development of a 37-unit affordable housing project, and 2) authorizing the City Manager to prepare and execute all necessary implementing agreements and documents consistent with the material terms presented to Council, and 3) find the project exempt from CEQA under Government Code Section 65913.4(j)

Attachment(s):

[Staff Report](#)

[Resolution](#)

[Project Plans](#)

[Draft DDLA](#)

B. Council Intergovernmental Assignments for Calendar Year 2023-Update

Recommendation: Motion to approve changes to City Council Intergovernmental Assignments for calendar year 2023

Attachment(s):

[Staff Report](#)
[2023 ASNMT](#)

C. Appointment to City Commissions and Committee

Recommendation: (1) Appoint at least two residents to the Planning Commission;
(2) Appoint at least two residents as voting members and up to two non-voting youth members to the Parks and Recreation Commission;
(3) Consider appointing one resident to the Measure I Committee

Attachment(s):

[Staff Report](#)
[Resolution](#)

D. Report on Mid-Year Financial Results as of December 31, 2022

Recommendation: Adopt resolutions amending the City of Belmont and Belmont Fire Protection District (BFPD) Fiscal Year (FY) 2023 Budgets

Attachment(s):

[Staff Report](#)
[COB Resolution](#)
[BFPD Resolution](#)
[Financial Reports](#)
[Presentation](#)

10. BRIEF VERBAL REPORTS FROM MEMBERS AND STAFF

- A. Verbal report from Councilmembers on Intergovernmental (IGR) and Subcommittee Assignments
- B. Verbal report from City Manager

11. MATTERS OF INTEREST/CLARIFICATION

Items in this category are for discussion and direction to staff only. However, Council/Board may take final action on an item if there is no need for additional staff analysis.

12. ADJOURNMENT

If you need assistance to participate in this meeting, please contact the City Clerk at (650) 595-7413. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Meeting information can also be accessed via the internet at: www.belmont.gov. All staff reports will be posted to the web in advance of the meeting, and any writings or documents provided to a majority of the City Council/District Board or Commission regarding any item on this agenda will be made available for public inspection in the City Clerk's Office, One Twin Pines Lane, during normal business hours and at the Council Chambers at City Hall, Second Floor, during the meeting.

**MEETING MINUTES OF CITY OF BELMONT CITY COUNCIL AND BELMONT
FIRE PROTECTION DISTRICT BOARD OF DIRECTORS**

EOC 2nd Floor City Hall, One Twin Pines Lane, Belmont, California

MONDAY, FEBRUARY 13, 2023

ITEMS OF BUSINESS

CALL TO ORDER: 5:30 PM

ATTENDED BY COUNCILMEMBERS: Latimerlo, Pang-Maganaris, Hurt, Mates

ABSENT: McCune

GENERAL BUSINESS

Councilmembers discussed the interview process and conducted interviews of the following:

Planning Commission candidates:

Walter Chen

Mark Gurevich

Peter Meier

Parks and Recreation Candidate

Nicki Fox

Linda Howard

Craig Michaels

Trena Patton

Kristin Pene

Youth (Non-Voting) Commissioners:

Alexander Adamek

Edward Kogan

Aiden Lee

Rowen Sheng

ADJOURNMENT at this time being 8:00 PM

**Jozi Plut
City Clerk**

**MEETING MINUTES OF CITY OF BELMONT CITY COUNCIL AND BELMONT
FIRE PROTECTION DISTRICT BOARD OF DIRECTORS
CITY COUNCIL REGULAR MEETING AGENDA**

City Council Chambers
City Hall, One Twin Pines Lane, Belmont, California

TUESDAY, FEBRUARY 14, 2023

CALL TO ORDER: 7:00 PM

ROLL CALL

COUNCILMEMBERS PRESENT: Latimerlo, Pang-Maganaris, McCune, Mates
COUNCILMEMBERS ABSENT: Hurt

PLEDGE OF ALLEGIANCE

Led by Matt Turturici, Deputy Chief San Mateo Consolidated Fire Department.

REPORT FROM CLOSED SESSION

City Attorney Rennie stated that no closed session was held.

SPECIAL PRESENTATIONS

Black History Month Proclamation

Mayor Mates read the proclamation and presented it to ShaRon Heath and the members of *Voice of Recovery*. Ms. Heath thanked the Council for recognizing Black History Month.

Proclamation Honoring George Metropulos

Mayor Mates read the proclamation.

Belmont Children's Outdoor Bill of Rights

Danielle Giuliani Parks and Recreation Youth and Teen Recreation Coordinator, provided an overview of the program, defining its purpose and intent. She outlined next steps, stating that the Bill of Rights will be piloted in the Belmont Youth Summer Program CAMP SOAR 2023. He noted that the program is fluid and subject to amendments as it is implemented.

Councilmembers provided positive feedback and made suggestions to reach out to local schools for advocacy.

Public Comments provided by Givliano Carlini and Thalia.

Mayor Mates concluded the presentation.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Comments provided by Givliano Carlini commented on the modes of transportation on Alameda de las Pulgas.

COUNCILMEMBER ANNOUNCEMENTS

Councilmember McCune commented on recent meetings he was absent from due to work related commitments; he noted regret not having the opportunity to vote on the Housing Element. He commented a Comcast outage which caused disruption with communications channels earlier in the day.

Councilmember Latimerlo, commented that the Domini Hoskins Black History Museum remains open until end of February.

Mayor Mates announced the open recruitment for the Measure I Committee, she thanked the community for participation in at community events including the Lunar New Year celebration, Sweetheart dance, and students who submitted their writings for the Martin Luther King Jr. Essay and Poetry Contest, and reminded the community visit the City's website for upcoming events.

CONSENT BUSINESS

Resolution 2023-011 Finding That The COVID-19 Statewide Emergency Remains In Effect To The End Of The Month And That State And Local Officials Continue To Recommend Measures To Promote Social Distancing And Directing The Council's Citizen Advisory Bodies To Make Consistent Findings

Approved Minutes of City Council Special and Regular Meeting December 13, 2022, City Council Special and Regular Meeting January 24, 2023, City Council Special and Regular Meeting January 30, 2023, City Council Special Meeting – Commission Interviews 1st Round January 31, 2023, BFPD Meeting Minutes December 13, 2022, BFPD Meeting Minutes January 10, 2023, BFPD Meeting Minutes January 24, 2023

Approved Monthly Financial Reports - December

Approved FY 2024 Budget Calendar

Approved Annual Investment Policy

Resolution 2023-012 Approving Plans And Specifications, Authorizing Advertisement For Sealed Bids, Authorizing The City Manager To Execute A Contract With The Lowest Responsible Bidder For An Amount Not To Exceed \$410,000 Plus A Ten Percent Construction Contingency For The Davey Glen Americans With Disabilities Act Upgrades Project, City Contract Number 2023-621, And (2) Authorizing The City Manager To Execute A Task Order With Pavement Engineering, Inc. To Provide Construction Support Services For The Davey Glen Americans With Disabilities Act Upgrades Project For An Amount Not To Exceed \$123,495

Resolution 2023-013 Authorizing The City Manager To Execute A Task Order With Parisi Transportation Consulting To Provide Design, And Construction Support Services For The Belmont Village Bike And Pedestrian Project For An Amount Not To Exceed \$115,320

Resolution 2023-014 Approving Plans And Specifications, Authorizing Advertisement For Sealed Bids, Authorizing The City Manager To Execute A Contract With The Lowest Responsible Bidder For An Amount Not To Exceed \$85,000 Plus A Fifteen Percent Construction Contingency For The Demolition Of City Owned Properties Located At El Camino Real At Hill Street, APN's 045-163-070, 045-162-070, 045-162-080, 045-162-090, CCCN 2022-017

Resolution 2023-015 approving side letter agreement #2 between the City of Belmont and AFSCME Local 829, amending and replacing provisions of the Memorandum of Understanding between the City and AFSCME related to wages, certification pay and health care benefits

Resolution 2023-016 (1) approving plans and specifications, authorizing advertisement for sealed bids, and authorizing the City Manager to execute a contract with the lowest responsible bidder for an amount not to exceed \$960,300 with a 10% construction contingency, (2) approving a task order for construction management services with Pavement Engineering, Inc. (PEI) for an amount not to exceed \$199,170, and (3) approving appropriation of \$886,190 from Sewer Collections Fund balance to Project 7074: Residential Gravity Replacement (Account 503-3-730-7074-9030) to cover the cost of construction and CM/Inspection services for the 2023 Sanitary Sewer Rehabilitation Project, City Contract Number 2023-620

Public Comments provided by, Givliano Carlini and Thalia

In response to Councilmember Latimerlo, Public Works Director Brown explained the function of a Hawk Signal.

ACTION: On a motion made by Councilmember McCune and Seconded by Councilmember Pang-Maganaris the Consent Business was approved by a roll call vote. (4-1, Hurt absent)

PUBLIC HEARINGS

Adopt resolution making certain findings under Public Health and Safety Code Section 33433 for disposition of public property

Economic Development and Housing Manager Rose provided a brief background on the four parcels located on El Camino Real, on either side of Hill Street, noting that the City acquired the properties in 2009 and 2010 using monies earmarked for affordable housing. She explained that the City is disposing the assets to comply with housing law to build more affordable housing units.

Mayor Mates opened the public hearing no members of the public came forward.
Mayor Mates closed the public hearing.

ACTION: On a motion made by Council McCune and seconded by Councilmember Latimerlo
Resolution 2023-017 Making Certain Findings Under Public Health and Safety Code Section 33433 for Disposition of Public Property Located on El Camino Real at Hill Street (APN's 045-163-070, 045-162-070, 045-162-080, 045-162-090) was approved by roll call vote. (4-1, Hurt absent)

GENERAL BUSINESS

Annual Transportation and Mobility Update for 2022

Public Works Director brown provide and update from the Parking and Traffic Safety Committee. He explained the function of the committee and accomplishments in 2022.

Mayor Mates closed the item.

BRIEF VERBAL REPORTS FROM MEMBERS AND STAFF

Verbal report from Councilmembers on Intergovernmental (IGR) and Subcommittee Assignments

None

Verbal report from City Manager

City Manager Oskoui stated that the opportunity to file FEMA and local claims for property damage from the earlier winter storms is concluding. He reminded residents that some local open space trails remain closed for evaluation and repair. He announced that more spots are available for the second annual police academy and that the SMC Fire is offering a community response training (CERT).

MATTERS OF INTEREST/CLARIFICATION

None

ADJOURNMENT at this time being 8:00 PM

MEETING MINUTES OF REGULAR MEETINGS OF DIRECTORS OF BELMONT FIRE PROTECTION DISTRICT

Council Chamber, One Twin Pines Lane, Belmont, California

TUESDAY, FEBRUARY 14, 2023

CALL TO ORDER 7:00 PM

ROLL CALL

COUNCILMEMEBERS PRESENT: Latimerlo, Pang-Maganaris, McCune, Mates

COUNCILMEMBERS ABSENT: Hurt

ITEM APPROVED ON CONSENT BUSINESS

No Fire Protection District items on the agenda.

ADJOURNMENT at this time being 8:00 P.M.

**Jozi Plut
District Secretary**

**MEETING MINUTES OF CITY OF BELMONT CITY COUNCIL AND BELMONT
FIRE PROTECTION DISTRICT BOARD OF DIRECTOR**

Virtual only Via ZOOM

FRIDAY, FEBRUARY 24, 2023

ITEMS OF BUSINESS

CALL TO ORDER: 12:00 PM

ATTENDED BY COUNCILMEMBERS: Pang-Maganaris, McCune, Mates

COUNCILMEMBERS ABSENT: HURT, LATIMERLO

GENERAL BUSINESS

No public Comment

Commission Interviews

Interview

Councilmembers conducted interviews of the following candidates for Parks and Recreation Commission and one vacant Measure I Committee position:

Parks and Recreation Commission candidate

Pat CuvIELLO

Measure I Committee

John Violet

ADJOURNMENT at this time being 12:25 PM

**Jozi Plut
City Clerk**



HIGHLIGHTS

PERFORMANCE AT A GLANCE REPORT

- General Fund balance increased compared to prior YTD
- Some funds experiencing cyclical deficits

FUND RECAP AT A GLANCE REPORT

Notable Fund Balance Increase compared to prior YTD:

- General Fund
- Belmont Fire Protection District
- Affordable Housing Successor
 - Planned Park
- Sewer Collection System
 - Sewer Treatment
 - Measure W
- Liability Insurance

Notable Fund Balance Decrease compared to prior YTD:

- Street Improvements

BUDGET VARIANCE REPORT

- Management Discussion & Analysis
- Tax Trends

CASH DISBURSEMENTS & PURCHASE ORDER ACTIVITY REPORT

This report contains financial information which has not been reviewed or audited by an independent auditor, does not reflect the application of generally accepted accounting principles in all instances and is subject to future revision. This report has not been prepared with a view to informing an investment decision in any of the City's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in this report are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the City's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the City on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and website, maintained on the World Wide Web at <https://emma.msrb.org/>

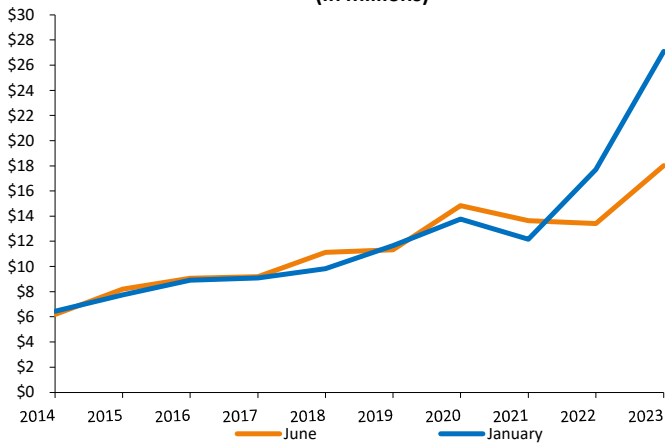
These financial reports are designed to provide a general overview of the City of Belmont's interim finances. Questions concerning any information provided in these reports should be addressed to financedept@belmont.gov or for additional information regarding the City's financial activities, including past award winning audited financial statements, transparency efforts and best practices please visit the City at www.belmont.gov.



City of Belmont
Performance at a Glance
Results for the Period Ended January 31, 2023
 (000's)



General Fund Balance Trend
 (in millions)



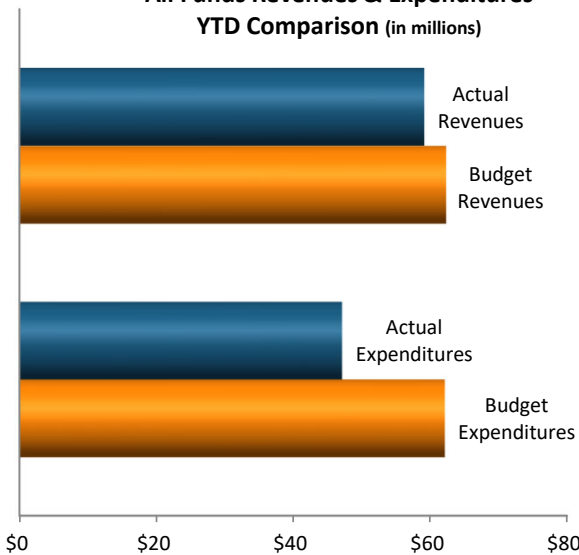
General Fund Balance Trends*

6/30/2013	\$6,200	Audited
6/30/2014	\$8,204	Audited
6/30/2015	\$9,049	Audited
6/30/2016	\$9,177	Audited
6/30/2017	\$11,128	Audited
6/30/2018	\$11,325	Audited
6/30/2019	\$14,846	Audited
6/30/2020	\$13,637	Audited
6/30/2021	\$13,398	Audited
6/30/2022	\$18,013	Audited

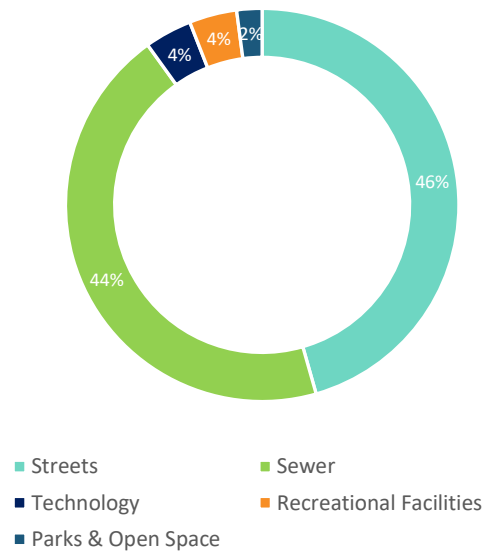
1/31/2023 **\$27,093** **Unaudited**

* excludes Measure I

All Funds Revenues & Expenditures
YTD Comparison (in millions)



Capital Improvement Plan



General Fund

The General Fund balance is \$27.1 million, a \$9.1 million increase compared to amount at the prior fiscal year end. The increase compared to the 6/30/22 balance was primarily due to the receipt of the second and last tranche of one-time \$3.2 million in ARPA Federal Coronavirus State and Local Fiscal Recovery Funds, a \$1.5 million VLF reimbursement due to the shortfall from two years prior, transient occupancy tax recovering from the prior year, as well as the timing of property tax collections received in December.

Fund Balance - YTD Fund Deficits

As shown on the Fund Recap at a Glance (page 3) the Recreation Fund, Street Maintenance, Library Bond Debt Service, and Facilities Management Fund have deficits and are expected to be eliminated in a future period.

City of Belmont
Fund Recap at a Glance
Results for the Period Ended January 31, 2023
(000's)



Fund	Fund Name	Audited Fund Balance 06/30/22 (1)	Revenues					Expenditures					Unaudited Fund Balance 01/31/23 (1)+(2)-(3)	PY YTD Fund Balance 01/31/22	
			YTD Budget	YTD Actual (2)	Variance (Under) Over	%	PY YTD Actual	YTD Budget	YTD Actual (3)	Variance (Over)	%	PY YTD Actual			
GENERAL FUND															
101	General	\$18,013	\$18,062	\$21,843	\$3,781	121%	\$16,188	\$16,512	\$12,762	\$3,749	77%	\$11,947	\$ 27,093	17,696	
102	Measure I	2,938	1,266	986	(280)	78%	889	3,149	526	2,624	17%	737	3,398	3,903	
SPECIAL REVENUE FUNDS															
205	Recreation	(0)	2,276	1,067	(1,209)	47%	785	2,244	2,070	174	92%	1,540	(1,004)	(730)	
206	Library Maintenance & Operation	836	177	162	(15)	91%	152	420	196	224	47%	222	802	892	
207	Athletic Field Maintenance	376	53	74	21	141%	70	158	40	117	25%	38	410	409	
208	City Tree	297	6	7	1	122%	6	43	24	19	55%	25	281	307	
209	Senior Services Donation	90	2	1	(1)	45%	3	0	0	0	N/A	0	91	89	
210	Development Services	1,084	3,224	2,539	(685)	79%	2,422	3,312	2,772	540	84%	2,591	852	208	
212	General Plan Maintenance	1,305	292	428	136	146%	125	601	80	521	13%	0	1,653	863	
223	Belmont Fire Protection District	16,217	8,520	8,858	338	104%	6,254	7,190	7,092	98	99%	8,846	17,983	12,816	
225	Police Grants and Donations	33	0	0	0	849%	0	3	3	(0)	116%	1	30	34	
227	Supplemental Law Enforcement	-	104	117	13	113%	107	96	102	(6)	106%	139	15	(32)	
231	Street Maintenance	-	1,377	763	(614)	55%	589	1,420	1,305	115	92%	1,138	(542)	153	
232	RMRA Street Project	-	353	309	(44)	87%	267	449	9	440	2%	619	300	(28)	
233	Measure W	1,457	322	352	30	109%	416	187	0	187	0%	0	1,809	397	
234	Street Improvements	905	927	970	43	105%	1,735	1,384	803	581	58%	1,859	1,072	2,314	
237	Traffic Impact	200	475	2	(473)	0%	200	0	0	0	N/A	0	202	200	
239	Public Art	396	184	3	(181)	2%	0	0	0	0	N/A	0	399	0	
275	Affordable Housing Successor	6,468	2,503	2,992	489	120%	48	1,538	304	1,234	20%	293	9,156	3,443	
277	Inclusionary Housing	2,452	463	1	(461)	0%	0	96	0	96	0%	0	2,453	2,385	
	Total Special Revenue	32,117	21,259	18,646	(2,613)	88%	13,178	19,140	14,799	4,341	77%	17,311	35,965	23,720	
CAPITAL PROJECT FUNDS															
308	General Facilities	725	22	6	(16)	26%	0	217	5	211	2%	85	725	742	
310	Infrastructure	2,810	710	624	(86)	88%	1	1,492	854	638	57%	180	2,580	2,122	
312	Comcast PEG Program	396	0	3	3	1009%	33	70	0	70	0%	0	399	363	
341	Planned Park	1,989	817	423	(393)	52%	0	438	379	59	87%	450	2,034	(93)	
342	Park Impact	327	1,641	284	(1,357)	17%	0	765	151	614	20%	0	460	1,397	
343	Open Space	164	5	4	(1)	82%	0	75	38	36	51%	8	130	198	
704	Special Assessment Districts	308	0	2	2	924%	0	0	0	0	N/A	0	310	308	
	Total Capital Projects	6,719	3,195	1,347	(1,848)	42%	34	3,056	1,428	1,628	47%	724	6,639	5,037	
DEBT SERVICE & OTHER FUNDS															
406	Library Bond Debt Service	270	393	347	(46)	88%	337	399	654	(254)	164%	650	(37)	(46)	
501-505	Sewer Collection System	25,616	9,206	8,253	(953)	90%	7,058	9,396	6,617	2,779	70%	5,708	27,252	21,667	
507	Sewer Treatment	25,992	1,839	1,607	(233)	87%	1,573	2,493	3,004	(511)	120%	2,948	24,594	22,926	
525	Storm Drainage Enterprise	2,588	1,286	662	(624)	51%	541	1,707	967	740	57%	1,082	2,283	3,045	
530	Solid Waste Management	1,766	319	303	(16)	95%	265	325	295	29	91%	248	1,774	1,640	
570	Worker's Compensation	1,537	407	470	63	115%	429	413	651	(237)	157%	553	1,357	1,212	
571	Liability Insurance	3,386	410	(53)	(462)	-13%	(1,378)	623	629	(7)	101%	508	2,705	1,489	
572	Self Funded Vision	-	2	0	(2)	3%	6	3	(5)	8	-181%	(4)	5	9	
573	Fleet & Equipment Management	7,438	2,598	2,643	45	102%	2,980	2,841	2,510	331	88%	2,086	7,571	6,725	
574	Facilities Management	0	1,282	1,305	22	102%	978	1,358	1,427	(68)	105%	1,232	(122)	(216)	
575	Benefit Prefunding	1,082	859	808	(52)	94%	790	765	917	(151)	120%	1,222	973	1,007	
	Total Debt & Other	69,676	18,602	16,344	(2,258)	88%	17,503	20,323	17,665	2,658	87%	16,586	68,355	59,458	
	Total All Funds	\$129,464	\$62,384	\$59,166	(\$3,218)	95%	\$47,791	\$62,179	\$47,179	\$15,000	76%	\$47,305	\$141,450	\$109,814	

Fund Types:

General Fund - Used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Capital Projects Funds - Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service & Other Funds - Includes funds used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest; funds used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis; and funds to account for operations financed and operated in a manner similar to a private business enterprise with the intent that the cost of providing goods and services is primarily financed through user charges; and funds used to account for assets held by the City as an agent.

City of Belmont
Budget Variance Report
General Fund / All Other Funds
Results for the Period Ended January 31, 2023
(000's)

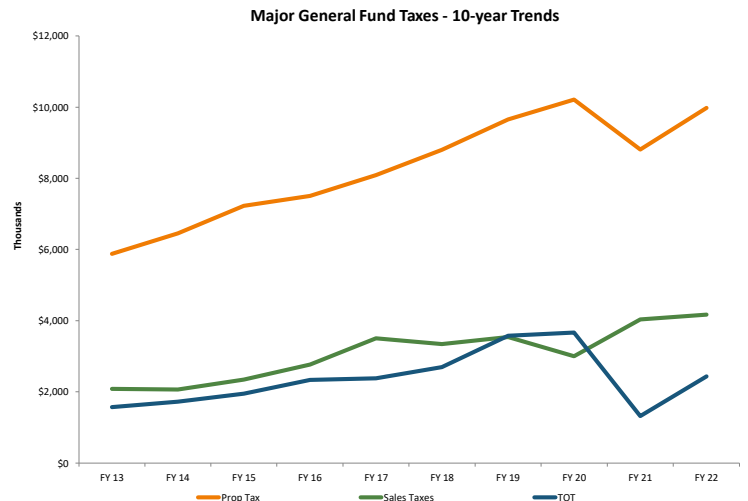
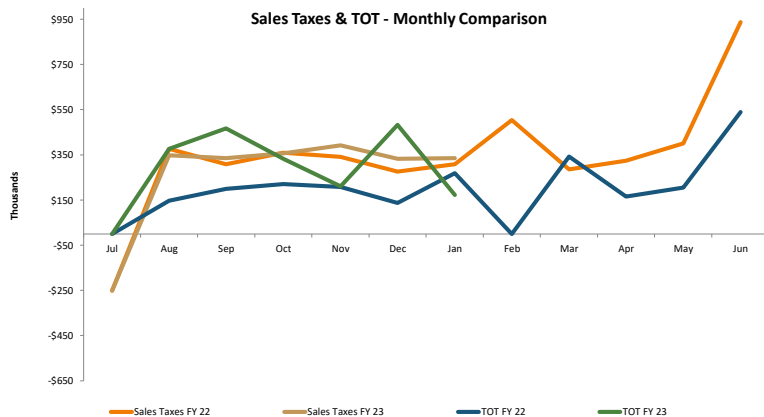


	General Fund					All Other Funds					Annual Budget	PY YTD Actual
	Budget	Year to Date (YTD)				Budget	Year to Date (YTD)					
		Actual	Variance	%	Annual Budget	PY YTD Actual		Actual	Variance	%		
REVENUES												
Taxes	\$11,929	\$13,549	\$1,620	114%	\$20,449	\$9,367	\$11,011	\$10,428	(\$582)	95% b	\$18,875	\$12,104
<i>Property Taxes</i>	3,955	3,684	(271)	93%	6,780	2,994	8,444	8,323	(121)	91%	14,476	10,116
<i>Sales Taxes</i>	2,413	1,932	(481)	80%	4,136	1,796	1,997	1,602	(394)	71%	3,423	1,467
<i>Other Taxes</i>	5,561	7,932	2,372	143%	9,533	4,577	570	503	(67)	99%	977	521
Licenses and permits	655	557	(99)	85%	1,124	474	1,084	1,303	220	120%	1,858	1,016
Intergovernmental	2,033	3,521	1,487	173%	3,486	3,392	2,474	2,086	(388)	84% c	4,240	1,485
Charge for services	2,604	2,584	(20)	99%	4,464	2,397	23,260	19,183	(4,077)	82% d	39,874	17,520
Fines and forfeits	96	70	(26)	73%	165	78	-	-	-	N/A	-	-
Use of money and property	547	1,546	999	282%	938	435	311	1,453	1,142	467%	534	183
Miscellaneous	197	16	(181)	8% a	337	45	115	(77)	(193)	-67% e	198	(721)
Other financing sources	-	-	-	N/A	-	-	2,281	2,947	666	129%	3,910	17
Operating transfers in	-	-	-	N/A	-	-	3,787	-	(3,787)	f	6,491	-
Total Revenues	18,062	21,843	3,781	121%	30,963	16,188	44,322	37,323	(6,999)	84%	75,981	31,603
EXPENDITURES												
General government	4,091	3,266	(825)	80%	7,013	2,998	4,745	4,722	(23)	100%	8,134	4,385
Public safety	8,551	8,330	(221)	97%	14,658	7,859	7,284	7,197	(86)	99%	12,486	8,986
Streets and utilities	-	-	-	N/A	-	-	19,325	11,009	(8,316)	57%	33,129	12,972
Culture and recreation	1,292	1,166	(126)	90%	2,214	1,090	4,862	4,109	(753)	85%	8,335	3,359
Urban redevelopment	-	-	-	N/A	-	-	4,400	2,245	(2,155)	51%	7,543	2,471
Debt service	-	-	-	N/A	-	-	3,843	5,135	1,291	134% g	6,589	3,184
Operating transfer out	2,578	-	(2,578)		4,420	-	1,208	-	(1,208)		2,071	-
Total Expenditures	16,512	12,762	(3,749)	77%	28,306	11,947	45,668	34,417	(11,251)	75%	78,287	35,358
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$1,550	\$9,080	\$32		\$2,657	\$4,242	(\$1,345)	\$2,907	(\$18,249)		(\$2,306)	(\$3,755)

Management Discussion and Analysis
(Items with unfavorable budget variance more than \$0.1 million)

- General Fund:**
- Revenues*
- a) Miscellaneous** - The budget variance is primarily due to the timing of the annual Crystal Springs Uplands School (CSUS) Public Service Fee, which will be received in a future reporting period.
- Other Funds**
- Revenues*
- b) Taxes** - The budget variance is primarily due to the timing of semi-annual property tax receipts received in December and April.
- c) Intergovernmental** - The revenue will be received in a future reporting period and includes activities related to the prior fiscal year, which are subject to accounting adjustment.
- d) Charges for Services** - Various in lieu/impact fees budgeted for are not materialized in the current reporting period. In addition, Sewer Use Fee (Collection & Treatment) is included as part of the City's Property Tax bill to be received semi-annually, typically in December and April.
- e) Miscellaneous** - This revenue is subject to an accounting adjustment during the fiscal year closing process related to claims liability.
- f) Operating Transfers In** - Budgeted operating transfers will be recorded at the end of the fiscal year based on actual results.
- Other Funds*
- Expenditures*
- g) Debt Service** - Semi-annual debt service on bonds were paid in August and January.

Trends



** July TOT revenues received were for June activities and accrued to the previous FY. July revenues will be received in August.

City of Belmont
Disbursements & Purchase Order Activity Report
Results for the Period Ended January 31, 2023



Disbursements Amounts Equal to \$50,000 and Above

Vendor	Description	Date	No.	Amount
ADP	PAYROLL TAXES 01/13/2023	1/13/23	DAJ000007879	105,724.95
ADP	PAYROLL TAXES 01/27/2023	1/27/23	DAJ000007884	92,381.92
BNY MELLON	2018 SEWER REVENUE BONDS DEBT SERVICE	1/30/23	DAJ000007931	502,875.00
BNY MELLON	2019 SEWER REVENUE BONDS DEBT SERVICE	1/30/23	DAJ000007932	409,225.79
BNY MELLON	2004 BONDS DEBT SERVICE	1/30/23	DAJ000007933	115,816.77
BNY MELLON	2016 SEWER REVENUE BONDS DEBT SERVICE	1/30/23	DAJ000007929	253,335.04
BNY MELLON	2016 SEWER REFUNDING BONDS DEBT SERVICE	1/30/23	DAJ000007930	121,107.31
CALPERS	HEALTH PREMIUM-JANUARY	1/5/23	DAJ000007919	169,627.75
CALPERS	COB CONTRIBUTION PPE 12/10/22	1/10/23	DAJ000007921	109,489.52
CALPERS	COB CONTRIBUTION PPE 12/24/22	1/20/23	DAJ000007924	108,856.69
CITY OF BELMONT EMPLOYEES	PAYROLL 01/13/2023	1/13/23	DAJ000007881	416,163.09
CITY OF BELMONT EMPLOYEES	PAYROLL 01/27/2023	1/27/23	DAJ000007883	401,995.41
CRAFTWATER ENGINEERING INC	TWIN PINES PARK PROJECT	1/13/23	EFT00030676	106,988.34
FIRST FOUNDATION	2022 SEWER REFUNDING BONDS DEBT SERVICE	1/30/23	DAJ000007928	54,696.00
MISSION SQUARE	DEF COMP ACCT#302442	1/27/23	DAJ000007925	89,550.96
SILICON VALLEY CLEAN WATER	COB QTRLY CASH SHARE & FEBRUARY CONTRIBUTION	1/13/23	EFT00030655	463,023.04

Total Disbursements in Excess of \$50,000 \$ 3,520,857.58
Total Count 16

Purchase Order Amounts Equal to \$50,000 and Above

Vendor	Description	Date	No.	Amount
WRA INC	PROFESSIONAL SERVICES FOR OPEN SPACE MANAGEMENT PLAN	1/19/23	23 00030	52,591.00

Total Purchase Orders Issued in Excess of \$50,000 \$ 52,591.00
Total Count 1

CITY OF BELMONT TREASURER'S REPORT January-23



Agency Receipts and Disbursements Summary

	Beginning Balance December 31, 2022	Receipts	Disbursements	Ending Balance January 31, 2023
City of Belmont	\$ 105,739,825.33	\$ 3,581,317.34	\$ (4,470,229.98)	\$ 104,850,912.69
Belmont Fire Protection District	17,850,261.35	174,615.62	(47,548.86)	17,977,328.11
Total	\$ 123,590,086.68	\$ 3,755,932.96	\$ (4,517,778.84)	\$ 122,828,240.80

Balance Summary

	Deposit	Investments	Pool Total
City of Belmont & Belmont Fire Protection District	\$ 633,614.17	\$ 122,194,626.63	\$ 122,828,240.80

I certify that this report accurately reflects all investments of City of Belmont and Belmont Fire Protection District, and is in conformance with the adopted Investment Policy mandated by Government Code 53646. Furthermore, I certify to the best of my knowledge, sufficient investment liquidity and anticipated revenues are available to meet the Agency's budgeted expenditure requirement for the next six months.

Respectfully Submitted,

s/b Grace Castaneda
Grace Castaneda
City Treasurer

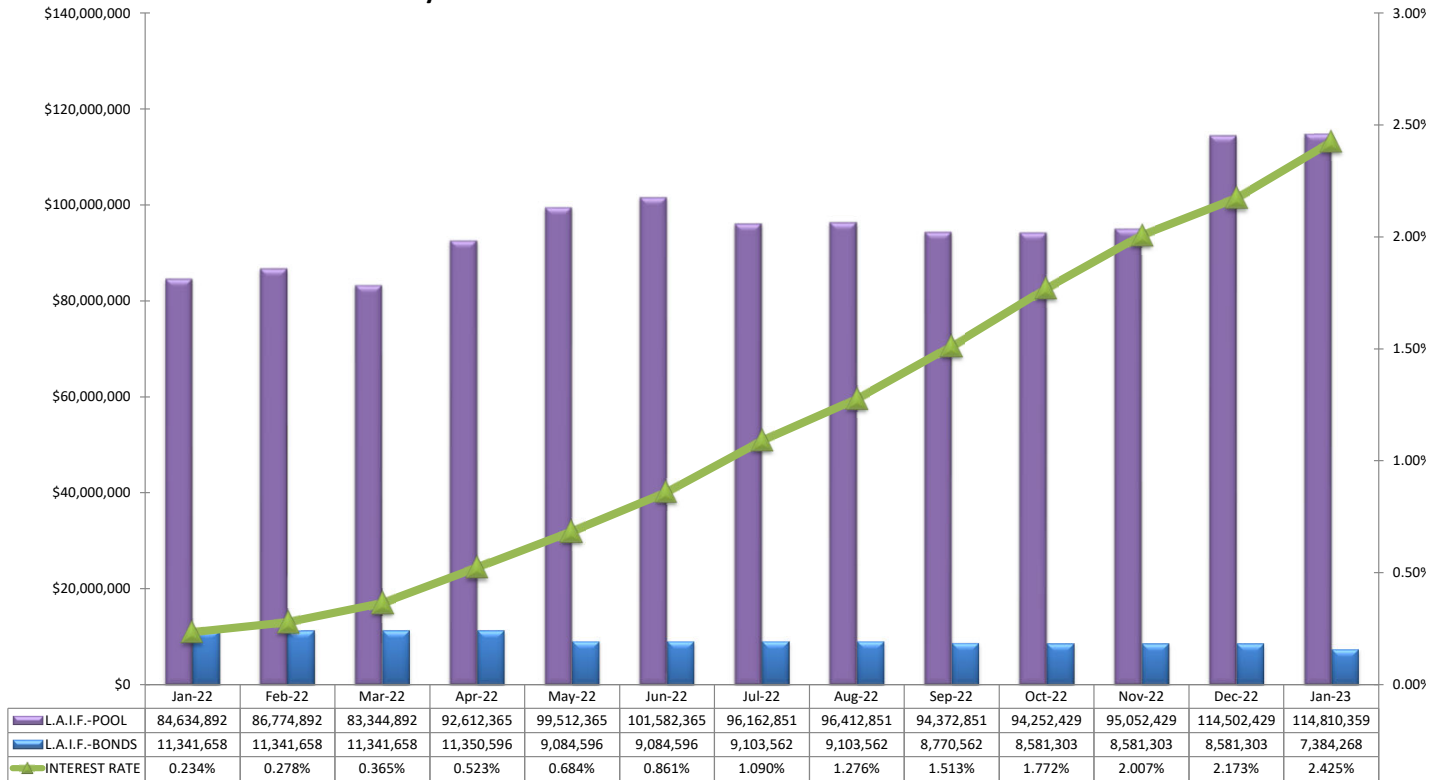
CITY OF BELMONT TREASURER'S REPORT January-23



Investment Detail

Investment Type	Issuer	Maturity Date	Par Amount	Current Market Value	Interest	Total	Investment Period	Rate	Pricing Source	Manager
Deposit										
General Account	Wells Fargo		\$ 633,614.17	\$ 633,614.17					Bank	Bank
Investments:										
L.A.I.F.-POOL	State of California	Daily	114,810,358.90	112,673,652.93	232,012.60		90 days	2.425%	LAIF	LAIF
L.A.I.F.-BONDS	State of California	Daily	7,384,267.73	7,246,841.03	14,922.37		90 days	2.425%	LAIF	LAIF
Total			\$ 122,828,240.80	\$ 120,554,108.13	\$ 246,934.97					

City of Belmont Investment Portfolio Trends





STAFF REPORT

Meeting Date: February 28, 2023
Agency: City of Belmont
Staff Contact: Grace Castaneda, Finance Director, (650) 595-7436, gcastaneda@belmont.gov
Agenda Title: Service Agreement Amendment with Regional Government Services Authority
Agenda Action: Resolution

Recommendation

Adopt a resolution authorizing the City Manager to negotiate and execute Amendment No. 1 to the Service Agreement with Regional Government Services Authority (RGS) for payroll services in the amount of \$90,000, for a total not-to-exceed amount of \$140,000.

Strategic Focus Area

Fiscal and Organizational Sustainability

Background

Due to various personnel changes and vacancies, the City needed specialized services to assist with a variety of tasks in completing biweekly employee payroll. In August 2022, it was anticipated these services would be needed on an interim basis while the City was in the process of restructuring the payroll division.

The City engaged with Regional Government Services Authority (RGS), a public agency which serves the consulting, administrative and project management needs of local governments. RGS retains a staff which specializes in providing professional payroll support for small to mid-sized agencies throughout California and serves as consultants to the agency's payroll staff or supplements existing payroll resources. RGS has extensive experience in all aspects of public agency payroll services, including payroll administration, submission of CalPERS retirement payroll contributions and various reporting requirements, such as State Controller's yearly reports, and updates to various calendar year changes.

With the restructuring of the payroll division still underway and a newly created and approved Payroll Manager recruitment underway, the City continues to have a need for additional advisory and support services related to payroll administration.

Analysis.

Since engaging RGS in August 2022, staff has been working closely on many of the payroll services needed, which include, but are not limited to, the following:

- Facilitate the production and processing of accurate payroll;
- Provide expertise and advise for best practices in agency payroll;
- Training, coaching and mentoring of City payroll staff, as needed;
- Provide immediate, ongoing consultative services for any Finance services as requested.



RGS is an independent consultant with specialized skills and expertise in the area of payroll administration services and assists the City on an as-needed basis with this essential function of the City's operations.

In order to maintain the continuity of payroll administration, staff requests that City Council authorize an amendment to the Service Agreement with RGS in the amount of \$90,000, as set forth in the proposed resolution accompanying this report, and contingent upon the availability of existing funds.

Alternatives

1. Continue the item for further discussion.
2. Take no action.

Attachments

A. Resolution

Fiscal Impact

- ☐ No Fiscal Impact
- ☒ Funding Source Confirmed: There are sufficient funds available in the General Fund (Account 101-1-401-8351) for this purpose.

Source:

Staff

Purpose:

Discretionary Action

Public Outreach:

Posting of Agenda

RESOLUTION NO. 2023 –

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 1 TO THE
SERVICE AGREEMENT WITH REGIONAL GOVERNMENT SERVICES
AUTHORITY FOR CONTINUED PAYROLL SERVICES IN THE AMOUNT OF
\$90,000 FOR A TOTAL NOT-TO-EXCEED AMOUNT OF \$140,000**

WHEREAS, the City has a need for specialized services and expertise related to payroll services; and,

WHEREAS, Government Services Authority (RGS) has demonstrated expertise in these fields and has proposed to continue to provide such services; and,

WHEREAS, the City engaged in Service Agreement No. 2022-37 with RGS for \$50,000 to perform such services; and,

WHEREAS, due to a continued need for payroll services, the City is desirous of authorizing Amendment No. 1 to Service Agreement No. 2022-37 in the amount of \$90,000.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The City Manager is authorized to negotiate and execute an Amendment to the Agreement purchasing continued payroll services from Regional Government Services Authority (RGS) for an amount not to exceed \$90,000 for a total not-to-exceed amount of \$140,000.

* * *

ADOPTED February 28, 2023 by the City of Belmont City Council by the following
vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney



STAFF REPORT

Meeting Date: February 28, 2023
Agency: City of Belmont
Staff Contact: Danielle Giuliacci, Recreation Coordinator, (650)637-4715,
dgiuliacci@belmont.gov
Agenda Title: Adoption of Children's Outdoor Bill of Rights for the City of Belmont
Agenda Action: Motion

Recommendation

Adopt a motion approving the Children's Outdoor Bill of Rights for the City of Belmont.

Strategic Focus Area

Quality of Life

Background

The Children's Outdoor Bill of Rights (COBOR) was originated at a California Roundtable on Recreation, Parks, and Tourism in 2001. The California COBOR was officially endorsed in 2007 by California Governor Schwarzenegger, the California State Park and Recreation Commission, and the California State Alliance of the YMCA. Since then, 15 states and several cities have adopted their own COBORs based on the unique goals that city or state has for its children's outdoor experiences.

The COBOR is a list of experiences that every child has the right to experience before entering high school or the age of 14. It is a public facing symbol of the overarching goals that a city or state has for its children's outdoor experiences and a marketing tool that raises awareness of the importance of children's participation outdoors and their connection to nature.

Analysis

Belmont Parks and Recreation staff collaborated with Belmont's Youth Advisory Committee (YAC) to brainstorm a list of experiences every child in Belmont has the right to experience. After discussion, Parks and Recreation staff and the YAC created a list of 8 experiences for Belmont's youth. This list was unanimously voted on and approved by all 18 YAC board members present at their December 15, 2022, meeting.

Belmont Children's Outdoor Bill of Rights include the following principals in mind:

- Play in a safe, welcoming, and culturally affirming neighborhood, schoolyard, park, or open space
- Follow a trail
- Walk, run, or bike to places close to home
- Connect with nature and wildlife by exploring outdoors
- Gaze at the night sky
- Be a part of a team through outdoor recreational activities



- Plant a seed for future generations to enjoy
- Learn how to protect and preserve the environment

This list was presented and discussed at the January 11, 2023, Parks and Recreation Commission Meeting and was unanimously approved by all 6 Commissioners. The Parks and Recreation Commission will review this list again in 2024 and periodically refine the principals based on the shared experiences, if needed.

Staff presented the 2023 COBOR list to City Council on February 14, 2023, for direction and feedback and is now submitting the list for adoption at tonight's meeting.

Alternatives

1. Take No Action

Attachments

- A. Resolution

Fiscal Impact

- ☒ No Fiscal Impact
☐ Funding Source Confirmed:

Source:

Staff

Purpose:

Discretionary Action

Public Outreach:

Posting of Agenda

RESOLUTION NO. 2023 –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT ADOPTING THE CHILDREN’S OUTDOOR BILL OF RIGHTS

WHEREAS, the Children’s Outdoor Bill of Rights is a list of experiences every child has the right to experience before entering high school or at and above the age of 14; and,

WHEREAS, Belmont Parks and Recreation Staff collaborated with Belmont’s Youth Advisory Committee to create a list of 8 outdoor experiences that Belmont children should have a right to experience; and,

WHEREAS, this list was presented at the January 11, 2023 Parks and Recreation Commission Meeting and was unanimously approved by all 6 Commissioners and then presented to City Council at their February 14, 2023 meeting.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1.: To approve the Children’s Outdoor Bill of Rights for the City of Belmont.

* * *

ADOPTED February 28, 2023 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

BELMONT CHILDREN'S **OUTDOOR BILL OF RIGHTS**

In which **EVERY CHILD** has the right to:
Play in a safe, welcoming, and culturally affirming
neighborhood, schoolyard, park, or open space

Follow a trail

Walk, run, or ride to places close to home

Connect with nature and wildlife by
exploring outdoors

Gaze at the night sky

Be a part of a team through outdoor
recreational activities

Plant a seed for future generations to enjoy

Learn how to protect and preserve
the environment



STAFF REPORT

Meeting Date: February 28, 2023
Agency: City of Belmont
Staff Contact: Selena Lau, Public Works, 226-6901, slau@belmont.gov
Agenda Title: Twin Pines Park Storm Water Capture Project Contract Amendment
Agenda Action: Resolution

Recommendation

Adopt a resolution authorizing the City Manager to execute an amendment to the contract with Craftwater Engineering, Inc. for additional services to include archaeological testing based on the approved Archaeological Testing Plan and prepare an Archaeological Testing Results Report for an additional amount of \$85,070, for a not-to-exceed amount of \$998,404.

Strategic Focus Area

Infrastructure and Mobility

Background

On June 3, 2022, the City entered into an Architectural and Engineering Services Agreement with Craftwater Engineering, Inc. for the Twin Pines Park Storm Water Capture Project. This stormwater detention basin design project will result in the design of a new stormwater capture facility, or basin, within the Park that will attenuate flow from annual storms thereby reducing downstream flooding potential, provide for trash capture services, and trap sediment and debris in a centralized, maintenance-friendly system, for later removal. Detained Creek water can then be returned to Belmont Creek after it has been cleaned and after high water levels subside, thereby reducing frequency of the Creek spilling its banks as it sometimes does in the Harbor Industrial Area portion of the County, portions of which are subject to future annexation to the City. The proposed detention system would include an inlet diversion structure and pipe, trash capture, hydrodynamic separators, and outlet structure and pipes.

Analysis

As part of this project, the consultant must now conduct archaeological assessments to comply with the California Environmental Quality Act (CEQA) requirements. This task was not included in the original scope of work with Craftwater Engineering, Inc.

The cost of this work in the proposed Amendment to the contract is \$85,070.

The tasks included are:

1. Preparation of an archaeological testing plan
2. Archaeological testing
3. Preparation of an Archaeological Testing Report
4. Laboratory analysis, curation, and reporting of artifacts, if needed



The total project cost with the Amendment is \$998,404.

Alternatives

1. Take No Action.
2. Refer back to staff for more information.

Attachments

- A. Resolution
- B. Scope of Work for Tribal Consultation Support & Archaeological Testing Program

Fiscal Impact

- ☐ No Fiscal Impact
- ☒ Funding Source Confirmed: \$85,070 budgeted from Account No. 525-3-730-6045-9030/Storm Drain CIP Project

Source:

Staff

Purpose:

Discretionary Action

Public Outreach:

Posting of Agenda

RESOLUTION NO. 2023 –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE CONTRACT WITH CRAFTWATER ENGINEERING, INC. FOR ADDITIONAL SERVICES TO INCLUDE ARCHAEOLOGICAL TESTING BASED ON THE APPROVED ARCHAEOLOGICAL TESTING PLAN AND PREPARE AN ARCHAEOLOGICAL TESTING RESULTS REPORT FOR AN ADDITIONAL AMOUNT OF \$85,070, FOR A NOT-TO-EXCEED AMOUNT OF \$998,404.

WHEREAS, on June 3, 2022, the City Council approved a contract with Craftwater Engineering, Inc. for professional engineering services for the implementation of a storm water detention basin to alleviate flooding for an amount not to exceed \$913,334; and,

WHEREAS, additional services are required for the archaeological assessment of the site to comply with Section 106 of the National Historic Preservation Act and California Environmental Quality Act; and,

WHEREAS, funds in the amount of \$85,070 for the project will be drawn from Account No. 525-3-730-6045-9030 /Storm Drain CIP Project.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. Adopt a resolution authorizing the City Manager to execute an amendment to the contract with Craftwater Engineering, Inc. for additional services to include archaeological testing based on the approved Archaeological Testing Plan and prepare an Archaeological Testing Results Report for an additional amount of \$85,070, for a not-to-exceed amount of \$998,404.

* * *

ADOPTED February 28, 2023 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney



ATTACHMENT B

EXHIBIT 1

Twin Pines Park Storm Water Capture Project

November 17, 2022

Scope of Work

Tribal Consultation Support and Archaeological Testing Program

To support the City of Belmont (City) in their Twin Pines Park Storm Water Capture Project (Project) compliance with Section 106 of the National Historic Preservation Act (Section 106) as well as the California Environmental Quality Act (CEQA), Environmental Science Associates (ESA) will: provide support to the City with Project consultation with California Native American Tribes (Tribes) under approved Task 2.1; prepare an Archaeological Testing Plan (ATP); conduct archaeological testing at indigenous archaeological site P-41-000152 based on the approved ATP; and prepare an Archaeological Testing Results Report (ATRR). Following the results of the archaeological testing program, additional measures may be required, such as a monitoring, or, if archaeological material is identified that is determined to potentially contribute to the eligibility of P-41-000152 for listing in the National Register of Historic Places (National Register) and/or California Register of Historical Resources (California Register; i.e., a CEQA *historical resource*), an archaeological data recovery program and associated laboratory analysis and reporting; additional measures can be completed by ESA under an additional scope. The goal of the archaeological testing program will be to assess whether any portion of P-41-000152 in the Area of Potential Effect (APE, which is assumed to be the Project footprint) contributes to the National Register-and/or California Register-eligibility of the resources to assess whether the Project would result in an adverse effect to historic properties, for Section 106 purposes, or a significant impact on an historical resource or unique archaeological resource, for CEQA purposes.

Task 1 – Archaeological Testing Program

The archaeological testing program would consist of four tasks, which are outlined in more detail in the following sections: 1) preparation of an ATP; 2) conducting archaeological testing based on an approved ATP; 3) if necessary, laboratory analysis and curation of archaeological material identified during the archaeological testing; and, 4) preparation of an ATRR.

Subtask 1.1 – Archaeological Testing Plan

ESA will complete an ATP for the Project that will guide the subsurface archaeological testing program for the proposed Project footprint (APE). The ATP will incorporate background research already conducted that identifies the types of expected archaeological resources that could potentially be impacted by the Project, the testing methods to be used, and the locations and depths recommended for testing. The ATP will incorporate comments, if any, from Tribes with which the City consults regarding the Project. The ATP will be presented as a letter report, with attachments.

Deliverables

- Draft ATP, as letter report (electronic file);
- Final ATP, as letter report (electronic file).

Assumptions

- ATP will incorporate comments from Tribes with which the City consults regarding the Project;
- Deliverable in electronic format;
- One round of consolidated comment-response between ESA and the City.

Subtask 1.2 – Archaeological Testing

ESA will implement the ATP after its approval by the City. The assumptions below will be further refined after completing the ATP. The archaeological testing will consist of a combination of mechanical and hand excavation. Mechanical excavation will consist of using a backhoe/excavator, with a 3 to 4-foot-wide flat-bladed bucket, to excavate trenches to determine presence/absence of and characterize pre-contact archaeological resources that may be present in the APE and associated stratigraphy of the APE. The maximum target depths for trenches will be 15 feet, with trenches to measure approximately 15 to 20 feet long and 3 to 4 feet wide. If archaeological material is identified in a trench, lateral or adjacent trenches may be excavated to provide for safe investigation of the archaeological material. ESA archaeologists will direct the trenching, record all observations in the field, and document trench locations with a GPS unit. Trenches will be backfilled upon completion. Hand excavation of test units (TU[s]) will be used to investigate any features or artifact concentrations identified in the trenches. TUs will measure 1 meter wide by 1 meter long, and will be excavated in 10-centimeter arbitrary levels to a depth determined by the ESA archaeologist using professional judgment, but likely to sterile levels (for archaeological material), if feasible. If archaeological material is identified during the testing that ESA archaeologists deem has the potential to contribute or requires laboratory analysis to determine if it contributes to the National Register- and/or California Register-eligibility of P-41-000152, it will be collected during testing and handled in accordance with Optional Subtask 1.4.

Assumptions

- No access issues or utilities constraints in the APE
- Utilities have been cleared/located by the City (USA Underground Alert, and if necessary, a private utilities locator), for underground utilities prior to beginning implementation of the ATP;
- Mechanical trenching, using a backhoe/excavator, and hand-excavated TUs will be used;
- The City will provide the backhoe/excavator and operator;
- Up to 4 trenches will be excavated, and can be completed in 4 work days;
- Up to 4 TUs will be excavated, and can be completed in 10 work days;
- Any representative from a Tribe participating in the fieldwork will be contracted with directly by the City;
- If archaeological material is identified that is determined to potentially contribute to the National Register- and/or California Register-eligibility of P-41-000152 (e.g., human remains, intact features), then additional effort may be required for an archaeological data recovery program and associated laboratory analysis and reporting; this additional work can be completed by ESA under an additional scope.

- Any discovery of human remains during the archaeological testing will be handled in accordance with State law, and no additional archaeological testing will be completed after treatment of the remains.

Subtask 1.3 – Archaeological Testing Results Report

Upon completion of the archaeological testing program, ESA will prepare an ATRR describing the results of the archaeological testing. The ATRR will include information on the field and laboratory methods and results of the archaeological testing, including appropriate photographs, maps, and graphics. The ATRR will also include an analysis of any archaeological material identified during the archaeological testing that did not require collection, and, unless ESA determines that additional archaeological testing is required, an analysis of whether any archaeological material identified in the APE contributes to the National Register- and/or California Register-eligibility of P-41-000152 to assess if the Project would result in an adverse effect to historic properties, for Section 106 purposes, or a significant impact on an historical resource or unique archaeological resource, for CEQA purposes. Reporting on any artifacts collected would be handled in accordance with Optional Subtask 1.4.

Deliverables

- Draft ATRR (electronic file);
- Final ATRR (electronic file).

Assumptions

- ATRR will incorporate comments from Tribes with which the City consults regarding the Project;
- Deliverables in electronic format;
- One round of consolidated comment-response between ESA and the City.

Optional Subtask 1.4 – Artifact Laboratory Analysis, Curation, and Reporting

This optional subtask would be carried out, upon approval by the City, in the event that archaeological material is identified during the testing that ESA archaeologists deem has the potential to contribute or requires laboratory analysis to determine if it contributes to the National Register- and/or California Register-eligibility of P-41-000152. Under this subtask, standard artifact processing and analysis techniques will be used for all collected artifacts. Such analyses could include that of flaked-stone, ground-stone, faunal, archaeobotanical, and soil and sediment. If deemed necessary, samples will be submitted for radiocarbon dating and obsidian hydration. All collected artifacts will be prepared and curated in accordance with federal curation standards after completion of laboratory analysis and the ATRR. This subtask also includes effort to incorporate the methods and results of any laboratory analysis into the ATRR, including the assessment of whether the Project would result in an adverse effect to historic properties, for Section 106 purposes, or a significant impact on an historical resource or unique archaeological resource, for CEQA purposes.

Deliverables

- Methods and results will be incorporated into draft ATRR, listed above in Subtask 1.3;
- One standard-size curation box curated at an appropriate curation facility.

Assumptions

- Laboratory analysis will require 1 ESA archaeologist for up to 4 work days;
- Up to 2 samples will be submitted for radiocarbon dating and up to 4 samples will be submitted for obsidian hydration;
- Up to one standard-size curation box will be required and no human remains will be curated;
- No laboratory analysis of human remains will be required.

Table 1: Cost Proposal for Twin Pines Park Belmont Creek Restoration Cultural Re
ESA Labor Detail and Expense Summary

11/17/2022

Employee Names												
Labor Category												
Task #	Task Name/Description	Managing Associate III	Managing Associate II	Senior Associate III	Associate II	Subtotal	Project Technician III	Project Technician II	Project Technician I	Subtotal	Total Hours	Labor Price
1	Archaeological Testing Program	\$ 220	\$ 205	\$ 185	\$ 135	\$ -	\$ -	\$ -	\$ -	\$ 90		
1.1	Archaeological Testing Plan	16	2	8		\$ 5,410				\$ -	26.00	\$ 5,410
1.2	Archaeological Testing	16	2	150	110	\$ 46,530				\$ -	278.00	\$ 46,530
1.3	Archaeological Testing Results Report	36	2	8		\$ 9,810				\$ -	46.00	\$ 9,810
(Optional) 1.4	Artifact Laboratory Analysis, Curation, and Reporting	24			40	\$ 10,680				\$ -	64.00	\$ 10,680
Total Hours		92	6	166	150	414	-	-	-	0	414	
Total Labor Costs		\$ 20,240	\$ 1,230	\$ 30,710	\$ 20,250	\$ 72,430	\$ -	\$ -	\$ -	\$ -		\$ 72,430
Percent of Effort - Labor Hours Only		22.2%	1.4%	40.1%	36.2%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Percent of Effort - Total Project Cost		23.8%	1.4%	36.1%	23.8%		0.0%	0.0%	0.0%			85.1%

Attachment A
Cost Proposal: ESA Non-Labor Expenses Summary

Reimbursable Expenses	
0	\$ -
0	\$ -
0	\$ -
Artifact Curation	\$ 3,000
Mileage (@ \$0.625/mile)	\$ 500
0	\$ -
Lodging (1 staff @ 14 field days @ \$250/night + 1 staff @ 10 field days @ \$250/night)	\$ 6,000
0	\$ -
Other Travel Related - Per Diem (1 staff @ 14 field days @ \$75/day + 1 staff @ 10 field days @ \$75/day)	\$ 1,800
0	\$ -
Obsidian Hydration (4 samples @ \$35/sample)	\$ 140
Radiocarbon dating (2 samples @ \$600/sample)	\$ 1,200
Subtotal Reimbursable Expenses	\$ 12,640
0% Fee on Reimbursable Expenses	\$ -
Total Reimbursable Expenses	\$ 12,640

ESA Equipment Usage

General Equipment:	
Company Vehicle Usage	\$ -
HP Plotter	\$ -
Computer Time (GIS)	\$ -
Trimble GPS	\$ -
Tablet GPS	\$ -
Laser level	\$ -
Garmin GPS or equivalent	\$ -
Laptop Computers	\$ -
LCD Projector	\$ -
Noise Meter	\$ -
Electrofisher	\$ -
Sample Pump	\$ -
Surveying Kit	\$ -
Total Station Set	\$ -
Field Traps	\$ -
Digital Planimeter	\$ -
Cameras/Video/Cell Phone	\$ -
Miscellaneous Small Equipment	\$ -
Stilling Well/Coring Pipe (3 inch aluminum)	\$ -
Hydrologic Data Collection, Water Current, Level and Wave Measurement Equipment:	
Culvert Flow Meter	\$ -
Logging Rain Gage	\$ -
Marsh-McBirney Hand-Held Current Meter	\$ -
Logging Water Level Logging-Stainless Steel Pressure Transducer	\$ -
Logging Water Level -Titanium Pressure Transducer	\$ -
Logging Barometric Pressure Logger	\$ -
Well Probe	\$ -
Bottom-Mounted Tripod / Mooring	\$ -
Water Quality Equipment:	
Logging Turbidimeter/Water Level Recorder	\$ -
Logging Temperature Probe	\$ -
Hach Hand-Held Turbidimeter Recording Conductivity Meter w/Datalogger	\$ -
Refractometer	\$ -
YSI Hand-Held Salinity Meter	\$ -
Hand-Held Conductivity/Dissolved Oxygen Probe	\$ -
Sedimentation / Geotechnical Equipment:	
Peat Corer	\$ -
60lb Helly-Smith Bedload Sampler with Bridge Crane	\$ -
Suspended Sediment Sampler with Bridge Crane	\$ -
Vibra-core	\$ -
Shear Strength Vane	\$ -
Auger (brass core @ \$ 5/each	\$ -
Boats:	
14 foot Aluminum Boas with 15 HP Outboard Motor	\$ -
Single or Double Person Canoe	\$ -
17' Boston Whaler w/ 90 HP Outboard	\$ -
Total Equipment Usage Costs	\$ -



STAFF REPORT

Meeting Date: February 28, 2023
Agency: City of Belmont
Staff Contact: Laura Kirby, Acting Human Resources Director, (650) 595-7452, lkirby@belmont.gov
Agenda Title: Side Letter Agreement #2 between the City of Belmont and the Belmont Police Officers' Association
Agenda Action: Resolution

Recommendation

Adopt a resolution approving side letter agreement #2 between the City of Belmont and the Belmont Police Officers' Association.

Strategic Focus Area

Fiscal and Organizational Sustainability

Background

On December 14, 2021, the City Council adopted Resolution 2021-110, approving a Memorandum of Understanding (MOU) between the City and the Belmont Police Officers' Association for the period July 1, 2021, through June 30, 2025. Said MOU, and the prior MOU, provide for a health and welfare plans for BPOA members, including a vision plan. The prior MOU called the City to make monthly contributions to a vision reimbursement account. Claims submitted for vision expenses incurred by members and their eligible dependents were reviewed and reimbursed by a dental/vision plan committee from the City funded reimbursement account.

The terms of the current MOU calls for the City to transition BPOA to a vision insurance plan, VSP on July 1, 2022, or as soon as reasonably possible thereafter. The MOU further states that the City and BPOA will meet and confer regarding the appropriate uses of any amounts remaining in the reimbursement plan after January 1, 2023. Having met and conferred in good faith; and having reached a tentative agreement as to the disposition of the remaining reimbursement plan balance, staff bring forth, for Council approval, the terms of the tentative agree in the form of a side letter agreement between the City and BPOA.

Analysis

Under the vision reimbursement plan, the City contributed \$19/month for each member and eligible dependent. Following the migration from the vision reimbursement plan to the vision insurance plan, the committee reimbursed all remaining claims, leaving a balance of \$6,428.01.

On January 31, 2023, representatives from the City Manager's Office and BPOA met and conferred on the disposition of the remaining balance. Having done so, the parties tentatively agreed to allow current members of BPOA to seek reimbursement for vision related expenses not covered by insurance. Under the tentative terms, members of the BPOA employed by the City of Belmont on or before January 31,



2023, and their eligible dependents shall be eligible for the reimbursement of vision care expenses up to \$178.55. The \$178.55 is an equal distribution of the remaining \$6,428.01 among BPOA's thirty-six (36) members. Additional conditions are as follows:

- Eligible expenses must be incurred January 1 through June 30, 2023.
- Expenses must be incurred during time of employment with the City. Members who separate from the City shall forfeit eligibility as of the effective date of separation.
- All receipts must be submitted on or before July 15, 2023.
- Expenses previously reimbursed are not eligible.
- Balances cannot be transferred from one member to another.

As the funding for the reimbursement program were allocated through the budget process, there will be no additional costs incurred. Any remaining balance in July 2023 will be returned to the General Fund for other uses determined by the City Manager or designee.

Alternatives

1. Direct staff to continue the meet and confer process
2. Take No Action

Attachments

A. Side Letter #2 between the City of Belmont and the Belmont Police Officers' Association

Fiscal Impact

☐ No Fiscal Impact

☒ Funding Source Confirmed: BPOA's vision plan reimbursement expense is budgeted and available from the Self-Funded Vision Fund 572.

Source:

Staff

Purpose:

Statutory/Contractual Requirement

Public Outreach:

Posting of Agenda

RESOLUTION NO. 2023 –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT APPROVING SIDE LETTER AGREEMENT #2 BETWEEN THE CITY OF BELMONT AND THE BELMONT POLICE OFFICERS ASSOCIATION

WHEREAS, on December 14, 2021, the City Council adopted Resolution 2021-110, approving a Memorandum of Understanding (“MOU”) between the CITY and the Belmont Police Officers Association (BPOA) for the period July 1, 2021 through June 20, 2025; and,

WHEREAS, section 16.4 of the MOU established terms of the vision plan provided by the City to BPOA members ; and,

WHEREAS, section 16.4 calls for the transition from a member reimbursement plan funded by City contributions to a vision insurance plan effective July 1, 2022, or as soon as reasonably possible thereafter; and,

WHEREAS, Section 16.4 calls for the parties to meet and confer regarding the appropriate uses of any amounts remaining in the reimbursement plan after January 1, 2023; and,

WHEREAS, the remaining balance in the BPOA reimbursement plan is \$6,428.01; and,

WHEREAS, the City and BPOA have met and conferred in good faith and reached a tentative agreement on the disposition of the reimbursement plan funds.

NOW, THEREFORE, the City Council of the City of Belmont resolves to amend the MOU between the City and BPOA via the addition of Side Letter Agreement #2 (Exhibit A):

* * *

ADOPTED February 28, 2023 by the City of Belmont City Council by the following
vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

SIDE LETTER AGREEMENT #2

Between the City of Belmont and Belmont Police Officers' Association
February 2023

Pursuant to the provisions of the Meyers-Milias Brown Act ("MMBA"), this Side Letter Agreement is entered into by and between the City of Belmont ("CITY") and the Belmont Police Officers' Association (BPOA), collectively referred to as the Parties, with regard to the following:

WHEREAS, on December 14, 2021 the City Council adopted Resolution 2021-110, approving a Memorandum of Understanding ("MOU") between the CITY and BPOA for the period July 1, 2021 through June 30, 2025;

WHEREAS, section 16.4 of the MOU established the terms of the vision plan provided by the City to BPOA members;

WHEREAS, section 16.4 calls for the transition from a member reimbursement plan funded by City contributions to a vision insurance plan effective July 1, 2022 or as soon as reasonably possible thereafter;

WHEREAS, section 16.4 calls for the parties to meet and confer regarding the appropriate uses of any amounts remaining in the reimbursement plan after January 1, 2023;

WHEREAS, the remaining balance in the BPOA reimbursement plan is \$6,428.01;

WHEREAS, the CITY AND BPOA have met and conferred in good faith and reached a tentative agreement.

NOW THEREFORE, the PARTIES have agreed to the following disposition of the reimbursement plan balance:

Members of the BPOA employed by the City of Belmont on or before January 31, 2023 and their eligible dependents shall be eligible for the reimbursement of vision care expenses up to \$178.55.

- Eligible expenses must be incurred January 1 through June 30, 2023.
- Expenses must be incurred during time of employment with the City. Members who separate from the City shall forfeit eligibility as of the effective date of separation.
- Receipts must be submitted for reimbursement on or before July 15, 2023.
- Expenses previously reimbursed are not eligible.
- Balances cannot be transferred from one member to another.
- Any remaining plan balance as of July 1, 2023, will be returned to the City's General Fund.

On behalf of the CITY OF BELMONT

On behalf of the BELMONT POLICE
OFFICERS' ASSOCIATION

Afshin Oskoui, City Manager

Daniel Friedman, President

Date

Date



STAFF REPORT

Meeting Date: February 28, 2023
Agency: City of Belmont
Staff Contact: Afshin Oskoui, City Manager, 650-595-7408, aoskoui@belmont.gov
Agenda Title: State Legislative Advocacy for the City of Belmont 2023 Update
Agenda Action: Motion

Recommendation

Motion to reaffirm Belmont's State and Federal Legislative Platform as presented.

Strategic Focus Area

Fiscal and Organizational Sustainability

Background

On March 24th, 2020, City Council approved Resolution 2020-022 authorizing a contract with Renne Public Policy Group (RPPG) to provide State Legislative Advocacy and Consulting Services. RPPG was engaged to provide guidance and advocacy services when appropriate on state legislation regarding housing initiatives, infrastructure, regional transportation improvements, environmental sustainability, community services, public safety and emergency management, and other policies that may affect the City's operations or finances.

RPPG conducted a review and initial assessment of the 2017 Belmont Legislative Platform. All told the platform is quite detailed and provided direction for city staff and RPPG to engage on a variety of policy issues. RPPG made some suggested modifications that reflect the City's 2020 strategic plan as well as made notes outlining the shifts that have occurred in Sacramento policy landscape at that time. Those suggested changes served as a starting point for the City Council Study Session on May 12, 2020. The City's Legislative Platform was amended and approved by the Council on May 26, 2020 and has since been updated on a yearly basis.

Analysis

The City of Belmont recognizes the need for active legislative engagement at the local, state, and federal levels to protect and enhance the interests of Belmont's residents and businesses. Accordingly, City officials and staff maintain close relationships with Belmont's state and federal representatives to advocate, influence and monitor pertinent legislation.

The City's Legislative Platform (Attachment A) contains broad policy statements pertaining to a variety of issues that impact the City. The Legislative Platform provides a policy framework for the City to respond to legislative issues important to the City in a timely manner, including correspondence from the Mayor or City Manager to the Legislature and/or Congress, and collaborating, when appropriate, with the League of California Cities. The City's primary legislative focus includes protecting local government control, improving public safety, maintaining local government revenues, obtaining funding for environmental sustainability, transportation, recreational, technology and infrastructure improvements.



By implementing and maintaining an active legislative advocacy program, the City can ensure that the City Council and staff would be fully apprised of evolving state initiatives that may affect the City's key priorities, programs, or operations.

In addition, having a legislative advocate with a physical presence in Sacramento is important for tracking legislation that might impact the City, and will help in building relationships with key elected officials and their offices. Accordingly, the statements outlined within the Legislative Platform are intended to assist the Mayor, Councilmembers, and staff to pro-actively and appropriately address legislation to promote City interests and preserve local legislative authority when necessary.

In accordance with the adopted Council strategic priorities and in advance of the 2023 Legislative session, RPPG engaged City staff in conducting a day-long "Deep Dive" meeting with all City department heads and the City Manager. The purpose of this meeting was for RPPG to work with City staff to better assess current City priorities and projects and which legislative policy areas and funding opportunities should be focused on moving into 2023. RPPG conducted a review of the 2022 Belmont Legislative Platform informed by these discussions. All told, the platform is quite detailed and certainly provides direction for city staff and RPPG to engage on a variety of policy issues

At its January 24, 2023, meeting the Council received an update from RPPG on their suggested amendments and provided feedback on issues the City wishes to address in 2023 including:

- Local Control
- Fiscal and Administrative Initiatives
- Housing and Land Use
- Transportation
- Environmental Sustainability
- Community Services
- Infrastructure Maintenance and Rehabilitation
- Utilities
- Public Safety

The attached State And Federal Legislative Platform Draft 2023 Legislative Platform Update provides detailed revisions.

Alternatives

1. Provide direction and postpone for future discussion

Attachments

- A. State and Federal Legislative Platform - Draft 2023 Update

Fiscal Impact

- ☒ No Fiscal Impact

Source:

Staff

Purpose:

Council Vision/Priority

Public Outreach:

Posting of Agenda

City of Belmont
STATE AND FEDERAL LEGISLATIVE PLATFORM
DRAFT 2023 LEGISLATIVE PLATFORM UPDATE

Note: All proposed changes are indicated by *italicized, underlined, and bolded language*

Platform Overview

The Legislative Platform contains broad policy statements pertaining to a variety of issues that impact the City of Belmont—reflecting the mission, vision and values of the City to enrich the quality of life for our community with services that provide for a safe, fulfilling and vibrant life. The Legislative Platform provides a policy framework for the City to respond to state and federal legislative issues important to the City in a timely manner. Outlining policy guidelines will also serve to provide direction to City staff and legislative consultants to engage on state legislation on behalf of the City in real time—including correspondence from the Mayor or City Manager to the Legislature and/or Congress.

The City’s primary legislative focus include: protecting local government control, improving public safety, maintaining local government revenue, obtaining funding for environmental sustainability, transportation, recreational, technology and infrastructure improvements. Furthermore, our focus remains committed to finding ways to work collaboratively with federal, state and local partners to further our City’s ability to achieve its strategic goals.

Legislative Issues

Local Control

The City values its ability and authority to exercise local control and to protect and enhance the quality of life for Belmont’s residents. Support Legislation that enhances local control of resources and that allows cities to address the needs of local constituents within a framework of regional cooperation. Encourage the use of federal and state incentives for local government action rather than mandates (funded or unfunded).

Oppose preemption of local authority whether by state or federal legislation or ballot propositions. Support efforts to streamline regulations that simplify the job of running a city and oppose efforts that erode the city’s authority to control its own affairs.

Governmental Transparency and Public Access

Support legislation that balances increased public trust, confidence, and access to public meetings while realizing the fiscal and operational constraints of local government.

Support legislation that would increase civic participation and engagement, including the continued allowance of legislative subcommittees, advisory committees, and commissions to

participate virtually (post-COVID-19 state of emergency) without physical location posting requirements under the Ralph M. Brown Act.

Fiscal and Administrative Initiatives

Support fiscal sustainability and ‘best in class’ administrative initiatives to ensure the delivery of superlative city services. Monitor initiatives which seek changes in fiscal relationships at the local, state and federal level, and support legislation that guarantees ongoing revenue sources for local government.

Support opportunities that allow the City to compete for its fair share of regional, state and federal funding, and that maintain funding streams. Opportunities may include competitive grant and funding programs. Pursue funding opportunities for public facilities and services including capital improvement projects, public works projects, homeland security, library, parks and social service facilities.

Support legislative, administrative and/ or funding mechanisms that enable the City to better provide core services and respond to the needs of its residents. Options may include regional service delivery, flexibility around seasonal workforce, project specific workforce or other innovate tools to adapt to changing fiscal conditions and resident’s needs.

Support long term statutory solutions to adequately reimburse cities from the Vehicle License Fee (VLF) Swap of 2004 as well as short term, temporary adjustments.

Oppose efforts to decrease, restrict, eliminate, seize, divert, supplant, or otherwise restrict local revenues. Oppose any efforts at the state level to eliminate, restrict, or redirect revenues currently dedicated to local government for state purposes.

Housing and Land Use

Support incentive-based housing legislation to encourage expanding affordable housing supply including development of fiscal tools and incentives to assist local governments in their efforts to encourage housing, finance the infrastructure to support housing, establish an ongoing state commitment to funding affordable housing, and fund and support affordable housing programs, including supportive housing programs and necessary infrastructure.

Support funding programs that promote the development and enhancement of safe, affordable, and accessible housing within the City for all economic segments of the population, including workforce housing.

Support reforms and improvements to housing element law to provide clear processes and flexibility to allow regional cooperation and establish realistic housing goals and performance standards—including modifications in criteria to meet the State’s Regional Housing Needs Assessment (RHNA) goals.

Support legislation that provides incentives (tax benefits, grants, loans, credits for affordable units) to local agencies, private developers and non-profit groups in order to rehabilitate residential units and commercial properties.

*Monitor and evaluate housing proposals that take a “one-size-fits-all” approach. Specifically, advocate for modifications in proposals to recognize **and incentivize** communities like Belmont that are good actors in addressing community-housing needs.*

Oppose state mandated attempts to usurp local discretion over matters relating to local housing and land use policies.

Advocate for recognition and use of inclusionary housing requirements as a condition of development and other tools in an effort to incorporate affordable housing into market rate development.

Support funding opportunities provided to local jurisdictions through statewide bond efforts.

Support efforts to provide dedicated funding and technical assistance to local governments to adopt and implement plans and process improvements and for the administration and ongoing compliance of state housing programs.

Review and evaluate legislation that would directly tie production mandates to the regional housing needs assessment process.

Transportation

Support state and federal legislation that enhances the safety of the City’s streets for automobile, bicycle and pedestrian traffic, including issues related to speed enforcement, traffic congestion reduction programs and regional transportation improvements.

Support protection of dedicated transportation-related tax revenues and enhance the ability of local agencies to finance local transportation programs and facilities (e.g. Gas Tax, State bond funds).

Support efforts to maximize the State’s purchasing power to lower materials costs for local streets and road repair.

Support federal and state funding and policy goals to enhance multi-modal transportation efforts.

Support and advocate for clear investments to make public transportation an accessible, affordable, and sustainable alternative to driving, especially efforts to enhance local multi modal transportation options.

Environmental Sustainability

Support cost-effective, sustainable and responsible environmental policy programs in the areas of energy efficiency, greenhouse gases, climate change, wastewater, solid waste removal and stormwater, among others. Support measures that expand markets for recyclable materials and maintain local authority and flexibility to regulate solid waste and recyclables.

Oppose waste and resource recovery measures imposing state-mandated costs when there is no guarantee of local cost recovery or offsetting benefit.

Community Services

Support funding for ADA facility and park upgrades. Promote legislation that provides for increased services to or funding for youth and at-risk populations such as the frail elderly, homeless, disabled and other challenged populations.

Support funding for vital regional and community services including access to parks, open space, bike lanes, after school programming, youth services, senior services, food programs, facilities that provide critical community services, protect natural resources, promote resource management, and strengthen safety and security. Oppose efforts that erode funding for these vital regional and community services.

Infrastructure Maintenance and Rehabilitation

Support legislation and policies that promote investing in the maintenance and rehabilitation of aging infrastructure (streets, stormwater, wastewater, parks and facilities). Support the lowering of the threshold for voter-approved capital financing and opportunities for innovative public financing.

Support legislation and funding opportunities that would help the City fund improvements for parks, open space, green infrastructure, and fuel mitigation and reduction.

Support legislation and funding opportunities that enhance the capacity of local government to enact climate change adaptation and mitigation, promote disaster risk reduction and community resilience, and/or advance sustainability through capital improvement to City facilities.

Utilities

Support efforts that maintain the ability to retain existing fees on telecommunications services and for public, educational and governmental channels. Oppose efforts to restrict the authority of cities to zone and plan for the deployment of telecommunications infrastructure. Support the ability of cities to maintain and manage the public right-of-way and receive compensation for its use.

Support California PUC efforts to require enhanced, more effective and timely notification for planned and unplanned repairs resulting in power outages to customers. Monitor California PUC

regulatory system for impacts to overall safety, health, and quality of life of the residents of Belmont.

Public Safety

Support legislative efforts to improve local law enforcement, fire suppression and prevention, hazardous materials mitigation, rescue, emergency medical services, and disaster preparedness. Including legislation and grant funding opportunities for innovate fire suppression technology.

Support legislation that promotes and strengthens law enforcement and first-responder access to mental health services, including peer support, training, family resources, suicide prevention, and other promising practices for wellness programs.

Support forward thinking legislative, administrative and funding polices that promote civic engagement, community partnerships and public education.

Support legislative efforts to grant state and federal funding to supplement local law enforcement to increase staffing, equipment and capital improvements to maintain public safety.

Evaluate legislation on implementation of best practices regarding law enforcement procedures and policies.



STAFF REPORT

Meeting Date: February 28, 2023
Agency: City of Belmont
Staff Contact: Jennifer Rose, Housing and Economic Development Manager, jrose@belmont.gov
Agenda Title: Disposition Development and Loan Agreement with Linc-Hill Street, L.P., for an Affordable Housing Project at 876, 884, 898, and 900 El Camino Real at Hill Street
Agenda Action: Resolution

Recommendation

Adopt a Resolution 1) authorizing the City Manager to complete negotiations and enter into a Disposition Development and Loan Agreement (DDLA) between the City of Belmont and Linc-Hill Street, L.P. for development of a 37-unit affordable housing project, and 2) authorizing the City Manager to prepare and execute all necessary implementing agreements and documents consistent with the material terms presented to Council, and 3) find the project exempt from CEQA under Government Code Section 65913.4(j).

Strategic Focus Area

Economic Development and Housing

Background

In June 2017, the City of Belmont issued a Request for Proposals for development of affordable housing on City-owned project sites located on El Camino Real at Hill Street (876, 884, 898, and 900 El Camino Real at Hill Street, collectively the “Property”). After reviewing responses and interviewing three firms, the City selected Linc Housing Inc. (“Developer”) as the preferred developer. On February 13, 2018, the City Council approved Resolution 2017-007 authorizing the City Manager to enter into an Exclusive Negotiating Agreement (“ENA”) with Linc Housing for development of a 37-unit 100% affordable rental housing project on the project sites (the “Project”). The ENA outlined the general scope, design and financing terms of the project, and directed the developer to proceed with obtaining all project entitlements and funding. The ENA was executed by both parties on August 8, 2018.

Since 2018 the City Council has approved several extensions of the ENA to provide additional time for the applicant and City to work together on completing the entitlement review. Following is a summary of the ENA extensions and amendments:

- On August 9, 2019, the City Manager authorized a two-month extension of the ENA to October 8, 2019.
- On October 22, 2019, the City Council adopted Resolution 2019-105, making certain amendments to the ENA related to target population to be consistent with the County Affordable Housing Fund guidelines, and extending the negotiating term to July 2020.
- On July 14, 2020 the City Council adopted Resolution 2020-067 approving an extension to the Amended Exclusive Negotiating Agreement through July 2021.



- On July 13, 2021, the City Council adopted Resolution 2021-069 approving an extension of the ENA through July 31, 2022.
- On June 21, 2022, the City Council adopted Resolution 2022-066 approving an extension of the ENA through July 31, 2023, authorizing submittal of an SB 35 streamlined ministerial review application, and adopted a term sheet that identified several updated project components such as unit affordability, property disposition, and an updated review timeline.

The Belmont Planning Commission held a public meeting on February 7, 2023 to consider the Project, and adopted Resolution 2023-03 approving the project entitlements, including Design Review, Grading Plan, and various zoning exemptions, exceptions, incentives and waivers. The Planning Commission also adopted Resolution 2023-04 recommending that the City Council approve a Disposition, Development and Loan Agreement (“DDLA”) with the Developer to facilitate development of the approved project.

The City and the Developer have worked collaboratively to negotiate the terms for sale of the property, development of the Project, and a loan of City housing funds to the Developer to support the development. The material terms of the DDLA and the implementing documents are summarized below, and a draft of the DDLA is attached for Council consideration. If the City Council is in agreement with the terms as presented, the attached resolution would authorize the City Manager to complete negotiations, and finalize and execute the DDLA and all attachments.

Analysis

Following is a summary of the material terms of the DDLA and all attachments.

Disposition Development and Loan Agreement (DDLA)

1. Requirements for disposition of the property, including obtaining all City Approvals, approved financing plan, approved building permit, construction contract and bonds, and public agency financing approvals including the City, San Mateo County, and a commitment of low-income housing tax credits from the State.
 2. Property sale transaction details, including the agreed upon purchase price of one dollar (\$1.00), escrow and funding requirements, title requirements, and the “as is” conveyance in which the Developer specifically acknowledges buying the property “as is with all faults.”
 3. Project construction requirements, including development schedule, approved Project plans, prevailing wage requirements, and other construction responsibilities.
 4. The terms for a loan of up to \$1,000,000 of City housing funds to the Developer to be used to fund fees and costs related to development of the Property with the approved Project, with a three percent simple annual interest rate.
 5. Ongoing Developer obligations, including use of the development as affordable housing, maintaining unit affordability for a minimum of 57 years (or longer if required by other funding sources), property maintenance, hazardous material indemnity, and insurance requirements.
 6. Options and procedures for assignments and transfers of the property during the term of the Agreement, and remedies available to both parties if any breach or default of the Agreement occurs.
- *Exhibit A: Legal Description of the Property*



- *Exhibit B: Schedule of Performance.* The Developer has approximately two years from the Agreement date to obtain a building permit and close escrow on the Property, and 30 months to complete construction of the Project.
- *Exhibit C: Pro Forma.* Financing Plan for the acquisition of the Property and construction of the Development, including a detailed development budget and evidence of equity and debt financing reasonably satisfactory to the City.
- *Exhibit D: Scope of Development.* The plans approved by the Belmont Planning Commission on February 7, 2023.
- *Exhibit E: Form of Grant Deed.* Conveys interest in the property to the Developer.
- *Exhibit F: Form of Memorandum of DDLA.* Ensures the ongoing obligations of the DDLA are recorded on title.
- *Exhibit G: Form of Regulatory Agreement.* The Regulatory Agreement is the tool which enables the City is able to restrict the affordability level of new housing units. For this project, the City has authority to restrict up to 49% of the units as affordable, or a total of 18 units. The City Restricted Units shall be one-bedroom units, and available to households earning 50% or less than the Area Median Income (AMI). This project has received additional public funding from San Mateo County and is expected to receive an allocation of low-income housing tax credits from the California Tax Credit Allocation Committee (CTCAC), both of which will require additional units to be restricted to low-income households ensuring that all rental units will be affordable (one on-site manager unit will not be restricted).
- *Exhibit H: Form of Notice of Affordability Restrictions*
- *Exhibit I: Form of Promissory Note.* The City will provide a loan of up to \$1,000,000 of affordable housing fund to the Developer, bearing a simple interest rate of three percent per annum. The loan shall be repaid to the City from project residual receipts as detailed in the DDLA.
- *Exhibit J: Form of Deed of Trust.* Secures the Promissory Note.

Consistency with Health and Safety Code Section 33433 Summary Report

The terms of the DDLA and all attachments, as summarized above, remain consistent with the Health and Safety Code Section 33433 Summary Report that was considered by the City Council at a Public Hearing on February 14, 2023. There have been no changes to the fiscal impacts of the agreement, including the sale of property, development, and loan of City funds. No public comments were received during the two-week public notice period or during the public hearing.

Staff believes that the DDLA with all attachments are appropriate for the proposed Project, and the proposed project is consistent with the City's goals to produce more lower-income housing units. A resolution has been prepared (Attachment A) authorizing the City Manager to complete negotiations and to finalize and execute all agreements and ancillary documents required to complete the project consistent with the material terms presented to the City Council.



Alternatives

1. Provide alternative direction on terms of the Agreement.
2. Take no action, not allowing the project to proceed.

Attachments

- A. Resolution
- B. Project Plans
- C. Draft DDLA

Fiscal Impact

- ☐ No Fiscal Impact
- ☒ Funding Source Confirmed: Approval of the Resolution would commit the City to a loan of up to \$1,000,000 from the Affordable Housing Fund 275 and/or the Housing Mitigation Fees Fund 277. The City has confirmed that there are sufficient funds available to provide this loan, and the loan will be included in the City's annual budget based on the project closing schedule.

Source:

Staff

Purpose:

Council Vision/Priority

Public Outreach:

Other*

* A notification of public hearing was mailed to all property owners within 300-feet of the subject property, and a public hearing notice was posted at City Hall.

RESOLUTION NO. 2023 –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT AUTHORIZING THE CITY MANAGER TO COMPLETE NEGOTIATIONS AND ENTER INTO A DISPOSITION DEVELOPMENT AND LOAN AGREEMENT BETWEEN THE CITY OF BELMONT AND LINC-HILL STREET, L.P., AND TO COMPLETE AND EXECUTE ALL NECESSARY IMPLEMENTING AGREEMENTS AND DOCUMENTS CONSISTENT WITH THE TERMS PRESENTED TO THE CITY COUNCIL

WHEREAS, the City of Belmont and Linc-Hill Street, L.P. (the “Developer”) wish to enter into a Disposition Development and Loan Agreement (“Agreement”) for development of an affordable housing project at 876, 884, 898, and 900 El Camino Real at Hill Street (APN’s 045-163-070, 045-162-070, 045-162-080, 045-162-090); and,

WHEREAS, on June 21, 2022, the City Council adopted Resolution 2022-066 authorizing the Developer to submit streamlined ministerial review application under Government Code Section 65913.4 for the project; and,

WHEREAS, on February 14, 2023, the City Council held a duly and properly noticed public hearing approved Resolution No. 2023-017 making certain findings under Public Health and Safety Code Section 33433 for disposition of public property and approving the financial terms of the Agreement between the City of Belmont and the Developer to construct a 37-unit affordable rental housing project (the “Project”); and,

WHEREAS, on February 7, 2023, the Belmont Planning Commission held a duly and properly noticed public hearing and approved Resolution No. 2023-03 approving all required entitlements for the Project, and approved Resolution No. 2023-04 recommending that the City Council approve a Disposition Development and Loan Agreement; and,

WHEREAS, as part of its recommendation to the City Council, the Planning Commission determined that the Project is consistent with the City’s General Plan and all zoning and land use regulations applicable to the property; and,

WHEREAS, the City of Belmont and the Developer have agreed that the Project financing plan requires public assistance in the form of land and a loan of affordable housing funds in order to be viable and to meet the desired affordability targets.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The foregoing Recitals are true and correct and by this reference are made a part of this Resolution.

SECTION 2. Based upon the findings of fact contained in the staff reports to the City Council dated February 28, 2023, the presentations to the City Council and supporting documents and the public testimony received, the City Council finds the provisions of the Disposition, Development, and Loan Agreement and the Grant Agreement consistent with the

City's General Plan and Belmont Village Specific Plan, and consistent with the zoning and other land use regulations applicable to the Property.

SECTION 3. The City Council authorizes the City Manager to complete negotiations and execute: 1) a Disposition and Development Loan Agreement between the City of Belmont and Linc-Hill Street L.P., and 2) the regulatory agreement and all necessary implementing agreements and documents consistent with the material terms presented to City Council on February 28, 2023.

SECTION 4. The disposition of the property and the provision of financing assistance by the City is exempt from California Environmental Quality Act under Government Code Section 65913.4(j).

* * *

ADOPTED February 28, 2023 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

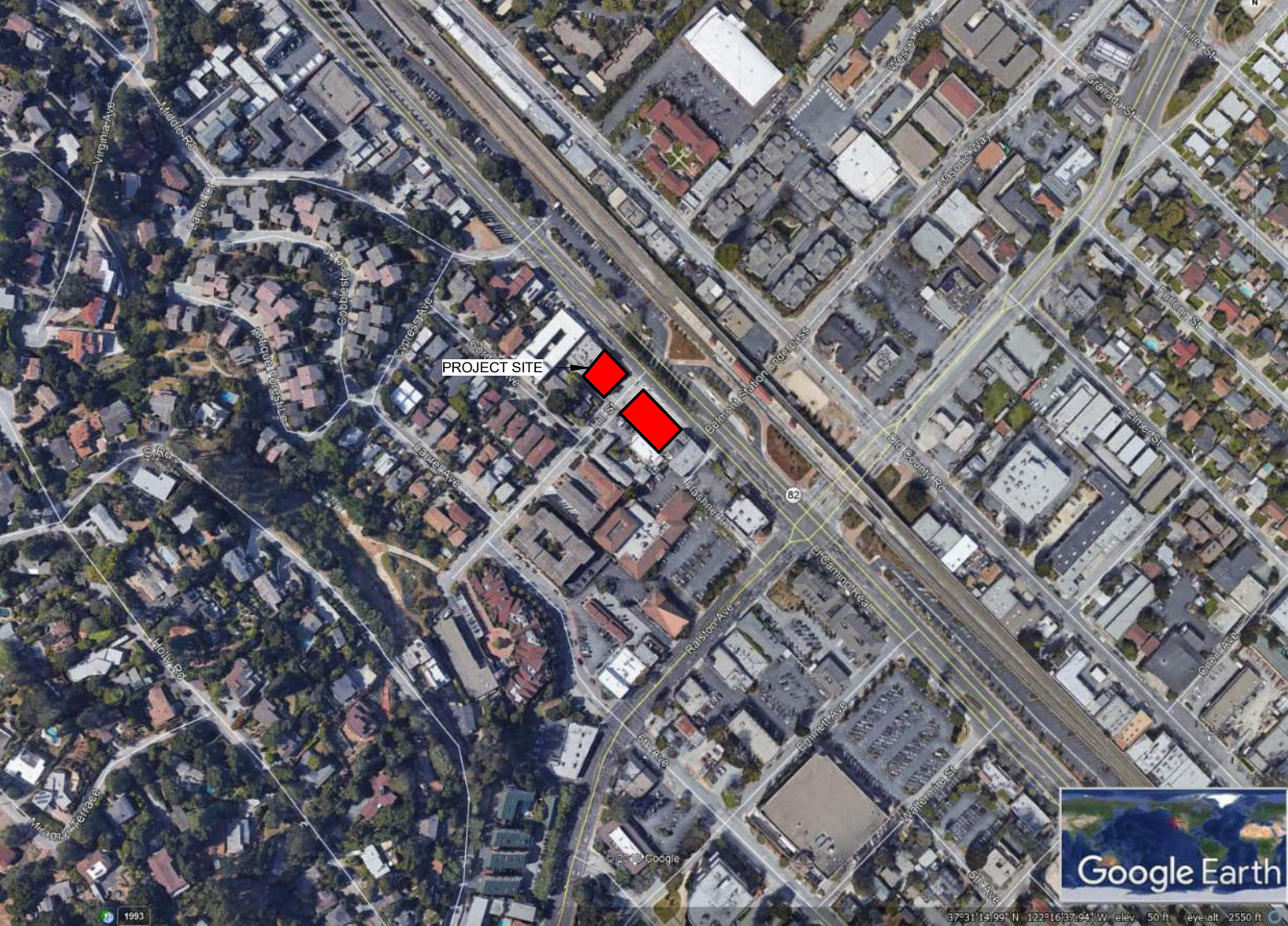
City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

CONTEXT MAP



FLOOR AREA SUMMARY

FLOOR AREA BUILDING A		FLOOR AREA BUILDING B	
LEVEL	AREA	LEVEL	AREA
LEVEL 1	2,488 SF	LEVEL 1	2,661 SF
LEVEL 2	6,032 SF	LEVEL 2	3,443 SF
LEVEL 3	6,242 SF	LEVEL 3	3,459 SF
LEVEL 4	6,431 SF	LEVEL 4	3,459 SF
LEVEL 5	5,984 SF	LEVEL 5	3,148 SF
FLOOR AREA	27,177 SF	FLOOR AREA	16,170 SF

Floor area is determined by the area taken from the outside surface of exterior walls per the Belmont Village Specific Plan page 4-22; Balconies are not include in the area per the City of Belmont Zoning Ordinance Definition of "Floor Area, Gross" 2.60; Garages are not included per the Belmont Village Specific Plan page 4-22.

FIRE DEPARTMENT NOTES

1. All buildings shall be provided with a Knox Key-Lock Box. The approved location shall also be clearly indicated on the project plans. Please contact Fire Department to determine an approved location for its installation.
2. Passive smoke control shall be provided for all buildings greater than four stories or 40 feet in height. All stair shaft doors shall be self-closing with smoke seals. All cross-corridor doors (these may be on hold-open magnets) shall be provided with smoke seals. Said doors shall be fire-rated assemblies.
3. The applicant must install infrastructure, including conduit and subpanel, for possible installation of Emergency Responder Radio Coverage (ERRC) components. This determination will be made by third party special inspection and testing, which will be required prior to occupancy to determine the need for ERRC installation.
4. If the proposed roof elevation is different by 3 feet or more, and where the slope is at or exceeds 1-inch riser over 4-inch run stationary, interconnected ladder and footpath systems to the roof top shall be provided on any plans submitted for a building permit. Please submit the design of these ladders for review and approval of the Fire Code Official.
5. All buildings shall be provided with an Automatic Fire Extinguishing System. A NFPA 13 fire sprinkler system is required.

SHEET INDEX

A00	COVER SHEET	A07	LEVEL 5 FLOOR PLAN
A01	ZONING COMPLIANCE	A08	ROOF LEVEL PLAN
A02	SITE PLAN	A09	BUILDING SECTIONS
A03	LEVEL 1 FLOOR PLAN	A10	BUILDING STREET ELEVATIONS
A04	LEVEL 2 FLOOR PLAN	A11	BUILDING ELEVATIONS
A05	LEVEL 3 FLOOR PLAN	A12	SAMPLE UNIT PLANS
A06	LEVEL 4 FLOOR PLAN	A13	MATERIALS, COLORS AND SITE PHOTOS



PROJECT INFORMATION

Site A Program Summary
Address: 900 El Camino Real
Belmont, CA 94002
Zone: Village Core, Belmont Village Specific Plan (BVSP)
C2
Land Use: Commercial Residential
Lot Area: 8,453 sf (0.194 acre)
Floor Area Ratio: 2.0 Base
3.23 w/ 61.5% bonus via a Sec. 65915(e) waiver request 27,303 sf

FAR proposed 3.22
Floor Area proposed: 27,177 sf

Unit Mix	Req	Provided
1 Bedroom		14
2 Bedroom		4
3 Bedroom		6
Total		24 DU

Parking	Req	Provided
Residential	0****	7+1EV

***** Per the SB-35 state streamlining law (CA Gov Code Sec. 65913.4(e)(1)) "a local government... shall not impose automobile parking standards for a streamlined development... located within one-half mile of public transit."

Bike Parking	Req	Provided
Short term (class2)	2	2
Long term (class1) (1 per 5DU)	5	5

Site B Program Summary
Address: 876, 884, 898 El Camino Real
Belmont, CA 94002
Zone: Village Core, Belmont Village Specific Plan (BVSP)
C3
Land Use: Commercial Residential
Lot Area: 5,044 sf (0.116 acre)
Floor Area Ratio: 2.0 Base
3.23 w/ 61.5% bonus via a Sec. 65915(e) waiver request 16,293 sf

FAR proposed 3.21
Floor Area proposed: 16,170 sf

Unit Mix	Req	Provided
1 Bedroom		4
2 Bedroom		5
3 Bedroom		4
Total		13 DU

Parking	Req	Provided
Residential	0****	3+1Manager's space

***** Per the SB-35 state streamlining law (CA Gov Code Sec. 65913.4(e)(1)) "a local government... shall not impose automobile parking standards for a streamlined development... located within one-half mile of public transit."

Bike Parking	Req	Provided
Short term (class2)	2	2
Long term (class1) (1 per 5DU)	3	3

Sites A & B Program Summary
Lot Area Total: 13,497 sf
FAR allowed (with Bonus****): 3.23
Floor Area allowed: 43,595 sf
FAR proposed: 3.21
Floor Area proposed: 43,347 sf****
Site A 27,177 sf
Site B 16,170 sf

*** 61.5% bonus via a Sec. 65915(e) waiver request
**** Excluding garage (per BVSP, page 2-15)

Unit Mix	Req	Provided
1 Bedroom (@ 600 nsf)		18 (48.6%)
2 Bedroom (@ 792 nsf)		9 (24.4%)
3 Bedroom (@ 1007 nsf)		10 (27.0%)
Total		37 DU

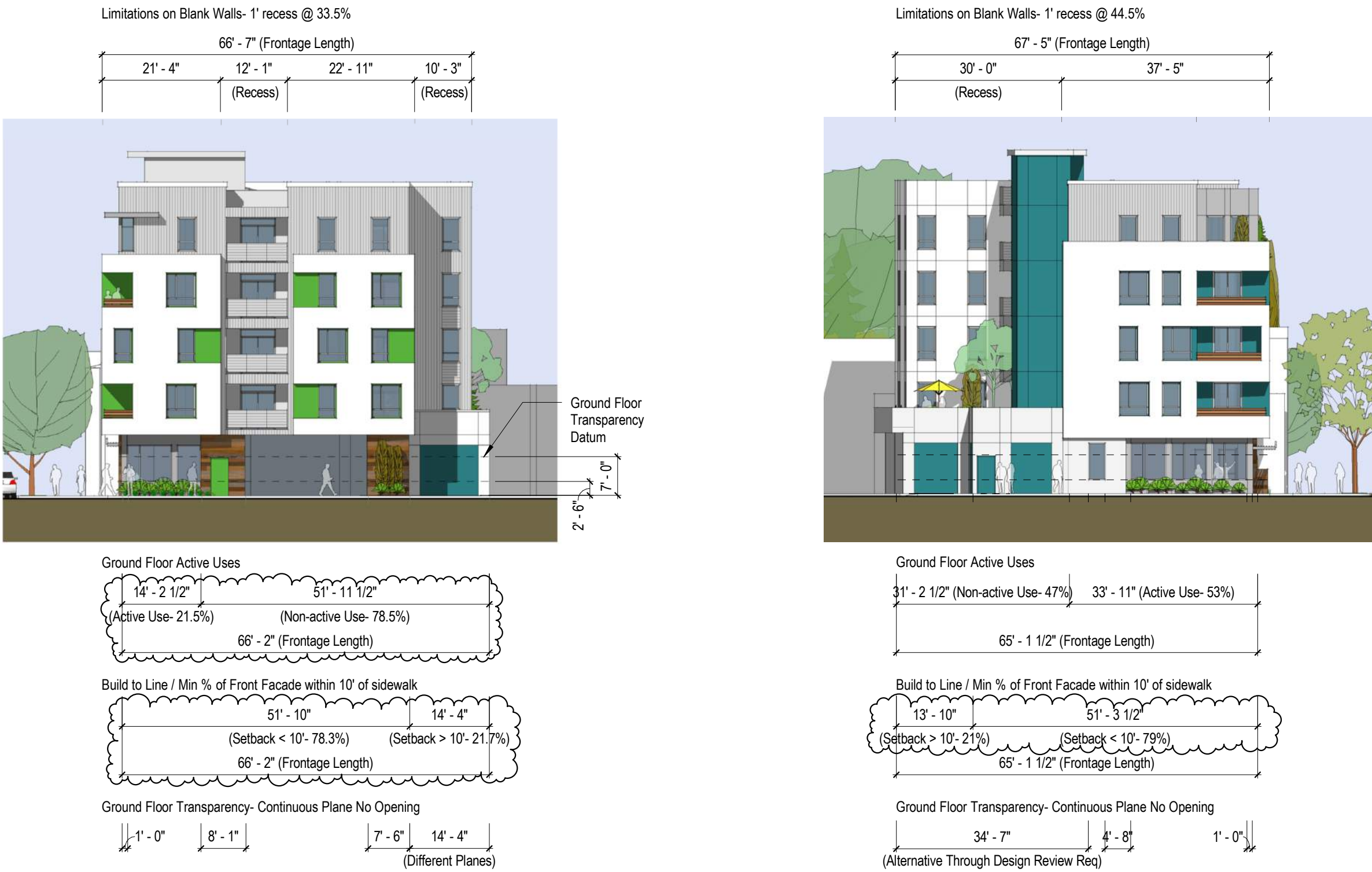
Parking	Req	Provided
Residential	0****	10+1EV+1Manager's space

***** Per the SB-35 state streamlining law (CA Gov Code Sec. 65913.4(e)(1)) "a local government... shall not impose automobile parking standards for a streamlined development... located within one-half mile of public transit."

Bike Parkings	Req	Provided
Short term (class2)	4	4
Long term (class1)	8	8

Note:
Refer to zoning compliance tables on A01 for additional information.

Zoning Diagrams



Limitations on Blank Walls- 1' recess @ 47.0%

Wall Area- 3780 sf

Openings with 1' recess x 5' width (Diagonal Lines)- 1778 sf

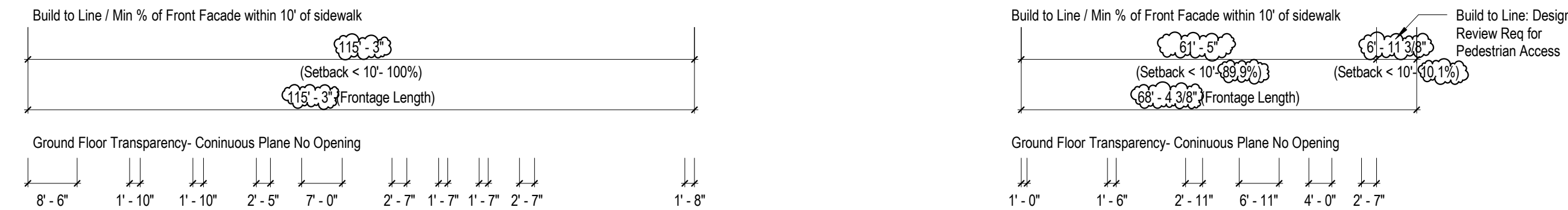
Percent of Openings with 1' recess x 5' width= 47.0%

Limitations on Blank Walls- 1' recess @ 26.6%

Wall Area- 2267 sf

Openings with 1' recess x 5' width (Diagonal Lines)- 604 sf

Percent of Openings with 1' recess x 5' width= 26.6%



Outdoor Living Area

Outdoor Living Area for Residential Units				
	Site A	Site B		
Required (VC)*	864	468		
Provided	2980	1269		
Total	4249			
* 36 sf per unit				
Private Open Space				
	Site A	Site B		
	Unit	Area(sf)	Unit	Area(sf)
Ground Floor			C3	63
Sub total				63
Second Floor	A3	67	C4	61
	A1	67	A6	71
	A1	61	B2	0
	C1	56		
	B1	61		
	A2	143		
Sub total				132
Third Floor				
	A5	55	C4	117
	A2-1	57	A6	67
	A2-1	62	B2	0
	C1	56		
	B1	63		
	A2	641		
Sub total				184
Fourth Floor	A3	67	C4	117
	A1	67	A6	71
	A1	61	B2	0
	C1	56		
	B1	63		
	C2	0		
Sub total				188
Fifth Floor	A5	0	B3	189
	A2-2	0	A7	91
	A2-2	0	B2	0
	C1	56		
	B1	63		
	C2	0		
Sub total				280
Total Private	Site A	1822	Site B	847
Common Open Space				
	Site A	Site B		
	Space	Area(sf)	Space	Area(sf)
Second Floor	Court	957	Court	422
Third Floor	Deck	201		
Total Common	Site A	1158	Site B	422
Total Private and Common Open Space	Site A	2980	Site B	1269

Zoning Compliance

Village Zoning District Development Standards (Table 31-2)				
The Belmont Village Zoning Ordinance Section 31.3.1 Table 31-1 stipulates projects in the Village Core with Active Use Floor Area overlay require a Conditional Use Permit to place residential uses on the ground floor. The SB-35 State Streamlining law prevents a local jurisdiction from requiring a Conditional Use Permit, stating in CA Gov Code Sec. 65913.4(a) that "A development proponent may submit an application for a development that is subject to the streamlined, ministerial approval process provided by subdivision (c) and is not subject to a conditional use permit..."				
	VC Village Core	SITE A Provided	SITE B Provided	
Lot Size, Setbacks, Density, and Lot Coverage				
Min lot area	5,000 sf	8,453 sf	5,044 sf	
Min lot width	50 ft	70 ft	70 ft	
Min setbacks	None*	See * below	See * below	
Min; Max res density	N/A			
Max site coverage (% of lot)	90%	88.86% (Building footprint- 7,511 sf)	85.37% (Building footprint- 4,306 sf)	
*Transitional Height & Additional setback adjacent to R District	10' (with 45 degree above 12')	N/A	0' at ground level; 3'-6" above second level	
Building Form and Street Frontage Standards				
Min; Max FAR	0.5; 2.0 (w/density bonus 3.23)	3.22 (27,177 sf / 8,453 sf)	3.21 (16,170 sf / 5,044 sf)	
Min; Max building height	20; 50 (up to 83**)	53'-10" top of roof; 56'-5" to top of parapet; 63' to top of stair overrun	52'-0" top of roof; 56'-5" to top of parapet; 63' to top of stair overrun	
Min ground floor height	16 active use 16 non-res 10 res	12 ft N/A 12 ft	12 ft N/A 12 ft	
Building Bulk	1 story- 100% 2 story- 100% 3 story- 85% 4 story- 75% 5 story- 75%	100% 109% 91.80% 91.80% 85.10%	100% 107.10% 87.50% 87.50% 79%	
Limitations on blank walls	25% recess- 1ft depth, 5ft width	ECR- 47.0% HS- 33.5% See A01	ECR- 26.6% HS- 44.5% See A01	
Build-to lines	90% (Active-use frontage- El Camino Real) 70% (Hill Street)	89.9%; See zoning diagrams on A01. 78.3%; See zoning diagrams on A01.	89.9%; See zoning diagrams on A01. 79%; See zoning diagrams on A01.	
Ground floor transparency	Openings between 2.5' and 7'	See zoning diagrams on A01.	See zoning diagrams on A01; Design review req for ±34' wall along garage- providing architectural relief and detail (see: 2 Site B Hill Street Elevation / A10)	
Building Entrances	Clearly marked	See sheet A10	See sheet A10	
Street frontage standards	See Streetscape and street frontage development standards below			
**CA Gov Code 65915(d)(2)(D) allows a bonus of 3 floors or 33 ft above base height limits without the use of an incentive/waiver.				
Open Space and Outdoor Living Area for Residential Units				
Min publicly accessible open space area	N/A	N/A	N/A	
Lots < 12,000 sf	N/A			
Min outdoor living area per unit	Site A 36sf x 24 = 864 sf Site B 36sf x 13 = 468 sf	2,980 sf Total 1,822 sf Private*** 1,158 sf Common See outdoor living area table on A01.	1,269 sf Total 847 sf Private*** 422 sf Common See outdoor living area table on A01.	
Min landscaping- 10%	Site A 845.3 sf Site B 504.4 sf	80 sf	280 sf	
***not every unit has 36sf of private outdoor living area				
Streetscape and street frontage development standards (Table 31-3)				
	El Camino Real (ECR) Required Village Boulevard	Hill Street (HS) Required Village Main Street	Site A Provided	Site B Provided
Street Frontages				
Ground floor active uses	Not Required	75%	ECR- N/A; HS- 21.5%; See zoning diagrams on A01.	ECR- N/A; HS- 47%; See zoning diagrams on A01.
Min ground level window transparency	25	75	ECR- 25; HS- 75%; See note 1 on sheet A10	ECR- 25; HS- 75%; See note 1 on sheet A10
Street wall height	1 story min; 3 story max	2 story min; 3 story max	4 story	4 story
Retail depth	25' min	50' min	None provided	None provided

Encroachments into public right of way				Building A does not encroach into the public right of way; see sheet A09	Building B does not encroach into the public right of way; see sheet A09
Setbacks					
Min % of front facade located at or within 10' of the sidewalk	50%	90%	ECR- 100% HS- 78.3%****; See zoning diagrams on A01.	ECR- 89.9% HS- 79% See zoning diagrams on A01.	
Front Setback	0-12'	0-5'	ECR- 3-3.5' HS- 1.4-5.5', 13'****; See sheet A03.	ECR- 5-8.3' HS- 1-1.3'; See sheet A03.	
****13' from sidewalk to accommodate potential electrical transformer					
Belmont Village Specific Plan- 4.2 Urban Design					
Sidewalks	12 ft, 15' is recommended on El Camino Real	6 ft, 12' is recommended on Hill Street	ECR- 12.5' HS- 9.5'	ECR- 12' HS- 7.5'	
Parking Standards (Table 31-4)					
	Required		SITE A Provided	SITE B Provided	
Retail	2 per 1000 sf		N/A	N/A	
Office	3 per 1000 sf		N/A	N/A	
Hotels	0.5 per room		N/A	N/A	
Residential studios- 0.5 per unit	SITE A- 0 spaces****		7 spaces	4 spaces	
1 br- 1 per unit	SITE B- 0 spaces****				
2 br- 1.5 per unit					
3 br- 2 per unit					
Location	Parking structures or areas are to be wrapped with active ground floor uses		Wrapped on El Camino Real	Wrapped on El Camino Real	
Access	Clear, well-lit, safe pedestrian walkways between parking areas and structures and the main sidewalks and building entrances		Direct access into the building lobby is provided within the parking garage area	Direct access into the building lobby is provided within the parking garage area	
Parking structure driveway width	Maximum 24 ft		20 ft	Parking is provided directly off of non-excludes ingress, egress and utility easment	
Ground floor design	Where a parking structure faces onto a street, the ground floor must be treated with elements of interest and made as active as possible.		See sheet A10, note 2	See sheet A10, note 2	
*****Per the SB-35 state streamlining law (CA Gov Code Sec. 65913.4(e)(1)) "a local government... shall not impose automobile parking standards for a streamlined development... located within one-half mile of public transit."					
Bicycle Parking					
Short term	2 spaces		2 spaces	2 spaces	
Long term	SITE A- 5 space		5 spaces	3 spaces	
Multi-family- 1 long term per 5 units	SITE B- 3 space				

Hatch indicates sections of the Zoning Ordinance where the project does not meet requirements and a Waiver is requested.

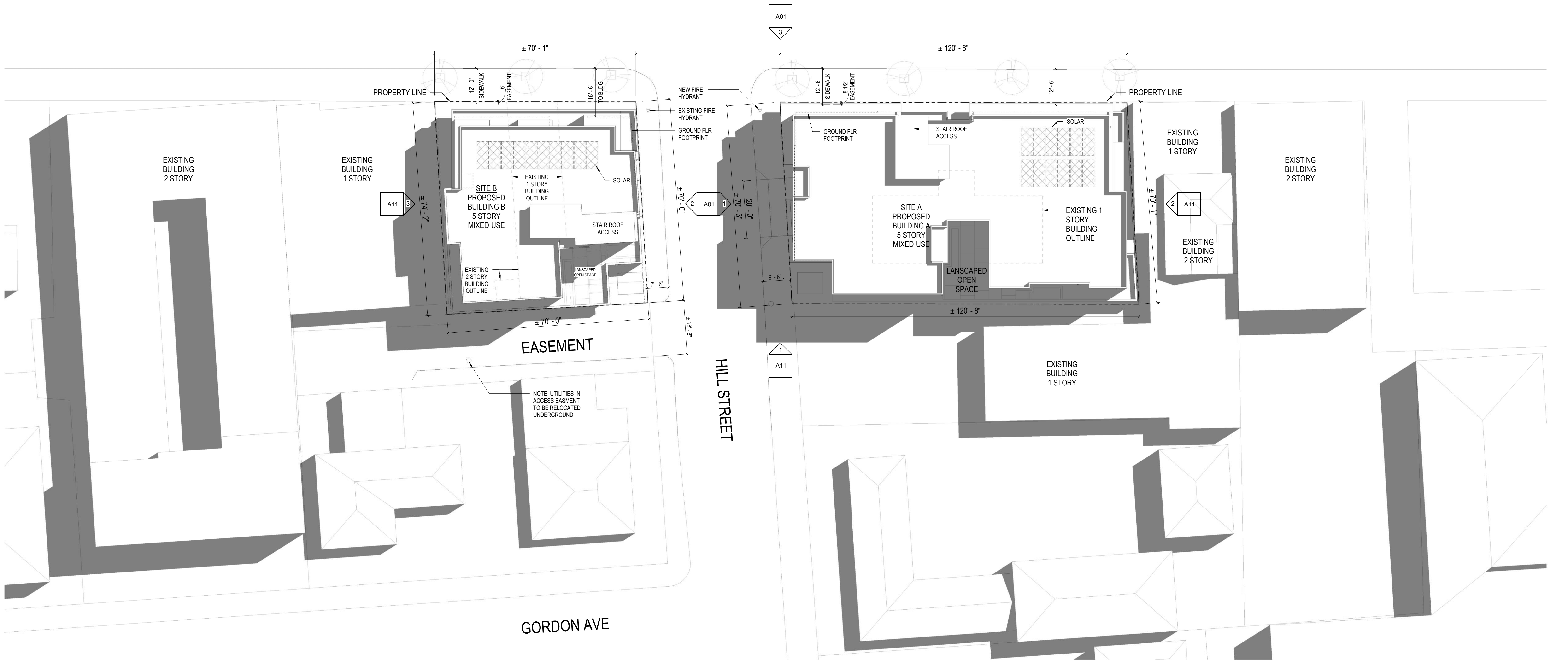
Hatch indicates sections of the Zoning Ordinance where the project does not meet requirements and a Design Review exception is requested.

Hatch indicates a request for an incentive.

BELMONT STATION PARKING

TO BELMONT STATION UNDERPASS

EL CAMINO REAL



December 20, 2022

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EL CAMINO REAL

A01

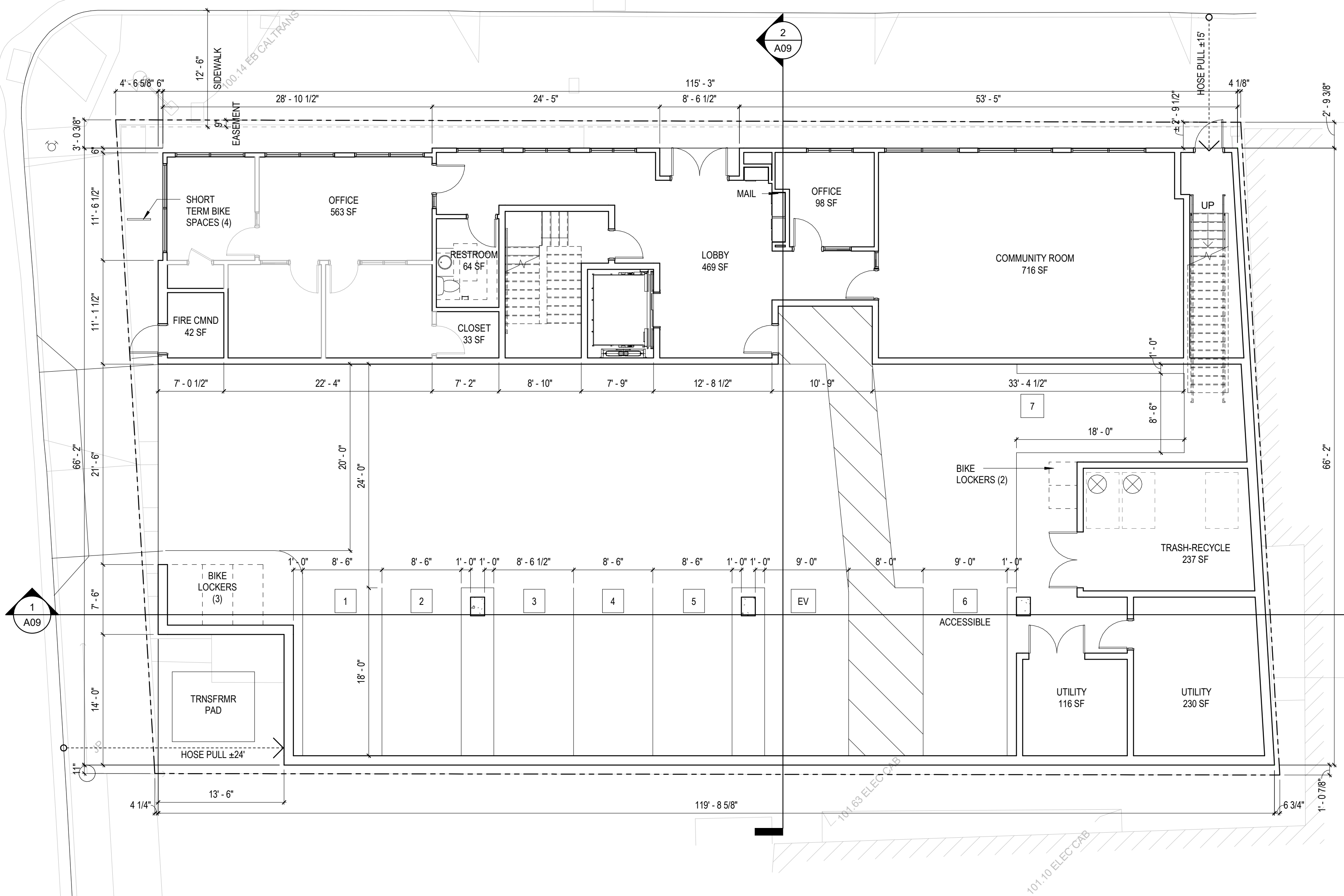
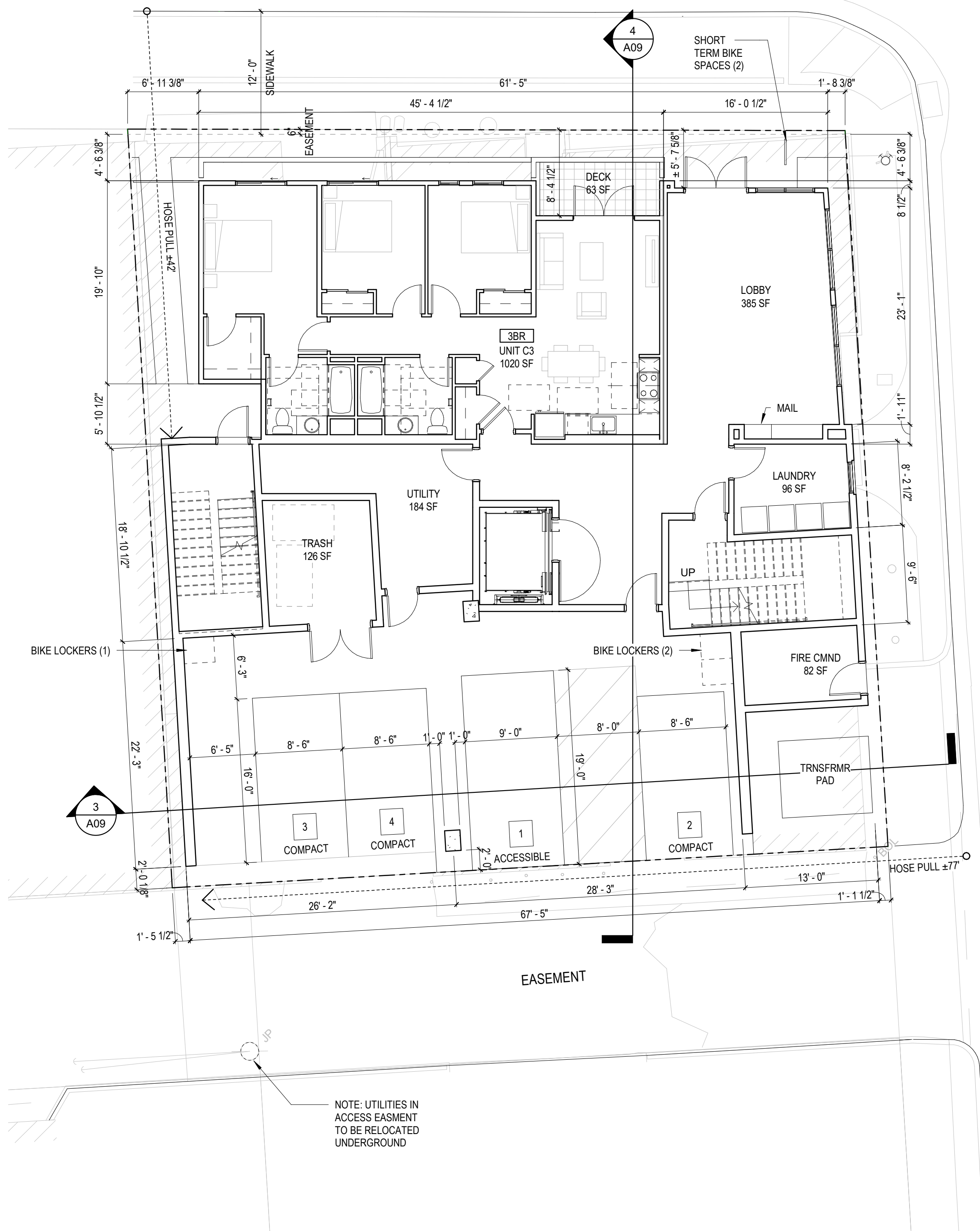
HILL ST

A01
3

A09
1

A11
1

A09
2



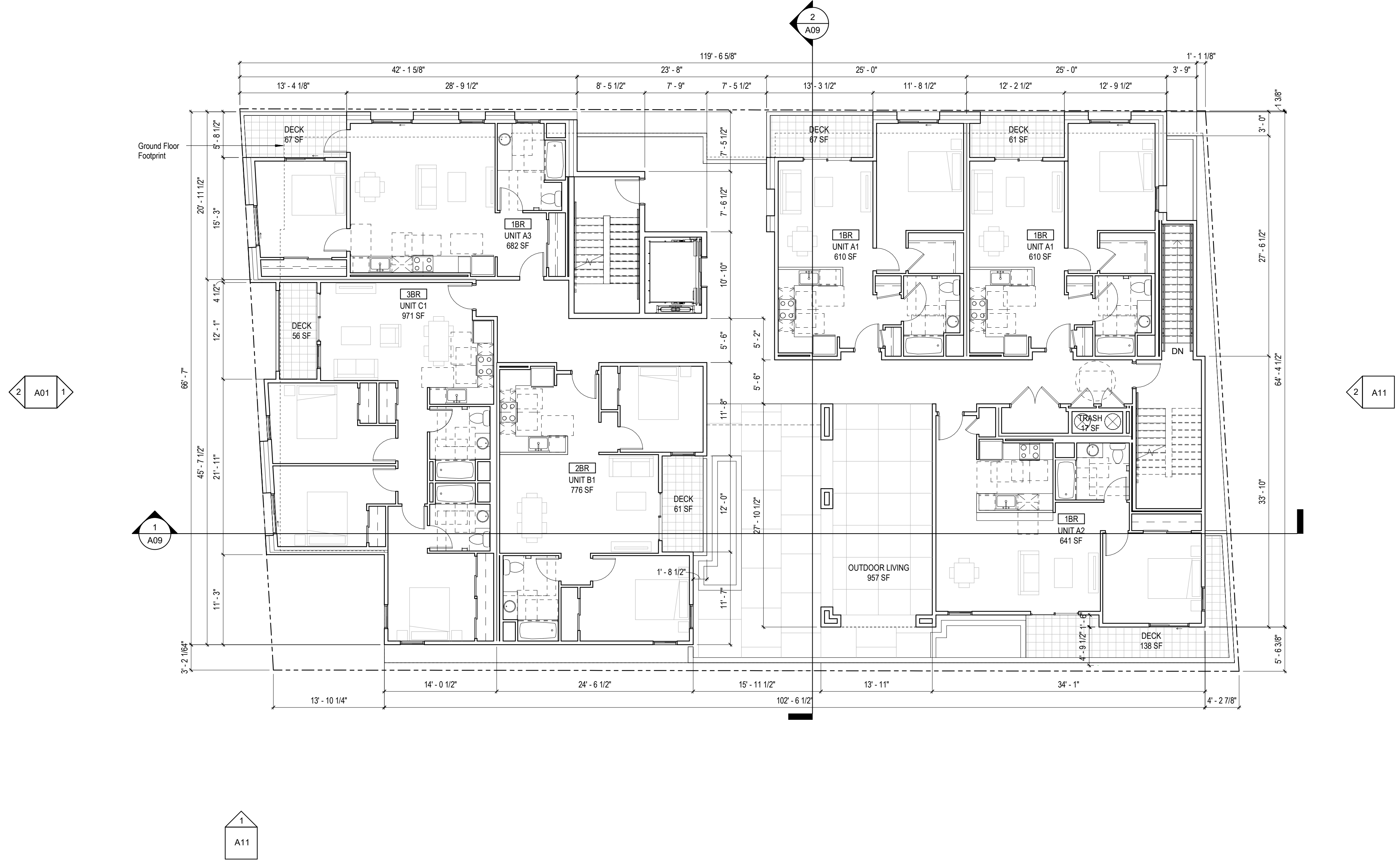
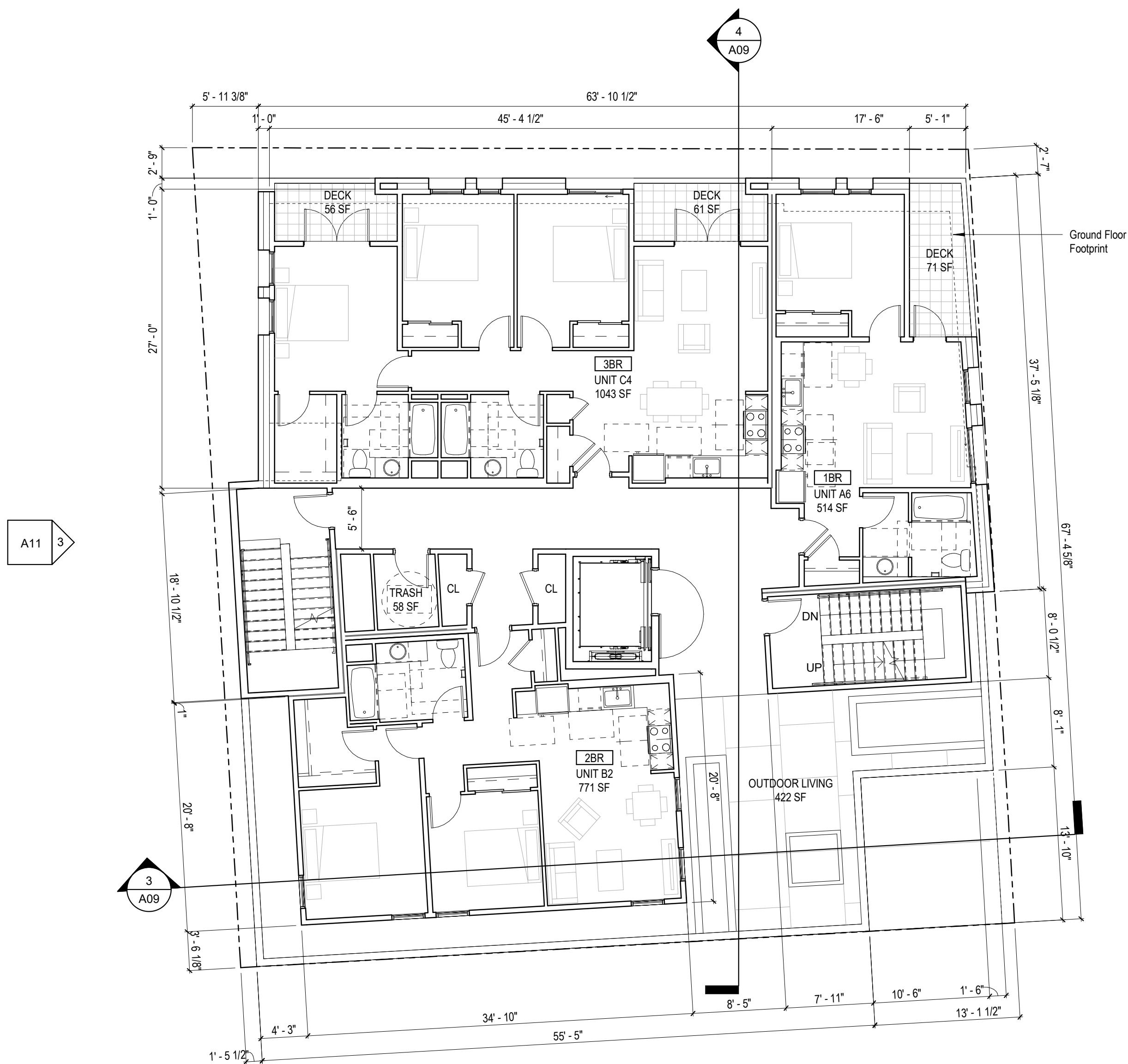
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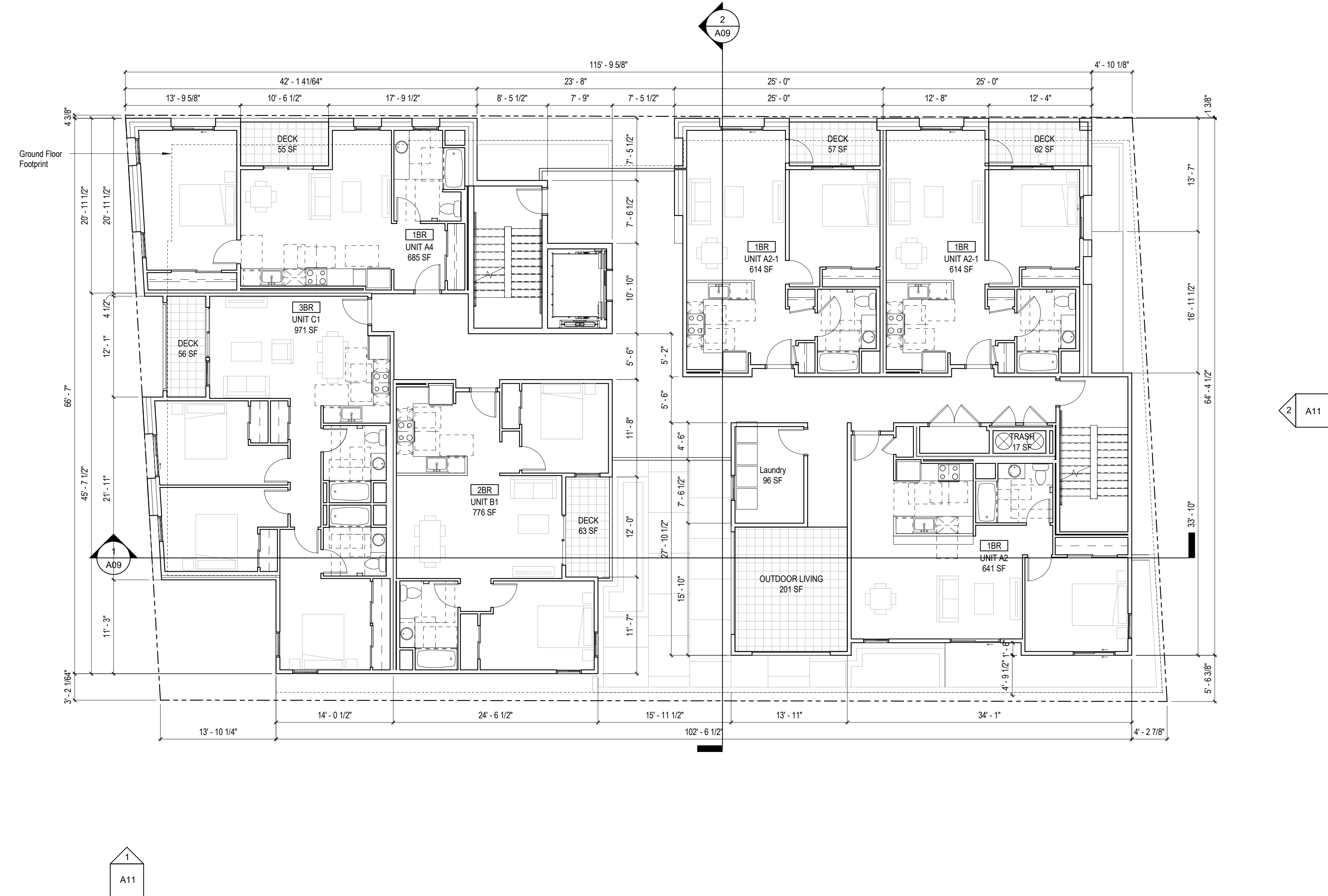
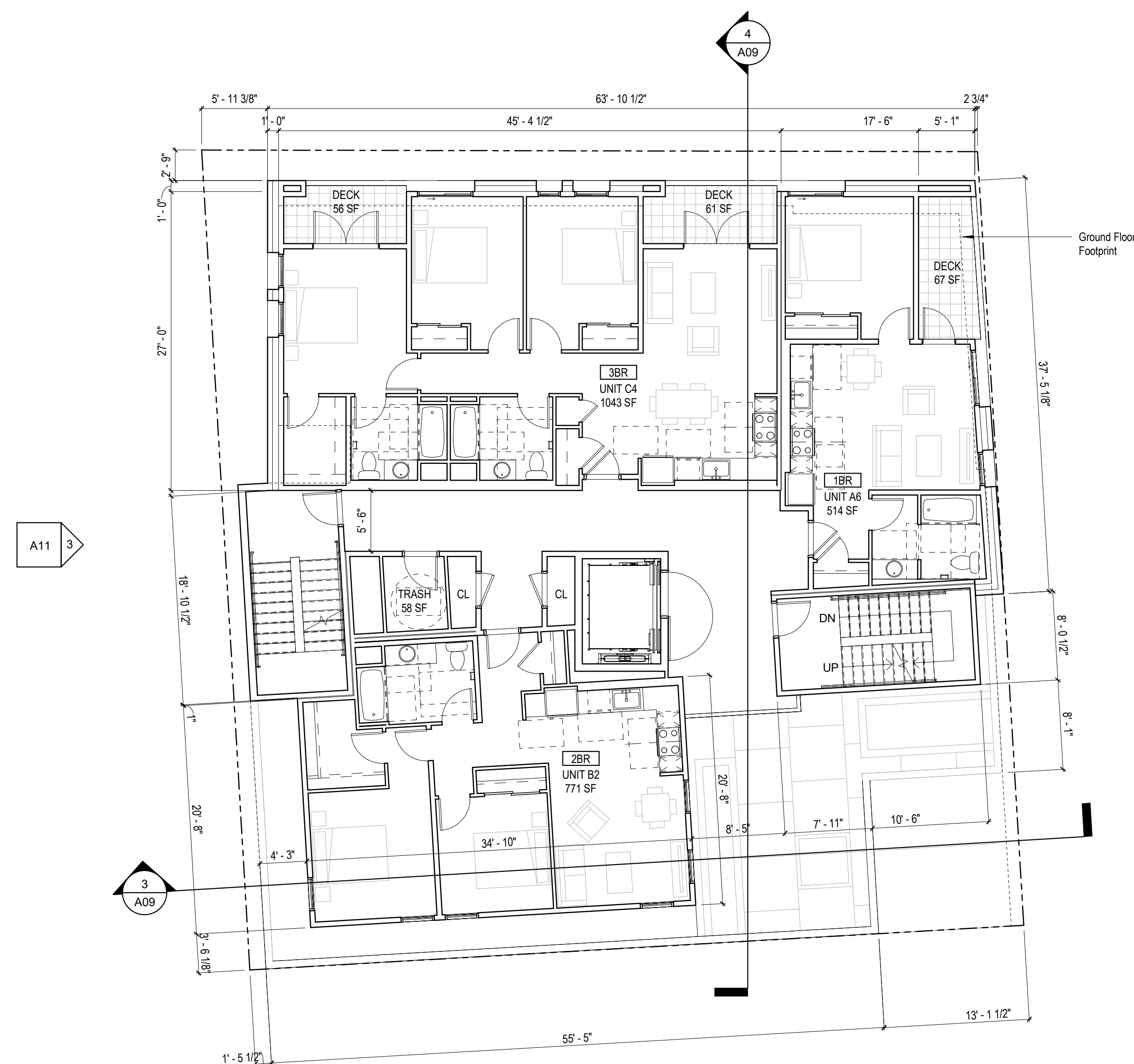


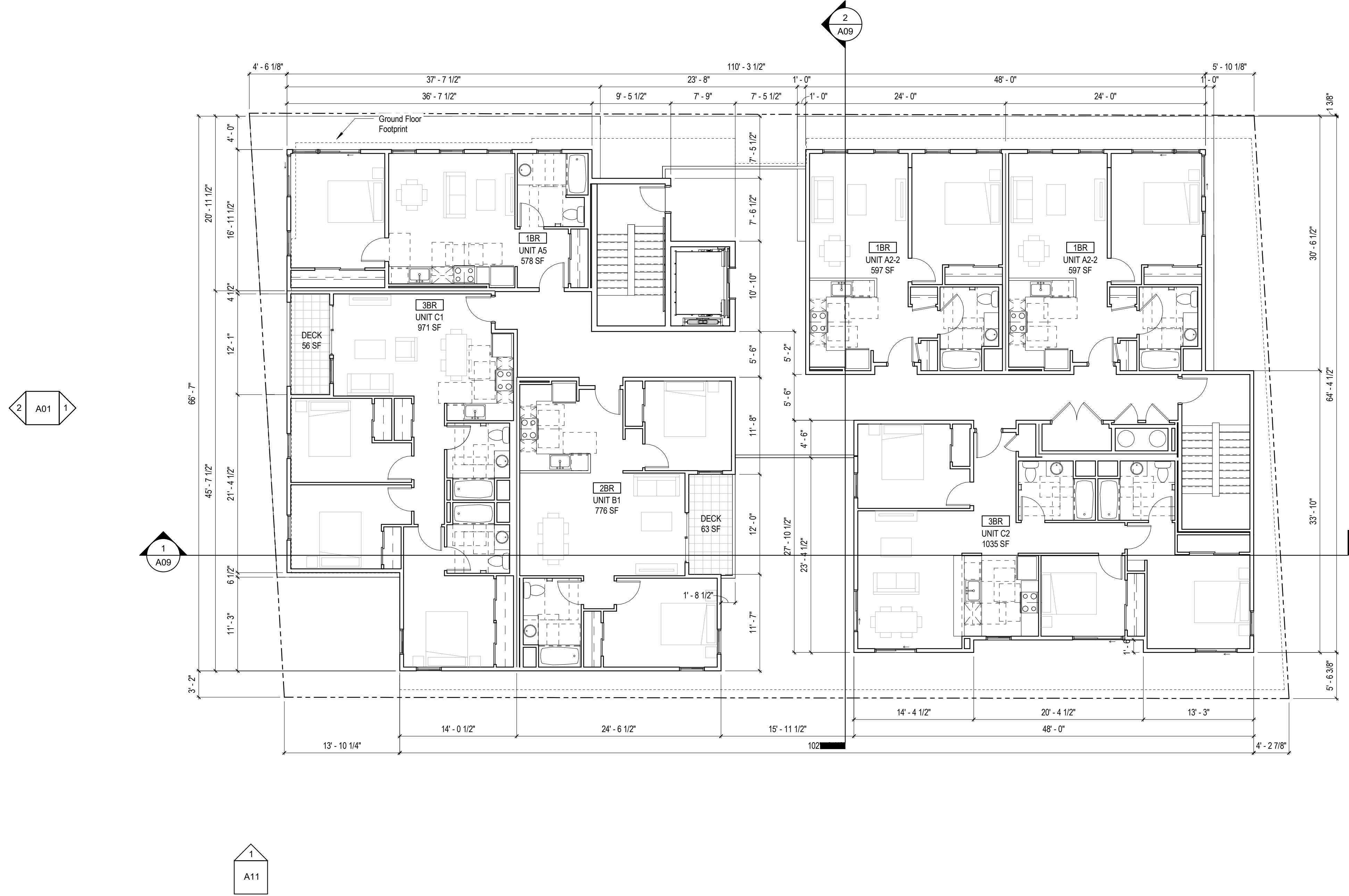
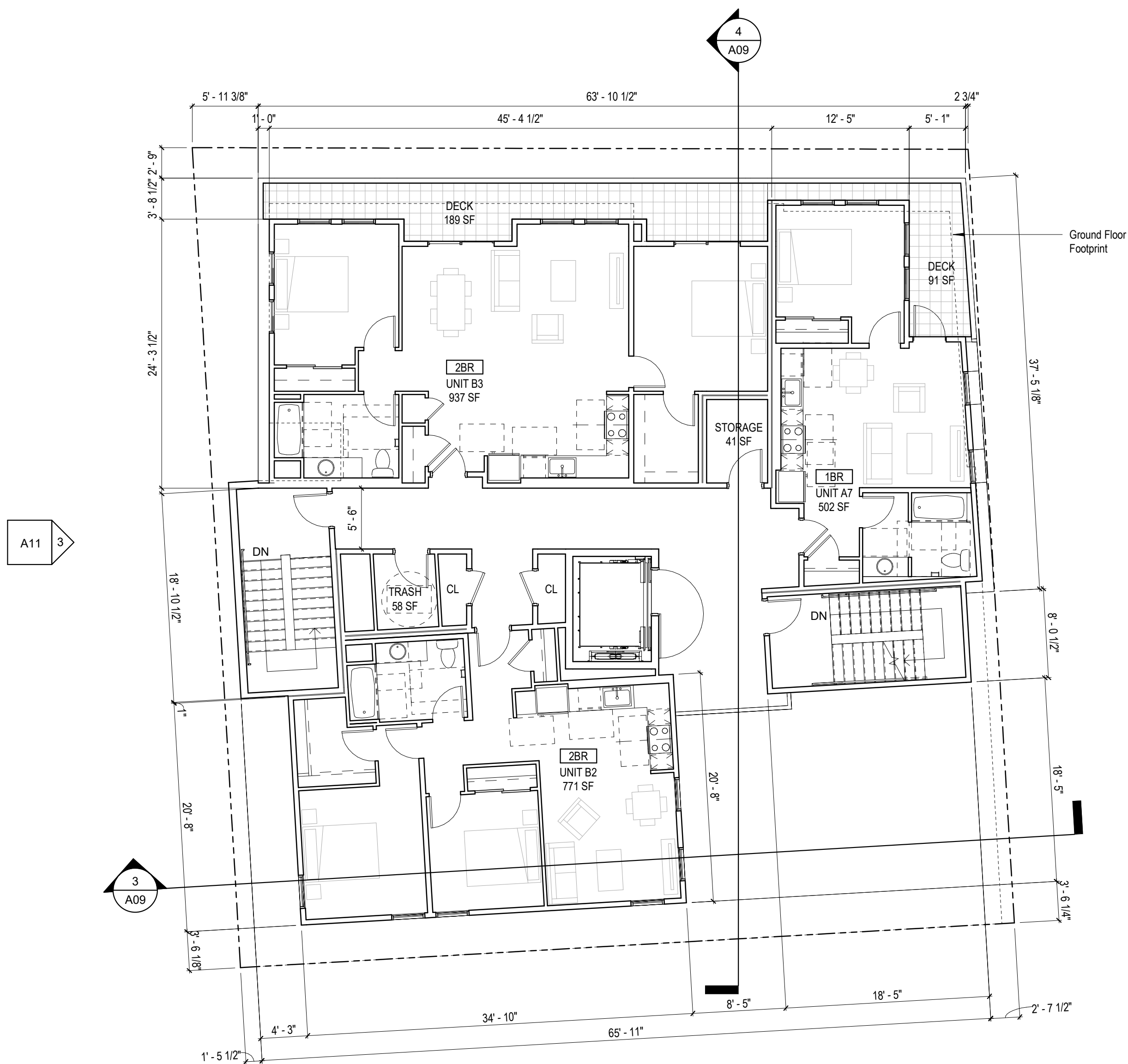
A03

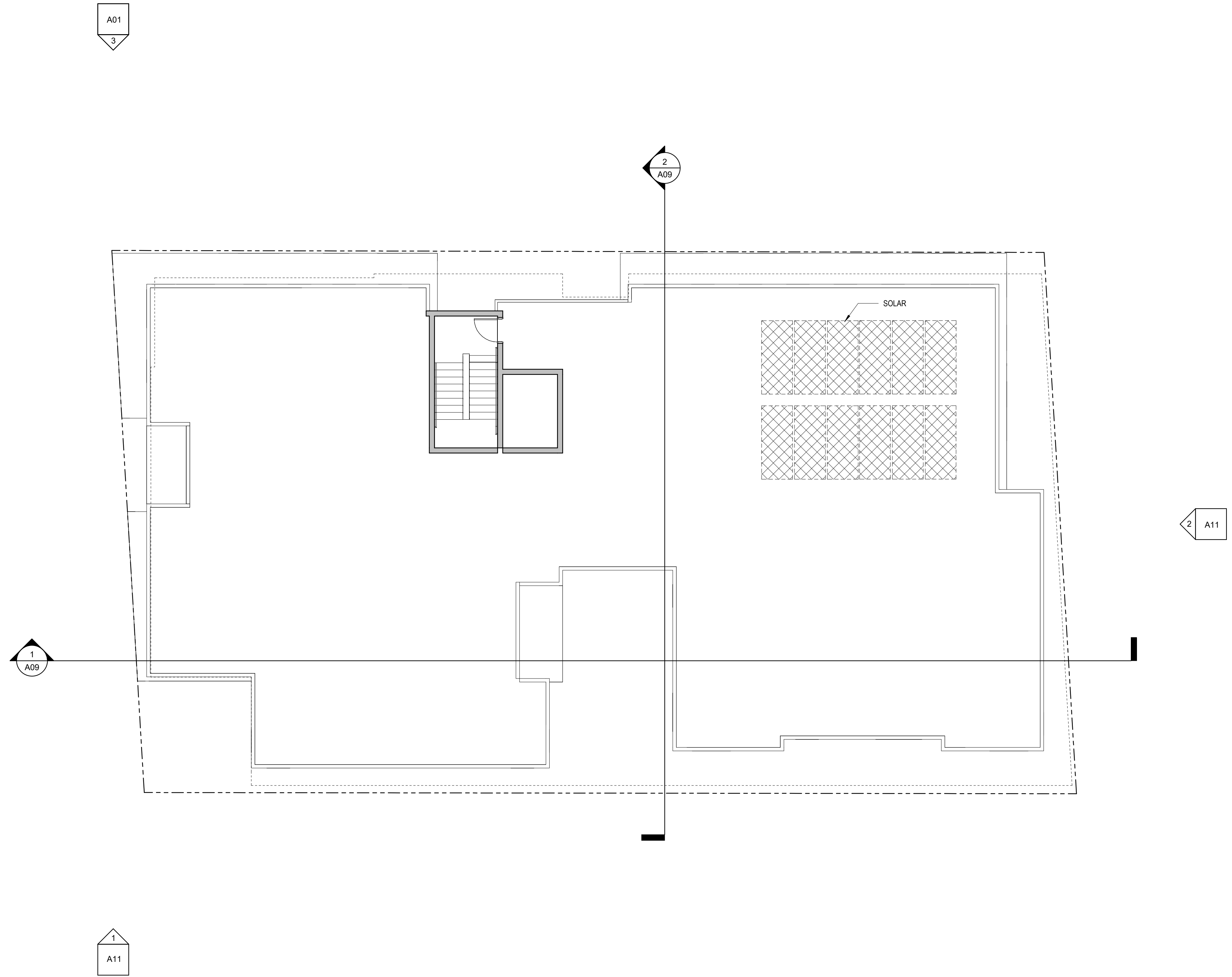
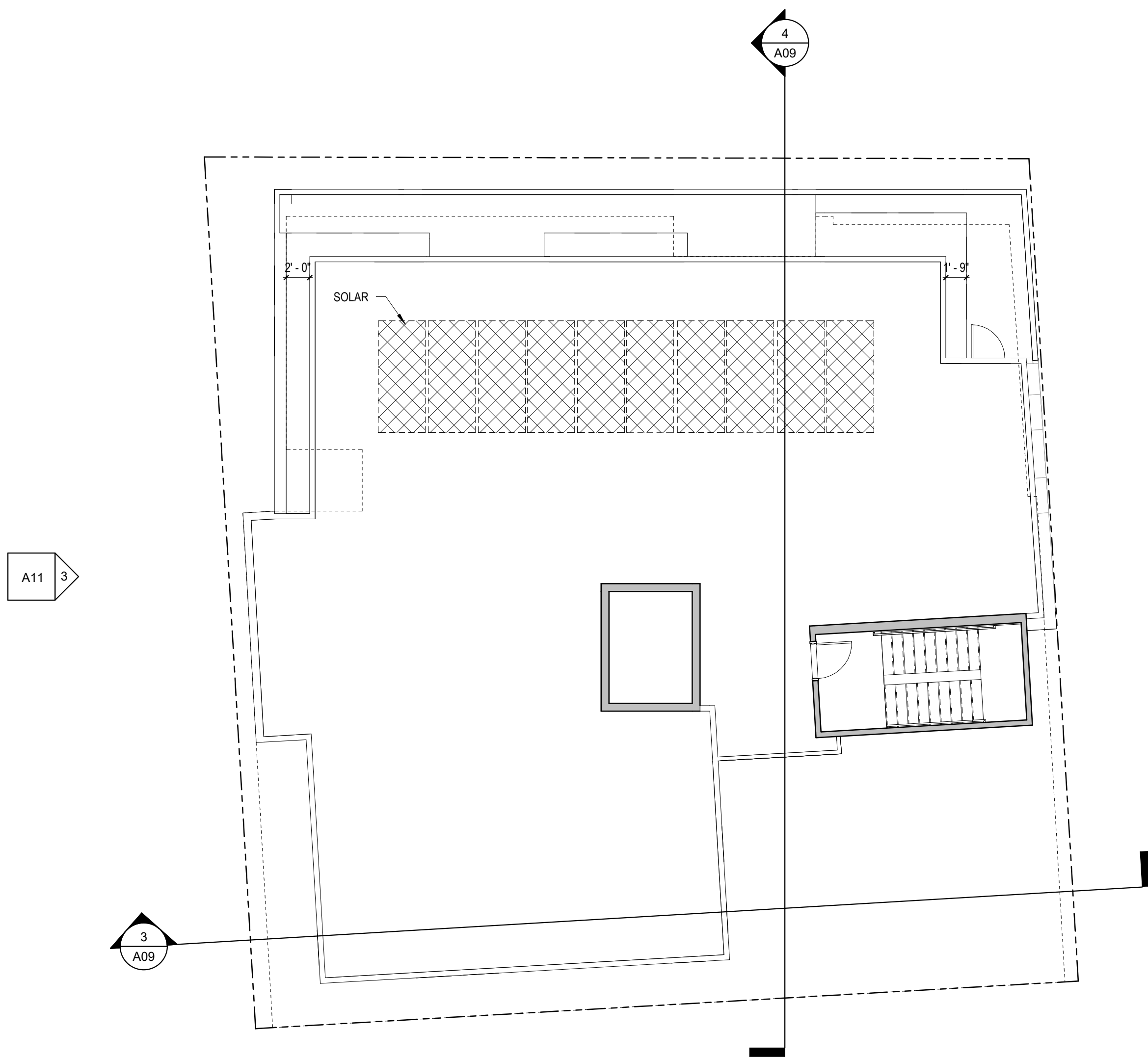
LEVEL 1 FLOOR PLAN

BELMONT AFFORDABLE HOUSING









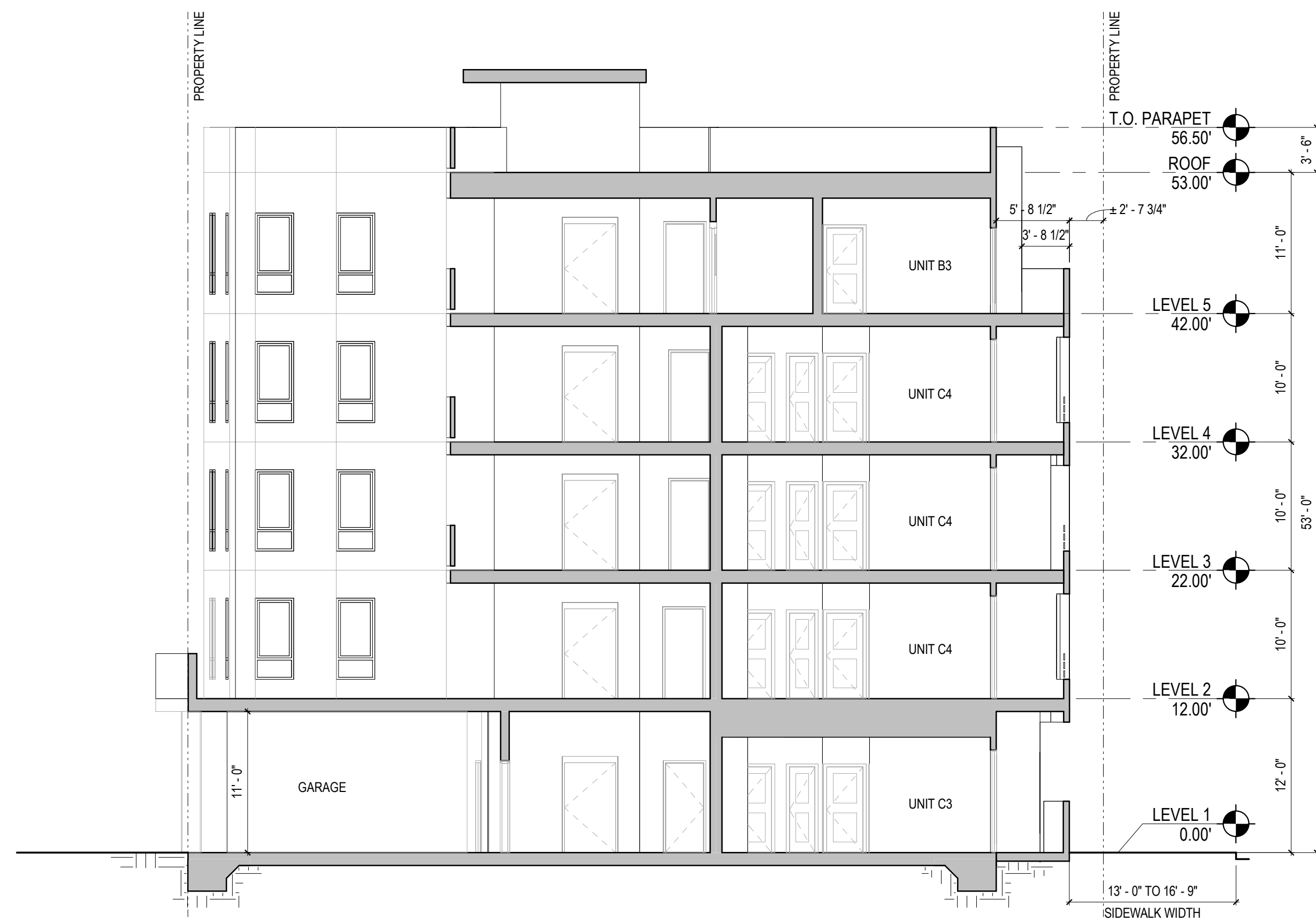
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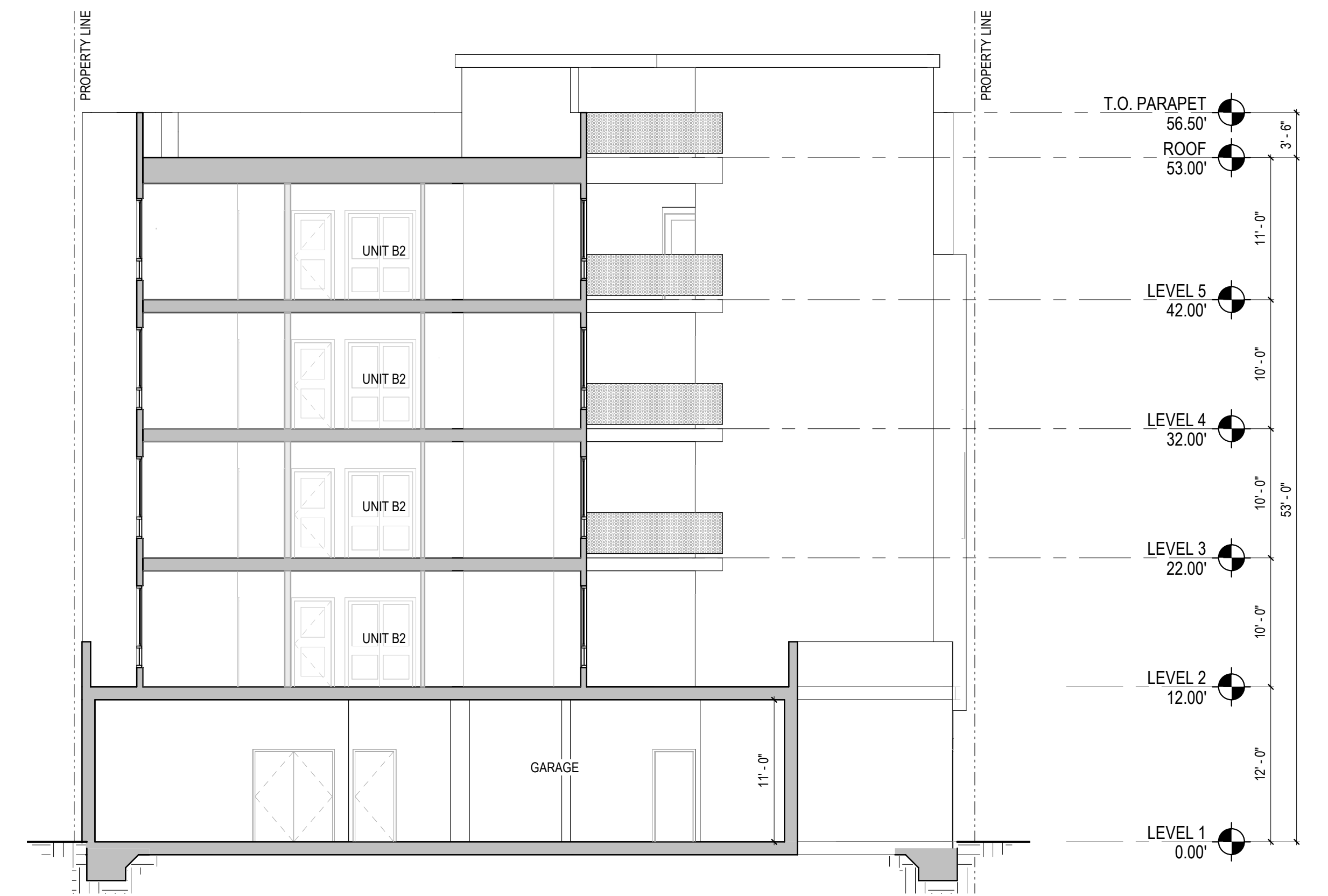
A08

ROOF LEVEL PLAN

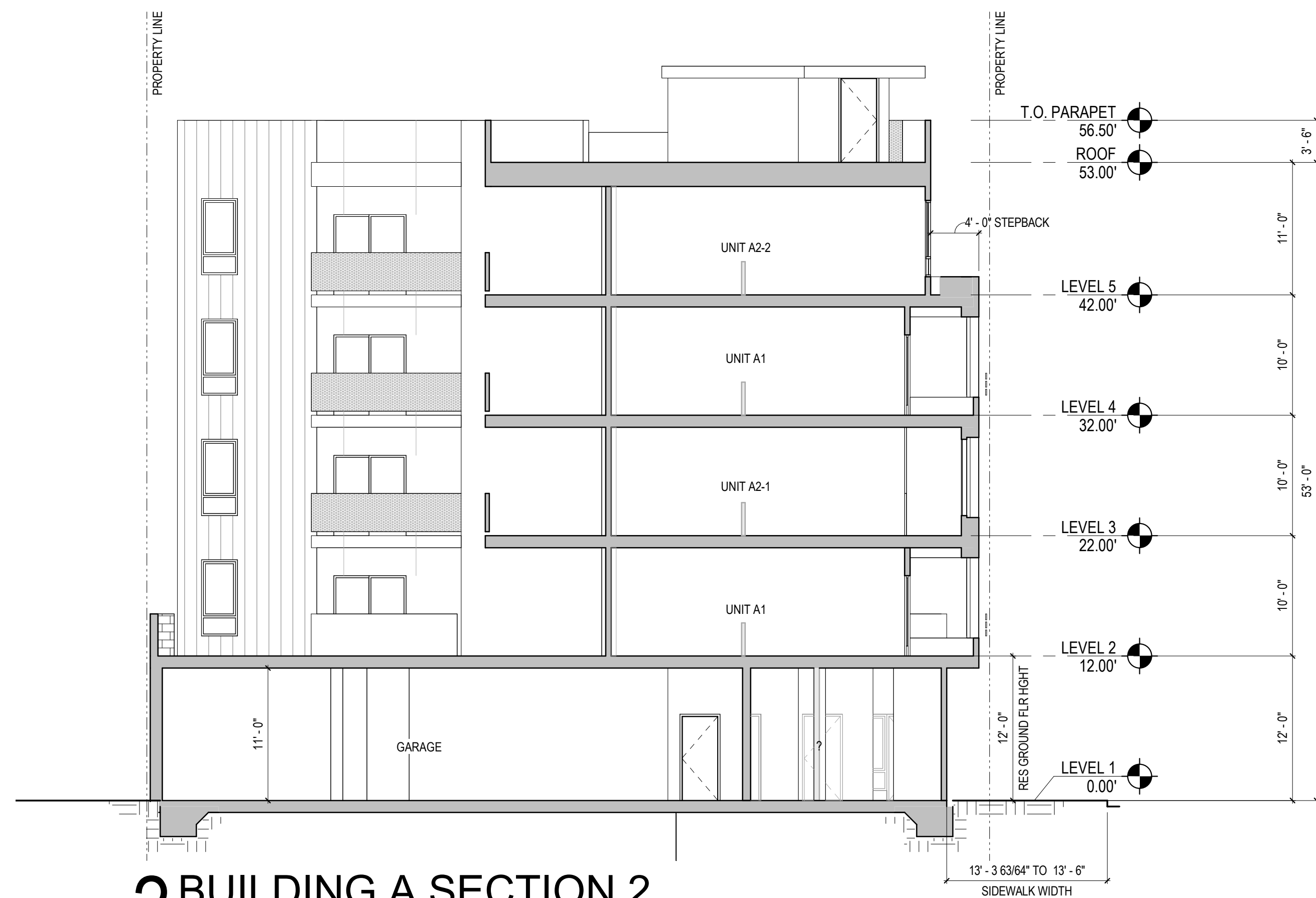
BELMONT AFFORDABLE HOUSING



4 BUILDING B SECTION 2
1/8" = 1'-0"



3 BUILDING B SECTION 1
1/8" = 1'-0"



2 BUILDING A SECTION 2
1/8" = 1'-0"



1 BUILDING A SECTION 1
1/8" = 1'-0"



3 Site A Hill Street Elevation
1/8" = 1'-0"



2 Site B Hill Street Elevation
1/8" = 1'-0"

LEGEND:

1. Corrugated Metal Siding
2. Metal Panel System
- 3a. Stucco Color 1
- 3b. Stucco Color 2
- 3c. Stucco Color 3
- 3d. Stucco Color 4
4. Synthetic Wood Gaurdrail
- 5a. 3'-0" x 6'-0" Window
- 5b. 5'-0" x 6'-0" Window
- 5c. 2'-0" x 6'-0" Window
- 5d. 3'-0" x 4'-4" Window
6. Storefront Window
7. Wood look Aluminum Cladding
8. Metal Canopy
9. Concrete

NOTES:

1. Ground level windows along El Camino Real are to have a min window transparency of 25%; Ground level windows along Hill Street are to have a min window transparency of 75%.
2. Provide a pattern and/or recess on the concrete garage walls facing Hill Street.



1 El Camino Real Elevation
1/8" = 1'-0"

December 20, 2022

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2 Site A South-East Elevation
1/8" = 1'-0"



3 Site B North-West Elevation
1/8" = 1'-0"

LEGEND:

1. Corrugated Metal Siding
2. Metal Panel System
- 3a. Stucco Color 1
- 3b. Stucco Color 2
- 3c. Stucco Color 3
- 3d. Stucco Color 4
4. Synthetic Wood Gaurdail
- 5a. 3'-0" x 6'-0" Window
- 5b. 5'-0" x 6'-0" Window
- 5c. 2'-0" x 6'-0" Window
- 5d. 3'-0" x 4'-4" Window
6. Storefront Window
7. Wood look Aluminum Cladding
8. Metal Canopy
9. Concrete

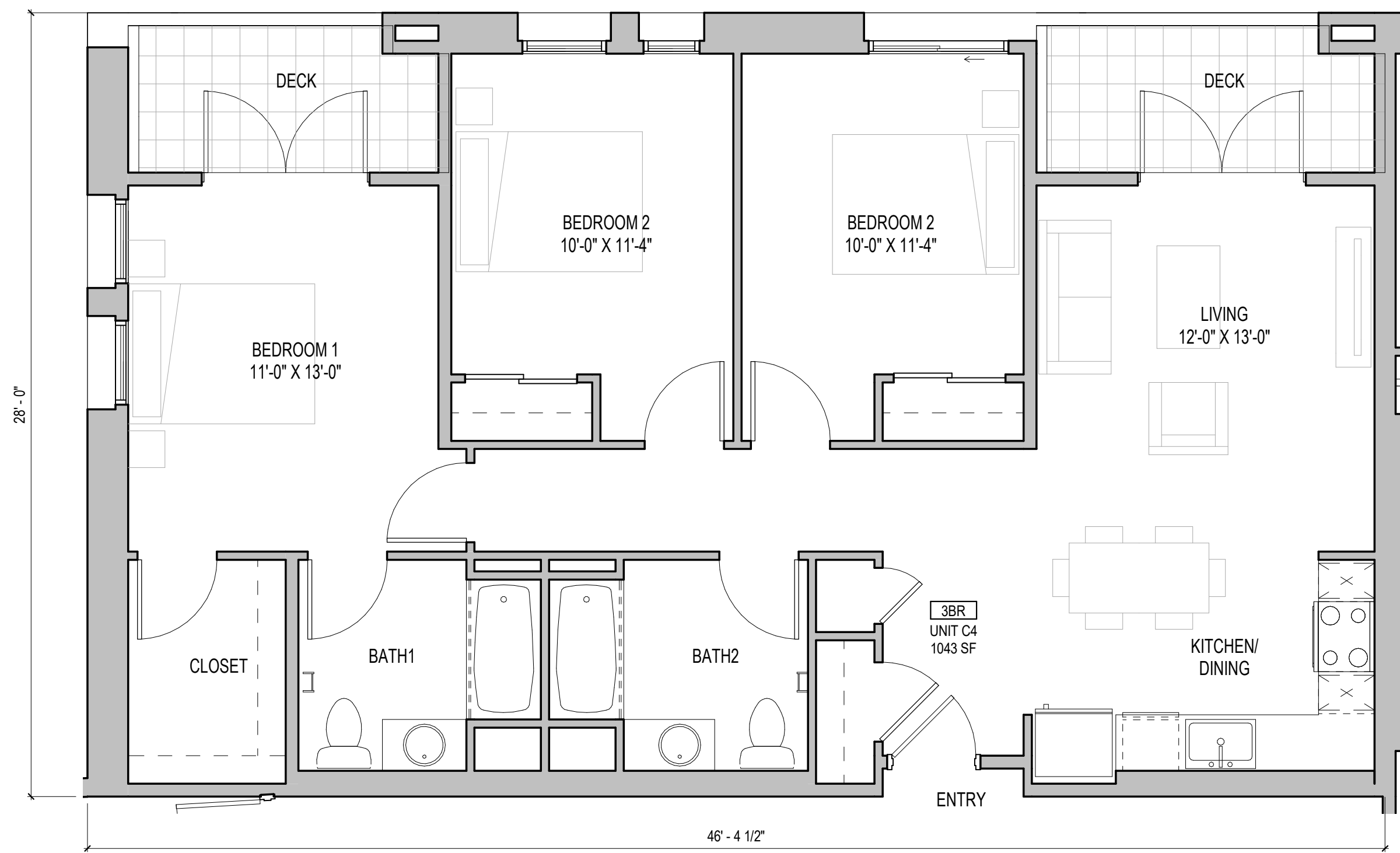


1 South-West Elevation (Back)
1/8" = 1'-0"

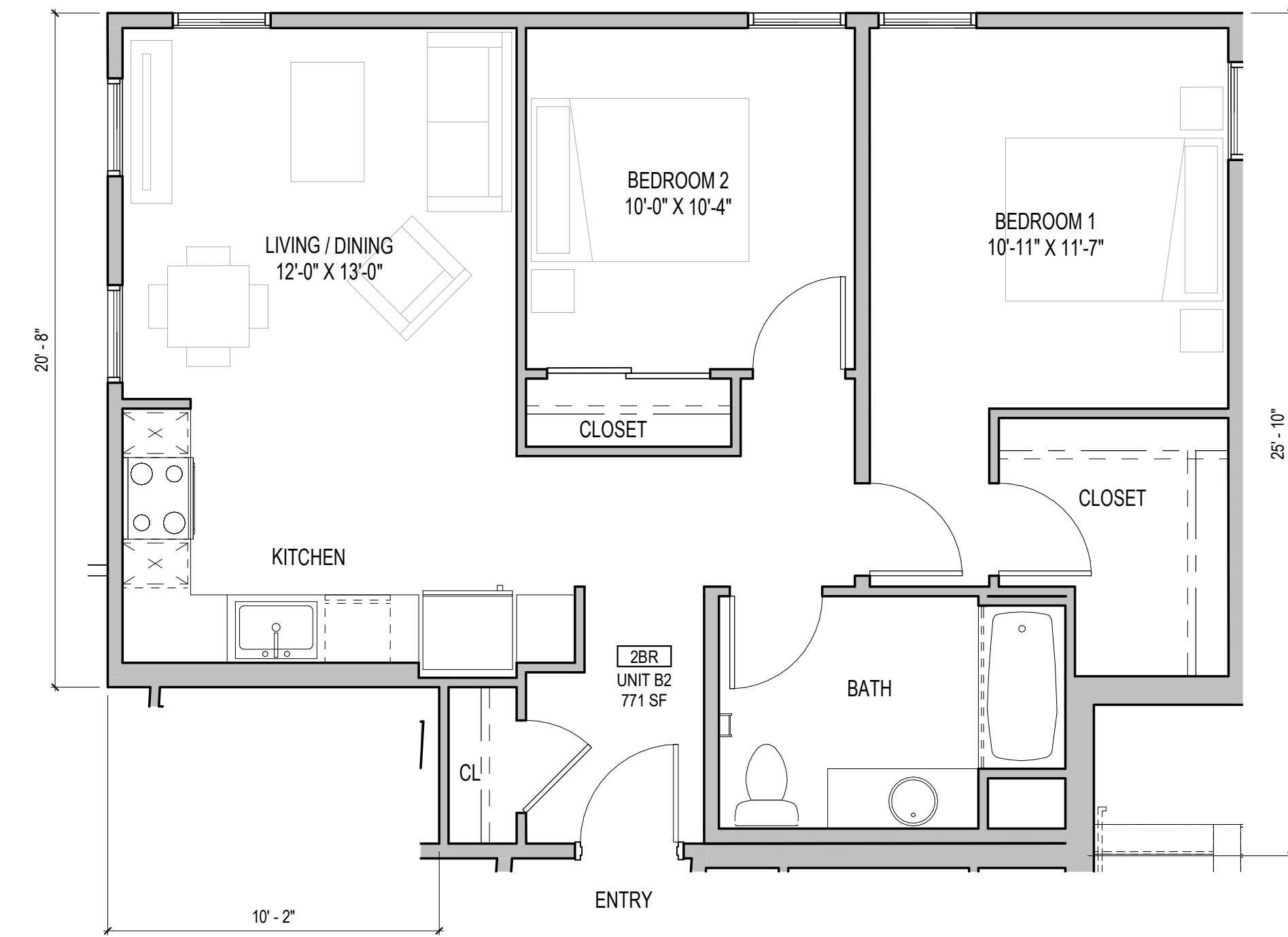
December 20, 2022

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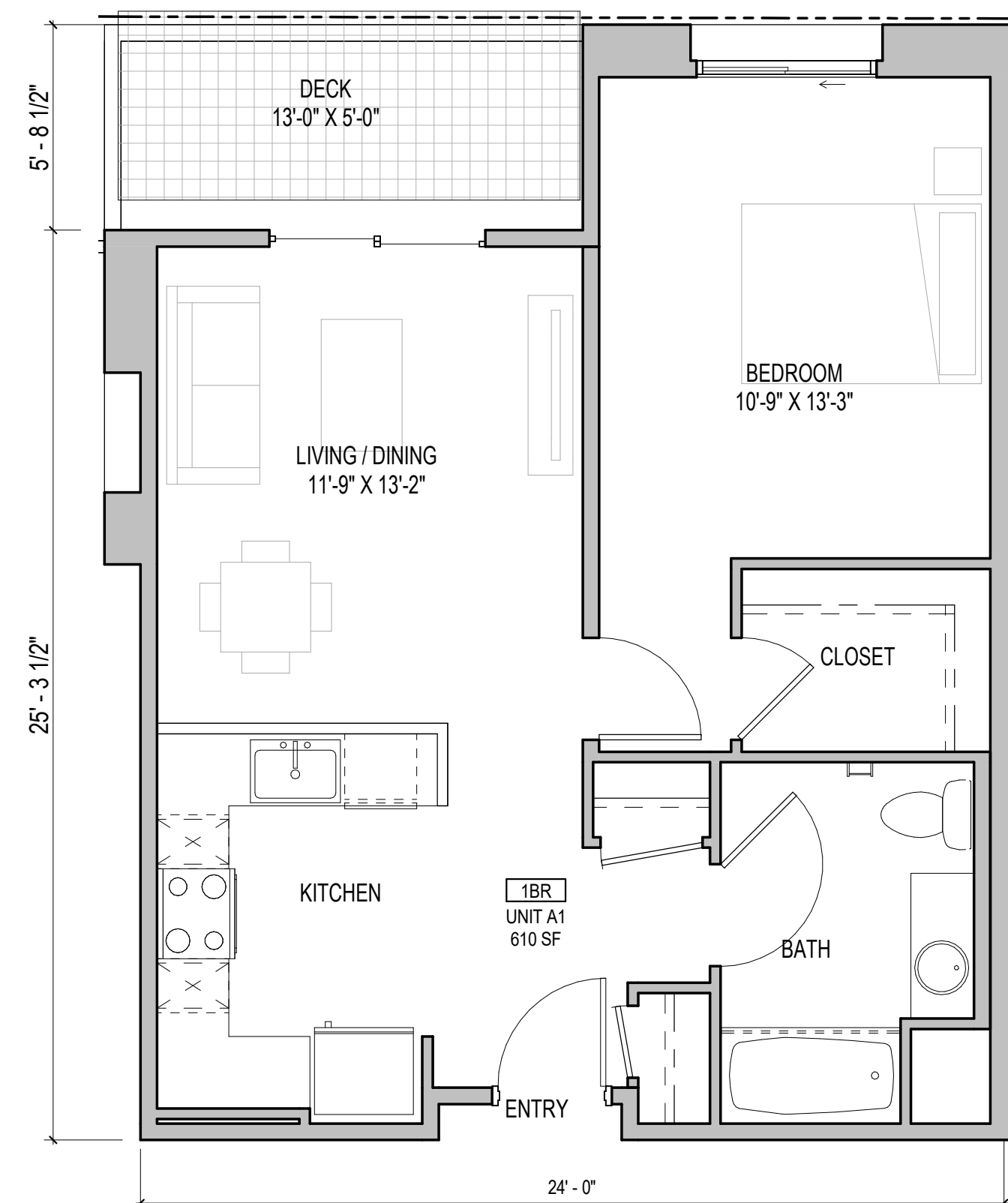




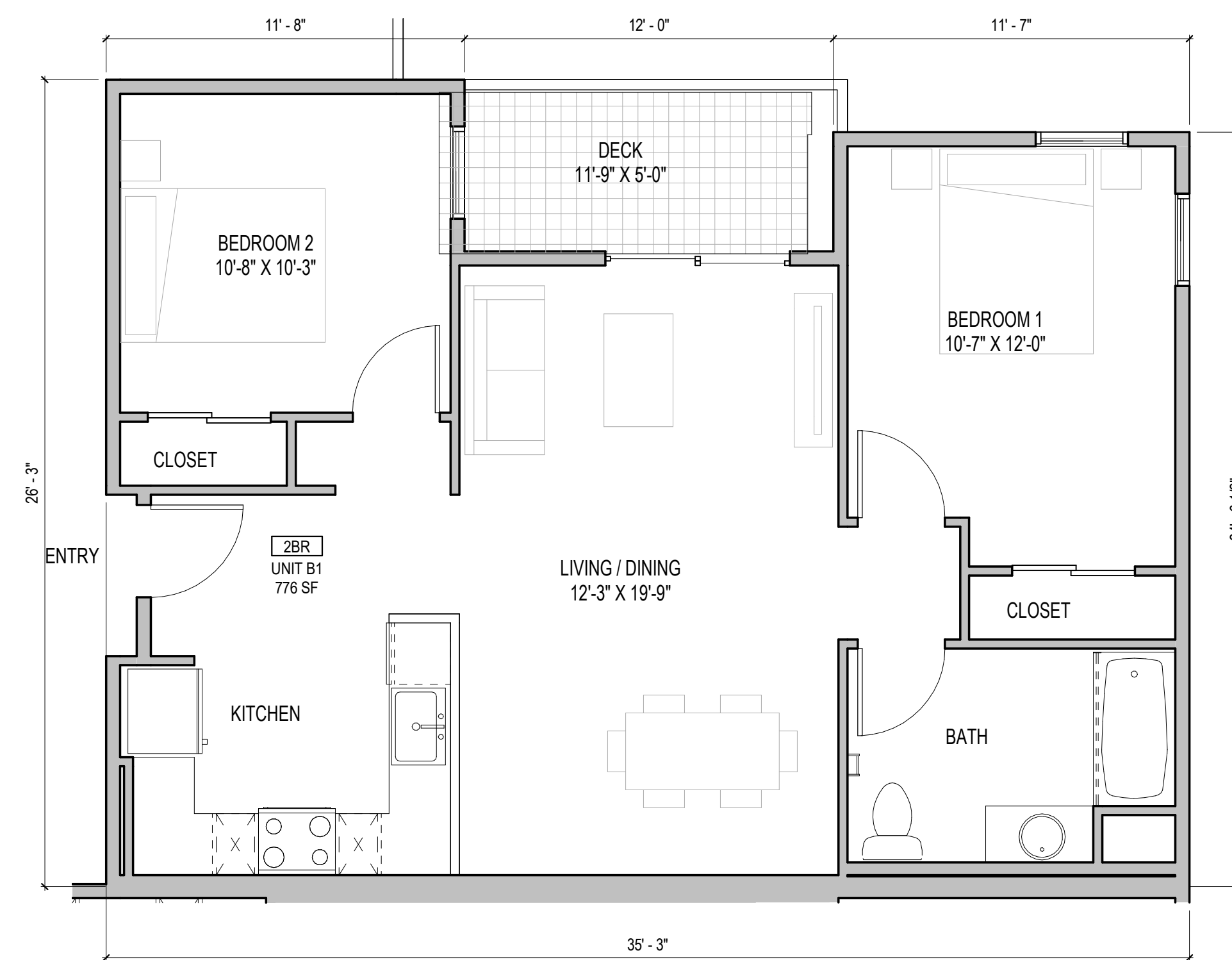
2 UNIT C4
1/4" = 1'-0"



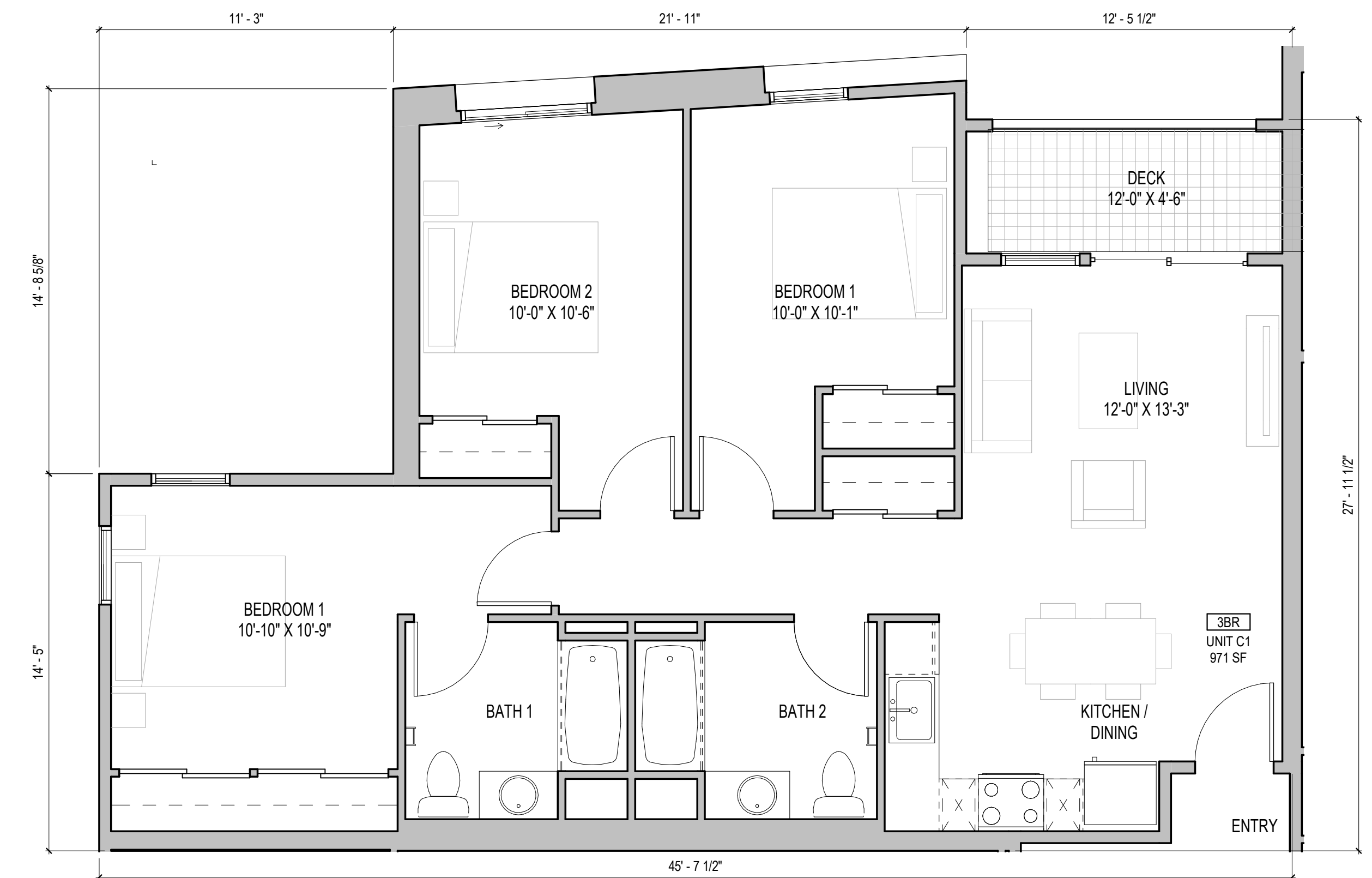
4 UNIT B2
1/4" = 1'-0"



1 UNIT A1
1/4" = 1'-0"



3 UNIT B1
1/4" = 1'-0"



5 UNIT C1
1/4" = 1'-0"



VICINITY MAP



August 31, 2022
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LINC Housing

Site Photos
BELMONT AFFORDABLE HOUSING



A1 Site A - SW from El Camino
Existing adjacent structures



A2 Site A - SE from Hill
Existing adjacent structures



A3 Site A - SW from El Camino



A4 Site A - SE from El Camino



A5 Site A - NE from Hill



B1 Site B - SW from Hill
Existing adjacent structures



B2 Site B - SE from El Camino
Existing adjacent structures



B3 Site B - SE from El Camino



B4 Site B - SW from El Camino



B5 Site B - NW from Hill

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LINC Housing

Site Photos
BELMONT AFFORDABLE HOUSING



1. CORRUGATED METAL SIDING



DOVE GREY



2. METAL PANEL SYSTEM



SLATE GREY



3. STUCCO



3a. BENJAMIN MOORE
VANILLA MILKSHAKE OC-59



3b. BENJAMIN MOORE
JADE GREEN 2037-20



3c. BENJAMIN MOORE
NEON GREEN 2032-10



3d. BENJAMIN MOORE
LARGO TEAL 742



4. SYNTHETIC WOOD GUARDRAIL



WALNUT



7. WOOD LOOK ALUMINUM CLADDING



TABLE WALNUT

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LINC Housing

Colors and Materials
BELMONT AFFORDABLE HOUSING

DISPOSITION, DEVELOPMENT AND LOAN AGREEMENT

BETWEEN

CITY OF BELMONT

AND

(LINC-HILL STREET, L.P.)

(HILL STREET AFFORDABLE HOUSING)

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Exhibit J:	Form of Deed of Trust
Exhibit K:	Planning Commission Conditions of Approval

DRAFT

DISPOSITION, DEVELOPMENT, AND LOAN AGREEMENT

(_____)

This Disposition, Development, and Loan Agreement (the "Agreement") is dated as of _____, 202__, and is between the City of Belmont, a municipal corporation (the "City"), and Linc-Hill Street, L.P., a California limited partnership (the "Developer"), each individually a "Party" and collectively the "Parties," with reference to the following facts, understandings and intentions of the Parties:

RECITALS

A. Defined terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. In accordance with Health & Safety Code Section 34176, the City is the successor to the "housing assets" (as defined in Health & Safety Section 34176) of the former Belmont Redevelopment Agency (the "Former Agency"). A Property of approximately 13,450 sq. ft. located at 876, 884, 898, and 900 El Camino Real at Hill Street in the City (APN's 045-163-070, 045-162-070, 045-162-080, 045-162-090) is a "housing asset," as approved by the California Department of Finance on August 30, 2012. As the housing successor to the Former Agency, the City is the owner of the Property. The City is authorized to enter into this Agreement by Health & Safety Code Section 34176(a)(1).

C. The City and the Developer entered into that certain Exclusive Negotiating Agreement dated August 8, 2018, which the Parties subsequently amended to extend the negotiating term, (collectively the "ENA") to negotiate the terms and the conditions for the disposition of the Property and the loan of City funds to Developer to assist in the financing the construction of the Development on the Property.

D. The City and the Developer desire that the Development be constructed on the Property consistent with the provisions of Community Redevelopment Law regarding the use of property acquired with low-and-moderate income housing funds. To effectuate this purpose, the City will convey the Property to the Developer, subject to the terms and conditions of this Agreement.

E. The Property has been declared exempt surplus land by the City Council of the City under Government Code Section 54221(f)(1)(A) and has concluded based on the Developer's site plan and proposed affordability that proposed Development meets the affordability and design requirements of Government Code Section 37364. The California Department of Housing and Community Development has confirmed such exemption.

F. The City and the Developer desire for the Developer to construct the Development on the Property, consisting of approximately thirty-seven (37) units of multi-family rental housing (subject to City Planning approval process), of which eighteen (18) units will be restricted to occupancy by Very Low-Income Households.

G. The Developer's construction and operation of the Development is not financially feasible without the City's financial assistance. The City therefore desires to sell the Property to the Developer in accordance with the terms set forth in this Agreement, and to provide the

Developer with the City Loan to provide construction funding in consideration for the Developer's agreement to construct and operate the Development consistent with this Agreement and the Regulatory Agreement, including without limitation, the occupancy and affordability restrictions. The amount of the City Loan provided pursuant to this Agreement does not exceed the amount of City's assistance necessary to make the Developer's acquisition of the Property and the construction and operation of the Development, as restricted by this Agreement, financially feasible.

H. The City has determined that the Developer has the necessary expertise, skill and ability to carry out the commitments set forth in this Agreement and that this Agreement is in the best interests of, and will materially contribute to the implementation of, the City's affordable housing goals through the joint development of the Property.

NOW, THEREFORE, incorporating the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Developer agree as follows:

AGREEMENT

The foregoing recitals are hereby incorporated by reference and made part of this Agreement.

ARTICLE 1. DEFINITIONS AND EXHIBITS

Section 1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, the following definitions apply throughout this Agreement.

(a) "Affordable Units" means the eighteen (18) Units to be developed on the Property to be occupied by Very Low-Income Households and available at an affordable housing cost as defined in accordance with Health & Safety Code Section 50052.5.

(b) "Annual Financial Statement" means (i) the audited financial statement of Operating Expenses and Revenues, prepared at the Developer's expense, by an independent certified accountant reasonably acceptable to the City; (ii) sufficient back-up data to support the revenues and expenses claimed on the statement; and (iii) such additional information reasonably requested by the City, all of which shall form the basis for determining Residual Receipts.

(c) "Annual Operating Expenses" means with respect to a particular fiscal year the following costs reasonably and actually incurred for operation and maintenance of the Project:

(1) Property taxes and assessments imposed on the Development;

(2) Debt service currently due on a non-optional basis (excluding debt service due from residual receipts or surplus cash of the Development) on loans associated with construction of the Development and approved by the City in the Financing Plan pursuant to Section 2.4;

- (3) Property management fees and reimbursements;
- (4) Premiums for property damage and liability insurance;
- (5) Utility services not paid for directly by tenants, including water, electrical, sewer, and trash collection;
- (6) Maintenance and repair;
- (7) Any annual license or certificate of occupancy fees required for operation of the Development;
- (8) Security services;
- (9) Advertising and marketing;
- (10) Cash deposited into reserves for capital replacements of the Development;
- (11) Cash deposited into an operating reserve;
- (12) Resident services;
- (13) Any previously unpaid portion of the Developer Fee due (without interest) not exceeding a cumulative amount of the Developer Fee;
- (14) An annual partnership management fee of Twenty-Five Thousand Dollars (\$25,000), escalated by three percent (3%) per year;
- (15) An annual audit fee;
- (16) Extraordinary operating costs specifically approved in writing by the City as part of the annual budget approval process pursuant to the Regulatory Agreement;
- (17) Payments of deductibles in connection with casualty insurance claims not normally paid from reserves;
- (18) Fidelity bond premiums;
- (19) The amount of uninsured losses actually replaced, repaired or restored, and not normally paid from reserves;
- (20) Other ordinary and reasonable operating expenses approved in the Financing Plan or as otherwise approved in writing by the City and not listed above.

Annual Operating Expenses shall exclude the following: partnership or limited liability company distributions made to the Developer or constituent members of the Developer depreciation, amortization, depletion or other non-cash expenses; initial deposits to establish the operating reserve and the replacement reserve and any amount expended from a reserve account;

and any capital cost with respect to the Development not otherwise listed above, as determined by the accountant for the Development.

(d) "Approved Financing" means the loans, equity, and other financing obtained by the Developer for the purpose of financing the costs of the Development that are approved by the City and consistent with the Financing Plan.

(e) "Approved Plans" means all designs for the Development approved by the City in conjunction with the City Approvals prior to or concurrent with the Effective Date.

(f) "Building Permit" means the building permit and all other ministerial construction permits required from the City and other governmental agencies to construct the Development.

(g) "Certificate of Completion" is defined in Section 4.13.

(h) "Certificate of Occupancy" means a final certificate of occupancy issued by the City for the Development, or equivalent final inspection.

(i) "Certified Access Specialist" means a certified access specialist registered with the State of California Department General Services Division of State Architect and who has met the requirements of Government Code Section 4459.5.

(j) "City Documents" means, collectively, this Agreement, the Grant Deed, the Memorandum of DDA, the Promissory Note, the Deed of Trust, the Regulatory Agreement, the Notice of Affordability and any other documents executed by the City and Developer or by the Developer for the benefit of the City in connection with this Agreement. Notwithstanding anything to the contrary herein, the City will reasonably consider modifications to the City Documents requested by another lender to the Developer or the Developer's investor limited partner.

(k) "City Approvals" is defined in Section 2.2.

(l) "City Event of Default" is defined in Section 8.3.

(m) "City Loan" means the loan by the City to the Developer in the amount not to exceed One Million Dollars (\$1,000,000.00).

(n) "Close of Escrow" means the date on which a fee interest in the Property is conveyed to the Developer.

(o) "Complaining Party" is defined in Section 8.5.

(p) "Construction Plans" means the final construction plans for the construction of the Development as approved by the City in accordance with Section 2.5.

(q) "Control" means the power to direct the day-to-day management responsibilities for the activities of Developer, and, with respect to a limited liability company,

means the: (1) managing member or members; or (2) the right to exercise, directly or indirectly, more than fifty percent (50%) of the voting rights attributable to the limited liability company.

(r) "County" means the County of San Mateo.

(s) "County Loan Documents" means the documents to be executed by the County and the Developer evidencing the County Loan.

(t) "County Loan" means the loan to the Developer by the County in the approximate amount of One Million Four Hundred Thousand Dollars (\$1,400,000.00)

(u) "Declaration of Default" is defined in Section 8.5.

(v) "Deed of Trust" shall mean that deed of trust, assignment of rents, and security agreement placed on the Developer's interest in the Property as security for the City Loan by the Developer as trustor with the City as beneficiary, as well as any amendments to, modifications of, and restatements of said deed of trust, attached hereto as Exhibit J.

(w) "Defaulting Party" is defined in Section 8.5.

(x) Developer is defined in the introductory paragraph.

(y) "Developer Fee" means the developer fee to be paid to [Linc Housing Corporation or Linc Community Development Corporation] in an amount not to exceed the amount permitted by TCAC, and shown on the approved Financing Plan.

(z) "Developer Event of Default" is defined in Section 8.4.

(aa) "Development" means the development of thirty-seven (37) apartment units to be developed on the Property, all as more particularly described in the Approved Plans.

(bb) "Effective Date" shall mean the date which is the later of (i) the date this Agreement is executed by the Developer and (ii) the date this Agreement is approved and executed by the City.

(cc) "ENA" is defined in Recital C.

(dd) "Financing Plan" means the Developer's plan for financing the acquisition of the Property and the construction of the Development, including a detailed development budget and evidence of equity and debt financing reasonably satisfactory to the City, all of which is consistent with the Financial Proposal.

(ee) "Gross Revenue" with respect to a particular fiscal year shall mean all revenue, income, receipts, and other consideration actually received from operation and leasing of the Development. Gross Revenue shall include, but not be limited to: all rents, fees and charges paid by tenants, Section 8 payments or other rental subsidy payments received for the dwelling units, deposits forfeited by tenants, interest on tenant security deposits not otherwise required to be paid to tenants, all cancellation fees, price index adjustments and any other rental adjustments to leases or rental agreements; net proceeds from vending and laundry room

machines; the proceeds of business interruption or similar insurance and not paid to senior lenders; the proceeds of casualty insurance not used to rebuild the Development or replace damaged property and not paid to senior lenders; and condemnation awards for a taking of part or all of the Development for a temporary period not paid to senior lenders. Gross Revenue shall not include tenants' security deposits, loan proceeds, capital contributions or similar advances.

(ff) "Hazardous Materials" means any substance, material, or waste which is: (1) defined as a "hazardous waste", "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant" or any other terms comparable to the foregoing terms under any provision of California law or federal law; (2) petroleum; (3) asbestos; (4) polychlorinated biphenyls; (5) radioactive materials; (6) MTBE; or (7) determined by California, federal or local government authority to be capable of posing a risk of injury to health, safety or property. Without limiting the foregoing, Hazardous Materials means and includes any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any Hazardous Materials Laws including any federal, state or local environmental statute, regulation or ordinance presently in effect that may be promulgated in the future, as such statutes, regulations and ordinances may be amended from time to time.

The term "Hazardous Materials" does not include: (1) construction materials, gardening materials, household products, office supply products or janitorial supply products customarily used in the construction or maintenance, of residential developments, or typically used in office or residential activities; or (2) certain substances which may contain chemicals listed by the State of California under California Health and Safety Code Sections 25249.8 et seq., which substances are commonly used by a significant portion of the population living within the region of the Development, including, but not limited to, alcoholic beverages, aspirin, tobacco products, nutrasweet and saccharine, so long as such materials and substances are stored, used and disposed of in compliance with all applicable Hazardous Materials Laws.

(gg) "Hazardous Materials Laws" means all federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Development or any portion thereof.

(hh) "Management Agent" means Aperto Property Management, or a management agent retained by the Developer and approved by the City to manage the Development.

(ii) "Memorandum of DDA" means the Memorandum of Disposition, Development and Loan Agreement, in a form provided by the City, recorded against the Property at the Close of Escrow. The form of the Memorandum of DDA is attached to this Agreement as Exhibit F.

(jj) "Notice of Affordability Restrictions" means the Notice of Affordability Restrictions on Transfer of Property, in a form provided by the City, that will be recorded at the Close of Escrow in the Official Records against the Developer's fee interest in the Property and will restrict the development and operation of the Affordable Units to affordable housing under Sections 33334.3 and/or 334131(5) of the Community Redevelopment Law, or successor

provisions. The form of the Notice of Affordability Restrictions is attached to this Agreement as Exhibit H.

(kk) "Notice of Default" is defined in Section 8.5.

(ll) "Official Records" means the official land records of San Mateo County.

(mm) "Parties" means the City and the Developer and the term Party refers to each of them individually.

(nn) "Permanent Financing" means the sources of approved permanent financing as listed in the approved Financing Plan.

(oo) "Pro Forma " means the Developer's initial proposal for financing the acquisition of the Property and the construction of the Development, including an estimate of the sources and uses of funds, which is attached hereto as Exhibit C.

(pp) "Promissory Note" shall mean the promissory note that will evidence the Developer's obligation to repay the City Loan as set forth in this Agreement, in a form to be agreed to by the Parties, substantially in form of Exhibit I.

(qq) "Property" means the property generally described in the legal description attached as Exhibit A.

(rr) "Qualified Transferee" means an individual, general or limited partnership, limited liability partnership or company, corporation, trust, estate, real estate investment trust, association or any other entity that: (1) has the financial resources necessary to pay the expected costs necessary for the construction of the Development; (2) has experience and expertise in developing and operating projects similar in size and scope to the Development; and (3) in the reasonable discretion of the City, has an established and good business reputation, including an established record of maintaining fair employment practices.

(ss) "Redevelopment Plan" means the redevelopment plan entitled "Redevelopment Plan for the Los Costanos Community Development Project," which was recorded in the Official Records on January 11, 1982 as instrument number 82002401 and modified on September 12, 1991 by instrument number 91120410 recorded in the Official Records, and as further amended from time to time.

(tt) "Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants that will be recorded against the Developer's fee interest in the Property restricting the rent and household income levels for occupancy of eighteen (18) of the Units to Very-Low Households, substantially in the form of Exhibit G.

(uu) "Residual Receipts" in a particular calendar year shall mean the amount by which Gross Revenue exceeds Annual Operating Expenses.

(vv) "Schedule of Performance" means the schedule attached as Exhibit B setting forth the anticipated schedule for the Developer's acquisition of the Property and the construction of the Development.

(ww) "Scope of Development" shall mean the architectural plans for the Development as approved by the Belmont Planning Commission on February 7, 2023, which serve as a basis for the Developer's application for the City Approvals, which architectural plans are included as Exhibit D attached to this Agreement.

(xx) "Security Financing Interest" means a mortgage, deed of trust, or other reasonable method of security encumbering the Developer's fee interest in the Property that: (i) meets the requirements of this Agreement; and (ii) secures any construction or permanent loan or refinancing approved by the City in connection with the approval of the Financing Plan.

(yy) "TCAC" means the California Tax Credit Allocation Committee.

(zz) "TCAC Regulatory Agreement" means the regulatory agreement entered into between the Developer and TCAC regulating the affordability of the Development to be recorded as an encumbrance on the Property.

(aaa) "Third Party Challenge" is defined in Section 10.7.

(bbb) "Title Company" means Commonwealth Land Title Company, or such other title company as the Parties may mutually select.

(ccc) "Title Report" means that certain title report dated _____, issued by the Title Company for the Property and approved by the Developer and the City.

(ddd) "Transfer" has the meaning set forth in Section 7.1.

(eee) "Unit" means one of the residential units to be constructed on the Property.

(fff) "Very Low Income Household" means a household with an adjusted income that does not exceed the qualifying limits for very low income households, adjusted for actual household size, for San Mateo County, as published and periodically updated by HCD under Section 50105 of the California Health and Safety Code, or successor provision.

Section 1.2 Exhibits. The following exhibits are attached to and incorporated in the Agreement:

Exhibit A:	Legal Description of the Property
Exhibit B:	Schedule of Performance
Exhibit C:	Pro Forma
Exhibit D:	Scope of Development
Exhibit E:	Form of Grant Deed
Exhibit F:	Form of Memorandum of DDA
Exhibit G:	Form of Regulatory Agreement
Exhibit H:	Form of Notice of Affordability Restrictions
Exhibit I:	Form of Promissory Note
Exhibit J:	Form of Deed of Trust
Exhibit K:	Planning Commission Conditions of Approval

ARTICLE 2.
PREDISPOSITION REQUIREMENTS FOR
CONVEYANCE OF THE PROPERTY

Section 2.1 Conditions Precedent to Disposition of Property. The requirements set forth in this Article 2 are conditions precedent to the City's obligation to convey the Property to the Developer. The City has no obligation to convey the Property to the Developer unless the Developer has satisfied the conditions precedent set forth in this Article 2 in the manner set forth below and within the timeframe set forth in the Schedule of Performance. Developer may request extensions to the time periods and dates set forth in the Schedule of Performance.

Section 2.2 City Approvals. Prior to or concurrent with the Effective Date, the City has approved all required discretionary permits for the Development (the "City Approvals").

Section 2.3 Pro Forma and Financing Plan. As of the Effective Date, the City has approved the Pro Forma shown in Exhibit C. The Pro Forma shall serve as the basis for the Financing Plan.

(a) The Developer shall cause the Financing Plan to be completed no later than the date set forth in the Schedule of Performance unless extended by written approval of the City Manager. The Financing Plan must include:

- (1) All sources and uses, including all assumptions for debt and equity financing, for construction and permanent financing;
- (2) Evidence of sufficient equity and debt commitments to fund the projected development costs for the Development.

(b) The City will approve or disapprove the Financing Plan in writing within fifteen (15) days after the City's receipt of all required documentation, or as soon as reasonably practicable thereafter. The City's approval shall not be unreasonably withheld and the City's approval or disapproval shall be limited to determining whether: (1) the financing will be available for construction and permanent financing as required by this Agreement; (2) the financing would provide sufficient funds to undertake and complete construction of the Development and all City improvements and costs required by City conditions of approval; and (3) to determine consistency with the terms of this Agreement and the Approved Plans; provided, however, in no event shall the City approve of any proposal that requires or contemplates that the Regulatory Agreement be subordinated to a Security Financing Interest. The Developer shall be required to update submissions made under this subsection (b) to the extent there are material changes to the terms of the Developer's financing for the construction of the Development. The Developer shall not rely on the City's approval of the Financing Plan as a representation of any kind. The City's approval shall merely constitute satisfaction of the conditions set forth in this Section.

(c) If the proposed Financing Plan is disapproved by the City, the Developer will have fifteen (15) days from the date of the Developer's receipt of the City's notice of disapproval to submit a revised Financing Plan. The provisions of this Section relating to time periods for approval, disapproval and resubmission of a new Financing Plan will continue to

apply until the revised Financing Plan has been approved by the City; provided, however, that if the Developer fails to obtain the City's approval of the revised Financing Plan by the date set forth in the Schedule of Performance, the City may terminate this Agreement in accordance with Section 8.2.

(d) Except as otherwise permitted by the City Manager, all Approved Financing for the construction of the Project must be closed by the Developer prior to, or simultaneously with, the conveyance of the Property by the City to the Developer.

In the event after making a good faith effort, Developer is unable to obtain financing acceptable to the Developer and the City by the time set forth in the Schedule of Performance, either Party may terminate this Agreement by providing written notice to the other Party and thereafter neither Party shall have any rights against or liability to the other under this Agreement.

Section 2.4 Construction Plans and Building Permit. The Developer shall prepare construction plans for the construction of the Development. The final construction plans for the Development submitted by the Developer for City approval shall consist of all construction documentation upon which the Developer and its contractors shall rely in building the Development. Such construction plans shall include (without limitation) final architectural drawings, landscaping plans and specifications, final elevations, building plans and specifications (also known as "working drawings"). The construction plans shall be based upon the Approved Plans and shall not materially deviate from them without the written consent of the City.

(a) No later than the date set forth in the Schedule of Performance, the Developer shall apply for a Building Permit allowing for the construction of the Development called for in the construction plans. After submitting an application for a Building Permit, the Developer shall diligently pursue and obtain a Building Permit for the Development, no later than the date set forth in the Schedule of Performance. For the purposes of this Agreement, the Developer shall be deemed to have satisfied the obligation to obtain the Building Permit for the Development by delivering evidence to the City that the Developer is entitled to issuance of a Building Permit for the Development upon payment of applicable permit fees. Only upon delivery to the City of such evidence in a form reasonably satisfactory to the City shall the predisposition condition of this Section be deemed met.

(b) As set forth in Section 10.14, the Developer acknowledges that execution of this Agreement by the City does not constitute approval by the City of any required permits and in no way limits the discretion of the City in the permit approval process. The Developer's failure to satisfy the requirements of this Section by the specific date set forth in the Schedule of Performance shall constitute a Developer Event of Default under Article 8.

(c) As part of the Developer's application for a Building Permit, the City shall also have the right to review and approve the proposed construction plans for conformance with the Approved Plans and the other commitments made by the Developer to the City. The Developer acknowledges that the City's right to review and approve the proposed construction plans as allowed by this paragraph is in addition to, and shall not be limited by, the City's obligation to review the Developer's proposed construction plans for consistency with applicable building and construction code requirements. The Developer further acknowledges that the City

shall have no obligation to approve such proposed plans in the event that the Developer fails to incorporate the City's reasonably requested changes or modifications to the proposed construction plans to conform to the Approved Plans (even in the event that such requested changes or modifications exceed the minimum thresholds set forth in the applicable building code and have not been required by the City's building department).

As approved, these construction plans for the applicable component of the Development shall be referred to as the "Construction Plans".

Section 2.5 Construction Contract. At least fifteen (15) days prior to the Close of Escrow, the Developer must submit the proposed construction contract for the Development to the City for its limited approval. Upon receipt of the proposed construction contract, the City will promptly review same and approve or disapprove it within ten (10) days, or as soon as reasonably practicable thereafter. The City's review and approval of such construction contract will be limited exclusively to a determination whether: (1) the guaranteed maximum construction cost set forth in the construction contract is consistent with the approved Financing Plan; (2) the construction contract is with a contractor duly licensed by the State of California and reasonably acceptable to the City; (3) the construction contract contains provisions consistent with Article 4 of this Agreement and is otherwise consistent with this Agreement.

(a) If the proposed construction contract is disapproved by the City, the City must provide a written notice to the Developer that sets forth, in reasonable detail, the reasons the proposed construction contract was disapproved. The Developer will thereafter submit revised construction contracts for City approval, which approval may be granted or denied in five (5) business days in accordance with the criteria and procedures set forth above, or as soon as reasonably practicable thereafter. Any construction contract for Development executed by the Developer for the Development must be in a form approved by the City.

(b) The Developer shall not rely on the City's approval of the construction contract(s) as a representation regarding the enforceability or business advantage of the construction contract(s). City approval shall merely constitute satisfaction of the condition set forth in this Section.

Section 2.6 Construction Bonds. At least ten (10) days prior to Close of Escrow, the Developer shall deliver to the City forms of one (1) labor and material bond and one (1) performance bond for the Development issued by a reputable insurance company licensed to do business in California, and named in the current list of "Surety Companies Acceptable on Federal Bonds" as published in the Federal Register by the Audit Staff Bureau of Accounts, U.S. Treasury Department, and reasonably acceptable to the City, each in a penal sum of not less than one hundred percent (100%) of the scheduled cost of construction of the Development for the City's review and approval. The bonds shall name the City as co-obligee. Upon receipt by the City of the proposed payment and performance bonds, the City shall promptly review such bonds and approve them within ten days if they satisfy the criteria set forth above and include any other modification reasonably requested by the City, or as soon as reasonably practicable thereafter. If the payment and performance bonds are not approved by the City, the City shall set forth in writing and notify the Developer of the City's reasons for withholding such approval. The Developer shall thereafter submit revised payment and performance bonds for City approval,

which approval shall be granted or denied in five (5) business days in accordance with the criteria and procedures set forth above, or as soon as reasonably practicable thereafter.

Section 2.7 Developer Organizational Documents. The Developer has provided the Developer organizational documents to the City for its review and the City has approved the documents.

Section 2.8 City Documents. The Developer and the City have executed the City Documents.

Section 2.9 County Documents. Prior to the approval of the County Documents by the County and at least fifteen (15) days prior to Close of Escrow, the Developer shall deliver to the City the County Documents, in substantially final form, for the City's reasonable approval, or as soon as reasonably practicable thereafter. The City review of the County documents will be to confirm the County Documents are consistent with the approved Financing Plan.

Section 2.10 Tax Credit Allocation and Equity Commitment. Prior to the Close of Escrow, the Developer has received an allocation of Low-Income Housing Tax Credits from TCAC and a commitment from an investor limited partner to make an equity contribution in an amount consistent with Developer's Pro Forma.

ARTICLE 3. DISPOSITION OF PROPERTY

Section 3.1 Purchase and Sale. Provided the pre-disposition requirements set forth in Article 2 and the additional closing conditions set forth in Section 3.4 have been satisfied or waived, the City shall sell to the Developer, and the Developer shall purchase from the City, the Property pursuant to the terms, covenants, and conditions of this Agreement.

Section 3.2 Purchase Price. The purchase price for the Property shall be One Dollar (\$1.00) to be paid by the Developer at the Close of Escrow (the "Purchase Price")

Section 3.3 Opening Escrow. To accomplish the transfer of the Property from the City to the Developer, the Parties will establish an escrow with the Title Company. The Parties will execute and deliver all written instructions to the Title Company to accomplish the terms hereof, which instructions must be consistent with this Agreement.

Section 3.4 Close of Escrow. Subject to the satisfaction or waiver of the closing conditions and predisposition conditions to the Close of Escrow set forth in Section 2.1, the Close of Escrow shall occur and the City shall convey, and the Developer shall accept conveyance of, fee simple title to the Property and Appurtenances pursuant to the Grant Deed, substantially in the form attached as Exhibit E. At or before Close of Escrow, the City and the Developer, as applicable, shall deliver to the Title Company and Escrow Holder the following

(a) Deposits. The Developer shall deposit: (i) the Purchase Price, (ii) originals of each of the City Documents executed and acknowledged (as applicable) by the Developer, and (iii) any other documents that may be reasonably requested by the Escrow Holder and the Title Company and that are customarily delivered in connection with the closing of real estate

transactions in San Mateo County, and any other documents that may be necessary in order to consummate the transactions contemplated under this Agreement.

(b) City Conditions Precedent: The following conditions must be satisfied prior to or concurrently with, and as conditions of, the Close of Escrow:

(1) The conditions precedent set forth in Article 2 above have been satisfied in accordance with the Schedule of Performance.

(2) There exists no condition, event or act which would constitute a breach or default by the Developer under this Agreement, the City Documents, or under any other project financing agreements or contracts related to the Development, or which, upon the giving of notice or the passage of time, or both, would constitute such a breach or default.

(3) All representations and warranties of the Developer contained in this Agreement and in any of the City Documents are true and correct in all material respects as of the date of the Close of Escrow.

(4) The Developer has provided the City with a certified copy of a Developer's authorizing resolution, approving the transactions contemplated under the City Documents and the Developer's execution of the City Documents.

(5) The Developer has deposited into escrow the Promissory Note, Memorandum of DDA, the Deed of Trust and the Regulatory Agreement.

(6) The Developer and the County have executed the County Documents and deposited the County recordable documents with the Title Company for recording.

(7) The Developer has received an allocation of 9% or 4% Low Income Housing Tax Credits from TCAC, in an amount that would generate an equity investment that substantially conforms to the equity projections in the Developer's pro-forma.

(8) There exists no material adverse change in the financial condition of Developer from that shown by the financial statements and other data and information furnished by Developer to the City prior to the Effective Date.

(9) The Developer has furnished the City with evidence of the insurance coverage meeting the insurance requirements set forth in Section 6.11.

(10) Developer has closed, or is concurrently closing, on the Approved Financing necessary for the construction of the Development and is eligible to receive the proceeds of all construction loans consistent with the Financing Plan.

(11) Developer has obtained the Building Permit or has provided the City with a permit-ready to issue letter from the City's Building Department.

(12) There is no existing, pending or threatened litigation, suit, action or proceeding before any court or administrative agency affecting the City or the Developer or the

Property that would, if adversely determined, materially adversely affect the Development or the Developer's or the City's ability to perform their obligations under this Agreement or the Developers' ability to develop and operate the Development.

(c) Developer Conditions Precedent: Developer's obligation to proceed with the acquisition of the Property from the City pursuant to the terms of this Agreement is subject to the fulfillment or waiver by Developer of each and all of the conditions precedent described below ("Developer Conditions Precedent"). The Developer Conditions Precedent are solely for the benefit of the Developer and shall be fulfilled or waived within the time periods provided for herein, and in any event, no later than the date specified in the Schedule of Performance.

(1) There exists no condition, event or act which would constitute a breach or default under this Agreement, the City Documents, the Development Approvals, or under any other project financing agreements or contracts related to the Development, or which, upon the giving of notice or the passage of time, or both, would constitute such a breach or default by the City.

(2) Subject to payment of the applicable fees, City shall be ready to issue the building permit(s) necessary for the Developer to Commence Construction of the Development.

(3) The Title Company shall, upon payment of Title Company's regularly scheduled premium, be irrevocably committed to issue a title policy upon recordation of the Grant Deed insuring Developer's fee interest in the Property, subject only to the exceptions in Section 3.7 below.

(4) There shall be an absence of any condemnation, environmental or other pending governmental or any type of administrative or legal proceedings with respect to the Property which would materially and adversely affect Developer's intended uses of the Property or the value of the Property.

(5) There shall not have occurred between the Effective Date and the Closing a material adverse change to the physical condition of the Property.

(6) There is no existing, pending or threatened litigation, suit, action or proceeding before any court or administrative agency affecting the City or the Developer or the Property that would, if adversely determined, materially adversely affect the Development or the Developer's or the City's ability to perform their obligations under this Agreement or the Developers' ability to develop and operate the Development.

Section 3.5 Costs of Escrow and Closing. Ad valorem taxes and other taxes, if any, will be prorated as of the date of conveyance of the Property from the City to the Developer. The lien of any bond or assessment shall be assumed by the Developer and assessments payable shall be prorated as of the date of conveyance. The City shall pay any delinquent ad valorem taxes and any amounts owing for delinquent bonds and assessments as of the date of conveyance. The Developer must pay the cost of title insurance, transfer tax, Title Company document preparation, recordation fees, and the escrow fees of the Title Company, if any, and any additional costs to close the escrow.

Section 3.6 Condition of Title. Upon the Close of Escrow, the Developer will have an insurable fee interest in the Property which will be free and clear of all liens, encumbrances, clouds and conditions, rights of occupancy or possession, except:

- (a) applicable building and zoning laws and regulations;
- (b) the provisions of the Redevelopment Plan;
- (c) the Memorandum of DDA;
- (d) the Regulatory Agreement;
- (e) any lien for current taxes and assessments or taxes and assessments accruing subsequent to Close of Escrow; and
- (f) exceptions shown in the Title Report

Section 3.7 Condition of Property.

(a) City Information. In fulfillment of the purposes of Health and Safety Code Section 25359.7(a), to the City's Current Actual Knowledge, no release of Hazardous Materials has come to be located on or beneath the Property except as previously disclosed by the City to the Developer. During the Negotiating Period, as defined in the ENA, the Developer completed all due diligence activities, including but not limited to a physical adequacy determination of the Property, and may not terminate this Agreement as a result of the purported physical unsuitability of the Property. As used in this Agreement, the phrase "to the City's Current Actual Knowledge" and words of similar import shall mean the actual knowledge of Afshin Oskoui, the City Manager (the "City Representative"), on behalf of the City, as of the Effective Date, without any duty of separate inquiry and investigation. The City represents and warrants that the City Representative is that person affiliated with the City most knowledgeable regarding the ownership and operation of the Property. Developer hereby agrees that the foregoing person shall not have or incur any personal liability for the breach of any representation or warranty in this Agreement, and that Developer's sole remedy for any such breach shall be against the City.

(b) "As is" Conveyance. Prior to the effective date, the Developer was provided the opportunity to investigate the Property and has approved the physical condition of the Property. The Developer specifically acknowledges and agrees that the City is selling to the Developer the Property (and all thereon) on an "as is with all faults" basis and that the Developer is not relying on any representations or warranties of any kind whatsoever, express (except as expressly set forth in this agreement) or implied, from the City as to any matters concerning the Property, including without limitation: (1) the quality, nature, adequacy and physical condition of the Property (including, without limitation, topography, climate, air, water rights, water, gas, electricity, utility services, grading, drainage, sewers, access to public roads and related conditions); (2) the quality, nature, adequacy, and physical condition of soils, geology, and groundwater; (3) the existence, quality, nature, adequacy and physical condition of utilities serving the Property; (4) the development potential of the Property, and the Property's use, habitability, merchantability, or fitness, suitability, value or adequacy of the Property for any

particular purpose; (5) public or private restrictions on the use of the Property; (6) the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental or quasi-governmental entity or of any other person or entity; (7) the presence or absence of hazardous materials on, under or about the Property or the adjoining or neighboring property; and (8) the condition of title to the Property. The Developer affirms that the Developer has not relied on the skill or judgment of the City or any of its agents, employees or contractors to select or furnish the Property for any particular purpose, and that the City makes no warranty that the Property is fit for any particular purpose. The Developer acknowledges that it shall use its independent judgment and make its own determination as to the scope and breadth of its due diligence investigation which it shall make relative to the Property and shall rely upon its own investigation of the physical, environmental, economic, and legal condition of the Property (including, without limitation, whether the Property is located in any area which is designated as a special flood hazard area, dam failure inundation area, earthquake fault zone, seismic hazard zone, high fire severity area or wildland fire area, by any federal, state or local agency). The Developer undertakes and assumes all risks associated with all matters pertaining to the Property's location in any area designated as a special flood hazard area, dam failure inundation area, earthquake fault zone, seismic hazard zone, high fire severity area or wildland fire area by any federal, state or local agency.

(c) Survival. The terms and conditions of this Section expressly survive the Close of Escrow. The City is not liable or bound in any manner by any oral or written statements, representations, or information pertaining to the Property furnished by any contractor, agent, employee, servant, or other person. The Developer acknowledges that the Purchase Price will reflect the "as is" nature of this sale and any faults, liabilities, defects, or other adverse matters that may be associated with the Property. The Developer has fully reviewed the disclaimers and waivers set forth in this Agreement with the Developer's counsel and understands the significance and effect thereof.

(d) Acknowledgment. The Developer acknowledges and agrees that: (1) to the extent required to be operative, the disclaimers of warranties contained in this Section are "conspicuous" disclaimers for purposes of all applicable laws and other legal requirements; and (2) the disclaimers and other agreements set forth in such sections are an integral part of this Agreement and that the City would not have agreed to sell the Property to the Developer without the disclaimers and other agreements set forth in this Section.

(e) Developer's Release of the City. The Developer, on behalf of itself and anyone claiming by, through or under the Developer hereby waives its right to recover from and fully and irrevocably releases the City, its City Council members, officers, directors, representatives, consultants, employees and agents (the "Released Parties") from any and all claims, responsibility, and/or liability that the Developer may have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to: (1) the condition (including any construction defects, errors, omissions or other conditions, latent or otherwise), valuation, salability or utility of the Property, or its suitability for any purpose whatsoever; (2) any presence of Hazardous Materials; and (3) any information furnished by the Released Parties under or in connection with this Agreement.

(f) Scope of Release. The release set forth in Section 3.7(e) above includes claims of which the Developer is presently unaware or which the Developer does not presently suspect to exist which, if known by the Developer, would materially affect the Developer's release of the Released Parties. The Developer specifically waives the provision of any statute or principle of law that provides otherwise. In this connection and to the extent permitted by law, the Developer agrees, represents and warrants that the Developer realizes and acknowledges that factual matters now unknown to the Developer may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and the Developer further agrees, represents and warrants that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that the Developer nevertheless hereby intends to release, discharge and acquit the Released Parties from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses. Accordingly, the Developer, on behalf of itself and anyone claiming by, through or under the Developer, hereby assumes the above-mentioned risks and hereby expressly waives any right the Developer and anyone claiming by, through or under the Developer, may have under Section 1542 of the California Civil Code, which reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Developer's Initials: _____

Notwithstanding the foregoing, this release does not apply to, nor will the City be released from, the City's actual fraud or misrepresentation.

ARTICLE 4. CONSTRUCTION OF DEVELOPMENT

Section 4.1 Construction and Operation Consistent with Agreements. Unless modified by operation of Section 4.2, the Development must be constructed substantially in accordance with the Scope of Development, the Construction Plans and the terms and conditions of the Approved Plans and the City Approvals. The Developer shall comply with all standards and requirements for construction, use, operation, maintenance, management and encumbrance of the Development which are set forth in this Agreement and the City Approvals. As between the City and the Developer, the Developer shall be solely responsible for all costs necessary for the construction and operation of the Development, including, but not limited to, any construction cost overruns.

Section 4.2 Change in Construction Plans.

(a) If the Developer desires to make any material change (as defined below) in the Development which are not substantially consistent with the Construction Plans, the Developer must submit the proposed change to the City for its approval. If the Development, as modified by any such proposed change, will conform to the requirements of this Agreement and the Approved Plans, the City will approve the change by notifying the Developer in writing. For

purposes of this Section, a "material change" is one involving a change in exterior design, building materials, or colors, a change in interior or exterior design that would modify the uses to which the Development may be put, or a change that would reduce the number of parking spaces in the Development.

(b) The City must use good faith best efforts to either approve or disapprove a proposed change within ten business days following the City's receipt of the proposed change, or as soon as reasonably practicable thereafter. If disapproved, the previously approved Construction Plans will continue to remain in full force and effect. If the City rejects a proposed change, the City must provide the Developer with the specific reasons therefor.

(c) The approval of changes in the Construction Plans by the City under this Section are in addition to any approvals required to be obtained from the City under Building Permit or other requirements. Approval of changes in the Construction Plans by the City under this Agreement is separate and distinct from approval by the City in its land use, permitting, or other capacity and may in no way limit the City's discretion in approving changes to the Construction Plans nor limit the time required to review such changes.

Section 4.3 Commencement of Development. The Developer must commence construction of the Development no later than the date set forth in the Schedule of Performance and in no event more than thirty (30) days after Close of Escrow. Once the Developer commences construction of the Development, the Developer must diligently prosecute to completion the Development and not halt or permit the cessation of construction for such work for a period of more than thirty (30) days, subject to forced delays described in Section 10.3 below, except to the extent required by applicable law.

Section 4.4 Completion of the Development. Subject to Section 10.3 below, the Developer must diligently prosecute to completion the construction of the Development no later than the date set forth in the Schedule of Performance but in no event more than thirty (30) months after Close of Escrow and subject to the provisions of Section 10.3.

Section 4.5 Equal Opportunity. During the construction of the Development, the Developer, and its successors, assigns, and subcontractors must not discriminate against any employee or applicant for employment in connection with the construction of the Development on any basis listed in Section 12940 of the Government Code. Each of the following activities must be conducted in a non-discriminatory manner: hiring; upgrading; demotion and transfers; recruitment and recruitment advertising; layoff and termination; rate of pay and other forms of compensation; and selection for training including apprenticeship.

Section 4.6 Construction Under Laws.

(a) Compliance with Project Documents. Developer shall construct the Development in conformance with the Approved Plans, Approved Financing, and Financing Plan and consistent with the City Approvals. Developer shall notify the City in a timely manner of any changes in the work required to be performed under this Agreement, including any additions, changes, or deletions to the plans and specifications approved by the City.

(b) Compliance with Laws. Developer shall cause all construction work to be performed in compliance with, without limitation: (1) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter, including without limitation state prevailing wages pursuant to Labor Code Section 1770 et seq., and the regulations pursuant thereto, as further set forth in subsection (c) below; (2) all applicable federal and state accessibility requirements, including but not limited to the Fair Housing Act; Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR 8, the Uniform Federal Accessibility Standards; Title II and/or Title III of the Americans with Disabilities Act; and Title 24 of the California Code of Regulations (collectively the "Accessibility Requirements"), as further set forth in subsection (d) below; and (3) all directions, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and Developer shall be responsible to the City for the procurement and maintenance thereof, as may be required of Developer and all entities engaged in work on the construction.

(c) Prevailing Wages. To the extent required by applicable law, the Developer shall pay or cause to be paid to all workers employed in connection with the construction of the Development, not less than the prevailing rates of wages, as provided in the statutes applicable to City public work contracts, including without limitation Sections 33423-33426 of the California Health and Safety Code and Sections 1770-1780 of the California Labor Code. The Developer agrees to include, or cause to be included, the above provision, to be applicable to contractors and subcontractors, in each contract and subcontract for work covered under this Agreement.

(d) The Developer shall monitor and enforce the prevailing wage requirements imposed on its contractors and subcontractors, including withholding payments to those contractors or subcontractors who violate these requirements. In the event that the Developer fails to monitor or enforce these requirements against any contractor or subcontractor, the Developer shall be liable for the full amount of any underpayment of wages, plus costs and attorneys' fees, as if the Developer was the actual employer, and the City may withhold monies owed to the Developer, may impose penalties on the Developer in the amounts specified herein, may take action directly against the contractor or subcontractor as permitted by law, and/or may declare the Developer in default of this Agreement and pursue any of the remedies available under this Agreement.

(e) The Developer will indemnify, hold harmless and defend (with counsel reasonably acceptable to the City) the City against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including the Developer, its contractor and subcontractors) to pay prevailing wages as determined pursuant to California Labor Code Sections 1720 et seq., to employ apprentices pursuant to California Labor Code Sections 1777.5 et seq., to meet the conditions of California Labor Code Section 1771.4, and implementing regulations of the DIR, or to comply with the other applicable provisions of California Labor Code Sections 1720 et seq., 1777.5 et seq., and 1771.4, and the implementing regulations of the DIR, in connection with the construction of the Development or any other work undertaken or in connection with the Property. The requirements in this subsection (d) shall survive the termination of this Agreement.

Section 4.7 Progress Report. Until such time as the Developer has completed construction of the Development, as evidenced by the Certificate of Completion, the Developer must provide the City with quarterly progress reports, or more frequent updates if the City reasonably requires, regarding the status of the construction of the Development.

Section 4.8 Construction Responsibilities.

(a) The Developer must coordinate and schedule the work to be performed so that commencement and completion of construction will take place in accordance with this Agreement.

(b) The Developer is solely responsible for all aspects of the Developer's conduct in connection with the Development, including but not limited to the quality and suitability of the Construction Plans, the supervision of construction work, and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by the City with reference to the Development is solely for the purpose of determining whether the Developer is properly discharging its obligations to the City and should not be relied upon by the Developer or by any third parties as a warranty or representation by the City as to the quality of the design or construction of the Development.

Section 4.9 Mechanics Liens, Stop Notices, and Notices of Completion.

(a) If any claim of lien is filed against the Property or the Development or a stop notice is served on any lender or other third party in connection with the Development, then the Developer must, within twenty (20) days after such filing or service, either pay and fully discharge or cause the Developer's contractor to pay and fully discharge, the lien or stop notice, effect the release of such lien or stop notice by delivering to the City a statutory surety bond that, or provide the City with other assurance reasonably satisfactory to the City that the claim of lien or stop notice will be paid or discharged.

(b) If the Developer fails to discharge any lien, encumbrance, charge, or claim in the manner required in this Section or obtain a surety bond, then in addition to any other right or remedy, the City may (but is under no obligation to) discharge such lien, encumbrance, charge, or claim at the Developer's expense. Alternatively, the City may require the Developer to immediately deposit with the City the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. The City may use such deposit to satisfy any claim or lien that is adversely determined against the Developer.

(c) The Developer must file a valid notice of cessation or notice of completion upon cessation of construction of the Development for a continuous period of thirty (30) days or more and take all other reasonable steps to forestall the assertion of claims of lien against the Property or the Development. The Developer authorizes the City, but without any obligation, to record any notices of completion or cessation of labor, or any other notice that the City deems necessary or desirable to protect its interest in the Development and Property.

Section 4.10 Inspections. The Developer must permit and facilitate, and require its contractors to permit and facilitate, observation and inspection at the Development by the City and by public authorities during reasonable business hours.

Section 4.11 Information. The Developer must provide any information reasonably requested by the City in connection with the Development.

Section 4.12 Records.

(a) The Developer must maintain complete, accurate, and current records pertaining to the Development for a period of five (5) years after the creation of such records, and permit any duly authorized representative of the City to inspect and copy records during regular business hours. Records must be kept accurate and current.

(b) The City will notify the Developer of any records it deems insufficient. The Developer will have thirty (30) days after the receipt of such a notice to correct any deficiency in the records specified by the City in such notice, or if a period longer than thirty (30) days is reasonably necessary to correct the deficiency, then the Developer must begin to correct the deficiency within thirty (30) days and complete the correction of the deficiency as soon as reasonably possible.

Section 4.13 Certificate of Completion. Promptly after completing the Development in accordance with those provisions of this Agreement that relate solely to the obligations of Developer to construct the Development (including the dates for beginning and completion thereof), upon the Developer's request, the City will provide a Certificate of Completion so certifying (the "Certificate of Completion"). The Certificate of Completion will be the conclusive determination that certain covenants in this Agreement with respect to the obligations of the Developer to construct the Development (excluding the Developer's compliance with Section 4.6) and the dates for the beginning and completion thereof have been met. The Certificate of Completion shall be in such form as will enable such certificate to be recorded in the Official Records. The Certificate of Completion will not constitute evidence of compliance with or satisfaction of any obligation of the Developer to: (a) any holder of a Security Financing Interest; (b) pay prevailing wages; or (c) comply with the Accessibility Requirements. The Certificate of Completion may not be deemed a notice of completion under the California Civil Code.

ARTICLE 5.
CITY LOAN PROVISIONS

Section 5.1 City Loan. Subject to the terms and conditions set forth in this Agreement, the City shall make a loan to the Developer in the original principal amount of up to Two Million Dollars (\$2,000,000.00). The City Loan shall be evidenced by the Promissory Note executed by Developer in favor of City in the amount of the City Loan and secured by the Deed of Trust executed by the Developer as trustor in favor of the City as beneficiary and recorded against the Developer's fee interest in the Property.

Section 5.2 Use of City Loan. The proceeds of the City Loan may only be used to fund the payment of fees and costs reasonably approved by the City related to the development of the Development on the Property.

Section 5.3 Regulatory Agreement. Upon the closing of the City Loan for the development of the Development on the Property, the Developer shall execute the Regulatory

Agreement and record it against the Property. The Regulatory Agreement shall remain in full force and effect for the entire term of the City Loan, regardless of any repayment of the City Loan following a Developer Event of Default or otherwise.

Section 5.4 Term of the City Loan. Unless sooner due under the terms of the Note, all principal and interest on the City Loan shall be due upon the earliest of:

- (a) a Transfer of the Project or the Developer's interest in the Property other than a Transfer permitted or approved by the City as provided in Section 10.6;
- (b) the occurrence of a Developer Event of Default for which the City exercises its right to cause the City Loan indebtedness to become immediately due and payable, or
- (c) a default under the Regulatory Agreement which has not been cured within the time periods specified therein.
- (d) Minimum Fifty-seven (57) years from the date of the City Promissory Note, or longer as needed to comply with all project financing requirements.

Section 5.5 Interest. Simple interest at three percent (3%) per annum shall accrue on the principal amount of the City Loan except in a Developer Event of Default, whereupon interest shall accrue from and after the date of the Promissory Note until paid at the rate of ten percent (10%) or the highest rate permitted by law. Interest payments shall be structured as residual receipts payments over the course of the City Loan.

Section 5.6 Disbursement of City Loan. The funds for the construction of the Development shall be disbursed in accordance with the following provisions of this Section. The City shall not be obligated to make any disbursement of the City Loan unless the following conditions precedent are satisfied prior to the disbursement:

- (1) There shall exist no condition, event, or act which would constitute a breach or default under this Agreement, or any City Document or which, upon the giving of notice or the passage of time, or both would constitute such a breach or default.
- (2) The Developer has satisfied all of the predisposition requirements set forth in Article 2 and Article 3, and the Developer has acquired the Property in accordance with Article 4.
- (3) The Developer has furnished the City with evidence of the insurance coverage meeting the requirements of Section 6.11, below
- (4) The City has received a written draw request from the Developer, including certification that the condition set forth in Section 5.6(1) continues to be satisfied, and setting forth the proposed uses of funds consistent with the City approved Financing Plan, the amount of funds needed, and, where applicable, a copy of the bill or invoice covering a cost incurred or to be incurred. When a disbursement is requested to pay any contractor in connection with improvements on the Property, the written request must be accompanied by: (i) where applicable, certification by the Developer's architect reasonably acceptable to the City that

the work for which disbursement is requested has been completed (although the City reserves the right to inspect the Property and make an independent evaluation); and (ii) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to the City.

(5) Provided the conditions set forth above have been satisfied, the City shall from time to time (but not more frequently than one (1) time per month) disburse the Construction Component funds to the Developer no later than fourteen (14) days following the City's receipt and approval of draw request. In the event the City disapproves of the draw request, the City shall provide a written notice to the Developer setting forth the City's reasons for such disapproval. Thereafter, upon the disbursement of the Construction Component funds to the Developer, the Developer shall directly pay the vendor as set forth on the approved invoice no later than thirty (30) days following receipt of such invoice. Upon written request from the City, the Developer shall provide the City with a copy of each check and such other documentation reasonably requested by the City to document the use of the proceeds of the Construction Component.

(6) A title insurer reasonably acceptable to the City is unconditionally and irrevocably committed to issuing an LP-10 2006 ALTA Lender's Policy of insurance insuring the priority of the Regulatory Agreement and the Deed of Trust in the amount of the City Loan subject only to such exceptions and exclusions as may be reasonably acceptable to the City, and containing such endorsements as the City may reasonably require.

Section 5.7 Repayment Schedule. The City Loan shall be repaid as follows:

(a) Payments. Commencing on the first April 1st following the completion of the Development pursuant to this Agreement, and on each April 1st thereafter until the Promissory Note is paid in full, the Developer shall make repayments of the City Loan from fifty percent (50%) of Residual Receipts equal to a percentage based on the [total principal amount of City Loan committed to the Developer compared to the total principal amount of the County Loan committed to the Developer, and any other public entity loans included on the Approved Financing Plan, as of the Close of Escrow]. The Developer shall provide the City, within sixty (60) days following the end of each of the Developer's fiscal year, a report showing the actual income and expenditures with respect to the Development for the immediately preceding fiscal year, the calculation of Annual Operating Expenses, Gross Revenue, and Residual Receipts and the status of all reserve funds. Payments made shall be credited first against accrued interest and then against outstanding principal.

(b) Payment in Full. All principal and interest, if any, on the City Loan shall, at the option of the City, be due and payable upon the earliest of: (1) a Transfer other than a Transfer permitted or approved by the City as provided in Article 7 below; (2) the occurrence of an Event of Default for which the City exercises its right to cause the City Loan indebtedness to become immediately due and payable; or (3) the maturity date of the Promissory Note

(c) Prepayment. The Developer shall have the right to prepay the City Loan at any time.

Section 5.8 Reports and Accounting of Residual Receipts.

(a) **Audited Financial Statement.** In connection with the annual repayment of the City Loan, the Developer shall furnish to the City an audited statement duly certified by an independent firm of certified public accountants approved by the City, setting forth in reasonable detail the computation and amount of Residual Receipts during the preceding fiscal year.

(b) **Books and Records.** The Developer shall keep and maintain full, complete and appropriate books, record and accounts relating to the Development, including all such books, records and accounts necessary or prudent to evidence and substantiate in full detail the Developer's calculation of Residual Receipts. Books, records and accounts relating to the Developer's compliance with the terms, provisions, covenants and conditions of this Agreement shall be kept and maintained in accordance with generally accepted accounting principles consistently applied and shall be consistent with requirements of this Agreement which provide for the calculation of Residual Receipts on a cash basis. All such books, records, and accounts shall be open to and available for inspection by the City, its auditors or other authorized representatives at reasonable intervals during normal business hours on reasonable prior notice to the Developer. Copies of all tax returns and other reports that the Developer may be required to furnish any governmental agency shall at all reasonable times be open for inspection by the City at the place that the books, records and accounts of the Developer are kept. The Developer shall preserve records on which any statement of Residual Receipts is based for a period of not less than five (5) years after such statement is rendered.

Section 5.9 Non-Recourse. Following recordation of the Deed of Trust, and except as provided below, the Developer shall not have any direct or indirect personal liability for payment of the principal of, or interest on, the City Loan or the performance of the covenants of the Developer under the Deed of Trust. The sole recourse of the City with respect to the principal of, or interest on, the Promissory Note and defaults by the Developer in the performance of its covenants under the Deed of Trust shall be to the property described in the Deed of Trust; provided, however, that nothing contained in the foregoing limitation of liability shall: (a) limit or impair the enforcement against all such security for the Promissory Note of all the rights and remedies of the City thereunder; or (b) be deemed in any way to impair the right of the City to assert the unpaid principal amount of the Promissory Note as demand for money within the meaning and intent of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note, except as hereafter set forth; nothing contained herein is intended to relieve the Developer of personal liability for (1) fraud or willful misrepresentation; (2) the failure to pay taxes, assessments or other charges (which are not contested by Developer in good faith) which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (3) the Developer's indemnification obligations under this Agreement; (4) misappropriation of any rents, security deposits, insurance proceeds, condemnation awards or any other proceeds derived from the collateral security and (5) payment to the City of any rental income or other income arising with respect to the Property received by the Developer after the City has given notice to the Developer of the occurrence of an Event of

Default, subject to the rights of any lender providing a loan secured by the Property to which the City has subordinated the Deed of Trust.

ARTICLE 6. ONGOING DEVELOPER OBLIGATIONS

Section 6.1 Applicability. The conditions and obligations set forth in this Article 6 apply throughout the term of the Regulatory Agreement, unless a different period of applicability is specified for a particular condition or obligation.

Section 6.2 Use of Development. The Developer hereby agrees that, for the entire Term, the Development will be used and continuously operated as affordable housing consistent with the Regulatory Agreement and the TCAC regulatory agreement, and any other regulatory agreement in accordance with all applicable requirements of the California Community Redevelopment Law (the "Law"), including, but not limited to, the requirement that such housing be provided to households described in Section 50079.5 of the Law, at rents not exceeding the amounts set forth in Section 50053(b)(3). In the event of any conflict between the terms of this Agreement, the City Regulatory Agreement, the County Loan Documents and the TCAC Regulatory Agreement, the Developer shall comply with the stricter requirement. In addition, the Developer shall comply all other applicable laws, statutes, and regulations governing the Development, including, but not limited to the applicable requirements of Code Section 42, and all TCAC regulations, for such time that the Development is subject to such regulations.

Section 6.3 Affordability. The Developer agrees that in any application for Tax Credits or County funding, the proposed affordability of the Development will reflect the affordability levels in the Developer's Pro Forma and the Development will be used only for residential use consistent with the Regulatory Agreement, unless the City has approved a modification to the affordability levels to be offered within the Development.

Section 6.4 Waiver of Rights of Protest. If the City proposes to establish an assessment district or community facilities district for street or downtown beautification or for flood control purposes, Developer agrees to waive all rights to: (a) protest any assessment district as otherwise allowed under Government Code Section 53753; or (b) protest a community facilities district as otherwise allowed by Government Code Section 53323.

Section 6.5 Maintenance.

(a) The Developer agrees to maintain all interior and exterior portions of the Development, including landscaping, of the Development in first-class condition and repair and in a sanitary condition (and, as to landscaping, in a healthy condition, subject to any restrictions on water use) and all applicable laws, rules, ordinances, orders, and regulations of all federal, state, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials.

(b) The Developer acknowledges the great emphasis the City places on quality maintenance to protect its investment and to provide quality affordable and market-rate housing for area residents. In addition, the Developer must keep the Development free from all

graffiti, and any accumulation of shopping carts, debris or waste material. The Developer must promptly make all repairs and replacements necessary to keep the Development in first-class condition and repair and promptly eliminate all graffiti and replace dead and diseased plants and landscaping with comparable approved materials.

(c) In the event that the Developer breaches any of the covenants contained in this Section and such default continues for a period of ten (10) days after written notice from the City with respect to graffiti, debris, waste material, and general maintenance or thirty (30) days after written notice from the City with respect to landscaping and building maintenance, then the City, in addition to whatever other remedy it may have at law or in equity, will have the right to enter upon the Property and perform or cause to be performed all such acts and work necessary to cure the default. Under such right of entry, the City will be permitted (but is not required) to enter upon the Property and perform all acts and work necessary to protect, maintain, and preserve the Development and landscaped areas on the Property, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, including a ten percent (10%) administrative charge, which amount must be promptly paid by the Developer to the City upon demand.

Section 6.6 Taxes and Assessments. The Developer must pay all real and personal property taxes, assessments and charges and all franchise, income, employment, social security benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that the Developer has the right to contest in good faith, any such taxes, assessments, or charges. In the event the Developer exercises its right to contest any tax, assessment, or charge against it, the Developer, on final determination of the proceeding or contest, must immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

Section 6.7 Mandatory Language in All Subsequent Deeds, Leases and Contracts.

(a) Basic Requirement. The Developer may not restrict the rental, sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Development on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code. Developer or any person claiming under or through the Developer may not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Development. The foregoing covenant runs with the land.

(b) Provisions in Conveyance Documents. All deeds, leases or contracts made or entered into by Developer, and its successor and assigns permitted under this Agreement, as to any portion of the Property must contain therein the following language:

(1) In Deeds:

"(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in

subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property herein conveyed, nor shall the grantee or any person claiming under or through the grantee, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(2) In Leases:

"(1) Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee or any person claiming under or through the lessee, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

(3) In Contracts:

"(1) There shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) and (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference

to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1)."

Section 6.8 Hazardous Materials.

(a) Certain Covenants and Agreements. The Developer hereby covenants and agrees throughout the Term of this Agreement:

(1) The Developer will keep and maintain the Property and the Development located thereon, in compliance with all Hazardous Materials Laws, and may not cause or permit the Development or any portion thereof to be a Property for the release, use, generation, treatment, manufacture, storage, discharge, disposal or transportation of Hazardous Materials or otherwise permit the presence of Hazardous Materials in, on or under the Development;

(2) The Developer must keep and maintain the Development and each portion thereof in compliance with, and may not cause or permit the Development or any portion thereof to be in violation of, any Hazardous Materials Laws;

(3) Upon receiving actual knowledge of the same the Developer must immediately advise the City in writing of: (a) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Developer or the Development under any applicable Hazardous Materials Laws; (b) any and all claims made or threatened by any third party against the Developer or the Development relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in the foregoing clause (a) and this clause (b) are hereinafter referred to as "Hazardous Materials Claims"); (c) the presence of any Hazardous Materials in, on or under the Development; or (d) the Developer's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Development that could cause the Property or any part of the Property to be subject to any restrictions on the ownership, occupancy, transferability, or use of the Development or the Property under any Hazardous Materials Laws, including without limitation under the provisions of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted to implement those sections. The City has the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and to have its reasonable attorney's fees in connection therewith paid by the Developer.

(4) Without the City's prior written consent, which will not be unreasonably withheld, the Developer must not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Development (other than in

emergency situations or as required by governmental agencies having jurisdiction), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Materials Claims.

(b) Indemnity. Without limiting the generality of the indemnification set forth in Section 10.7 below, in consideration for the transfer of the Property by the City and from and after the conveyance of the Property by the City to the Developer, the Developer hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the City) the City, and its City Council members, officers, directors, representatives, consultants, employees and agents (together the "Indemnified Parties") from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney's fees and expenses), arising directly or indirectly, in whole or in part, out of: (1) the failure of the Developer to comply with any Hazardous Materials Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Materials into, on, under or from the Development; (2) during Developer's ownership of the Property, the presence in, on or under the Development of any Hazardous Materials or any releases or discharges of any Hazardous Materials into, on, under or from the Development; or (3) during Developer's ownership of the Property, any activity carried on or undertaken on or off the Property whether by the Developer or any employees, agents, contractors or subcontractors of the Developer or any third persons at any time occupying or present on the Property, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials at any time located or present on or under the Development. The foregoing indemnity applies to any residual contamination on or under the Development, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. The foregoing indemnity does not apply to any claims, losses, damages, liabilities, fines, penalties, or charges that are caused by the gross negligence or willful misconduct of the City, or (2) any claims, losses, damages, liabilities, fines, penalties, or charges that are first caused after foreclosure and transfer of property under the Deed of Trust or deed in lieu thereof. The provisions of this subsection (b) will survive the expiration of the Term or other termination of this Agreement and the termination of any applicable City Documents.

(c) No Limitation. The Developer hereby acknowledges and agrees that the Developer's duties, obligations and liabilities under this Agreement, including, without limitation, under subsection (b) above, are in no way limited or otherwise affected by any information the City may have concerning the Development and/or the presence within the Development of any Hazardous Materials, whether the City obtained such information from the Developer or from its own investigations.

Section 6.9 Management Agent. The Development shall at all times be managed by an experienced Management Agent reasonably acceptable to the City, with demonstrated ability to operate residential facilities like the Development in a manner that will provide decent, safe, and sanitary housing. For any change in the Management Agent, the Developer shall submit for the City's approval the identity of any proposed Management Agent,. The Developer shall also

submit such additional information about the background, experience and financial condition of any proposed Management Agent as is reasonably necessary for the City to determine whether the proposed Management Agent meets the standard for a qualified Management Agent set forth above. If the proposed Management Agent meets the standard for a qualified Management Agent set forth above, the City shall approve the proposed Management Agent by notifying the Developer in writing within thirty (30) days of such submission, or as soon as reasonably practicable thereafter.

Section 6.10 Insurance Requirements.

(a) Required Coverage. The Developer must maintain and keep in force, at the Developer's sole cost and expense, the following insurance applicable to the Development:

(1) Workers' Compensation insurance, as required by the State of California and consistent with statutory limits, and Employers' Liability coverage, with limits not less than One Million Dollars (\$1,000,000) each accident for bodily injury or disease.

(2) Commercial General Liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) aggregate combined single limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations. Products and Completed Operations coverage must be obtained no later than completion of construction of the Development.

(3) Commercial Automobile Liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverages for owned, non-owned and hired vehicles, as applicable; provided, however, that if the Developer does not own or lease vehicles for purposes of this Agreement, then no automobile insurance will be required and both Parties to this Agreement must initial this provision signifying same.

(4) Professional liability insurance related to Hazardous Materials and Hazardous Materials Laws in an amount not less than One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) aggregate policy limit.

(5) Builders' risk insurance during the course of construction (and upon completion of construction, property insurance) covering the Development and covering all risks of loss, excluding earthquake and including flood (if required), for one hundred percent (100%) of the replacement value, with deductible, if any, acceptable to the first lender.

(b) Subcontractor's Insurance. Developer must require and verify that all subcontractors and agents working on the Development maintain insurance meeting all the requirements stated in this Section 6.11, and Developer must ensure that City is an additional insured on insurance required from subcontractors as described in subsection (c)(2) of this Section.

(c) General Requirements.

(1) The required insurance must be provided under an occurrence form, and the Developer must maintain such coverage continuously throughout the Term. Should any of the required insurance be provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit must be three (3) times the occurrence limits specified above.

(2) Commercial General Liability, Commercial Automobile Liability and Property insurance policies (including builders' risk) must be endorsed to name as additional insureds the City and its elected officials, officers, directors, representatives, consultants, employees, and agents. The endorsement must include liability arising out of work or operations performed by or on behalf of Developer including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired or borrowed by or on behalf of Developer. For commercial general liability, the policy must be endorsed with a form at least as broad as ISO form CG 20 10, GC 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used.

(3) Developer's insurance must be primary to any other insurance (including self-insurance) available to the City (including its elected officials, officers, directors, representatives, consultants, employees, and agents) with respect to any claim arising out of this Agreement. Any insurance maintained by the City shall be excess of the Developer's insurance and shall not contribute with it.

(4) No policy shall be canceled, limited, or allowed to expire without renewal until after thirty (30) days written notice has been given to the City by first class mail.

(5) Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Entity. Exception may be made for the State Compensation Insurance Fund when not specifically rated.

(d) Deductibles. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either:

(1) Developer must reduce or eliminate such deductibles or self-insured retentions as respects the City and its elected officials, officers, directors, representatives, consultants, employees, and agents; or,

(2) Developer must provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

(e) Subrogation Waiver. Developer hereby grants to City a waiver of any right to subrogation which any insurer of Developer may acquire against the City by virtue of the payment of any loss under such insurance. Developer agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy must be endorsed with a waiver of subrogation in favor of City for all work performed by Developer, its employees, agents, and subcontractors. This provision applies regardless of whether or not the City has requested or received a waiver of subrogation endorsement from the insurer.

(f) Claims Made Policies. If any required coverage is made on a claims-made form:

(1) The "Retro Date" must be shown and must be before the date of the contract or the beginning of contract work.

(2) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

(3) If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, Developer must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(4) A copy of the claims reporting requirements must be submitted to City for review.

(5) If the services involve lead-based paint or asbestos identification/remediation, Developer's Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, Developer's Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

(g) Certificates of Insurance. During the Term, the Developer must provide certificates of insurance, in form and with insurers reasonably acceptable to the City, evidencing compliance with the requirements of this Section, and must provide complete copies of such insurance policies, including endorsements as required by this Section. However, failure to obtain the required documents before the work beginning shall not waive Developer's obligation to provide them. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements, required by these specifications, at any time.

(h) Additional Coverage. Developer may carry, at its own expense, any additional insurance it deems necessary or prudent. If Developer maintains higher levels than the minimums shown above, City requires and shall be entitled to coverage for the higher limits maintained by Developer. Any available insurance proceeds in excess of the specified minimum levels of insurance and coverage shall be available to the City.

Section 6.11 Audits. Upon 2 business days prior written notice, the Developer must make available for examination at reasonable intervals and during normal business hours to the City all books, accounts, reports, files, and other papers or property with respect to all matters covered by this Agreement, and permit the City to audit, examine, and make excerpts or transcripts from such records. The City may make audits of any conditions relating to this Agreement.

Section 6.12 Notice of Litigation. Developer must promptly notify the City in writing of any litigation materially affecting Developer or the Property and of any claims or disputes that involve a material risk of such litigation.

ARTICLE 7. ASSIGNMENTS AND TRANSFERS

Section 7.1 Definitions. As used in this Article 7, the term "Transfer" means:

- (a) Any total or partial sale, assignment or conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to this Agreement or of the Development or any part thereof or any interest therein or any contract or agreement to do any of the same;
- (b) Any total or partial sale, assignment or conveyance, or any trust or power, or any transfer in any other mode or form, of or with respect to any ownership interest in Developer or any contract or agreement to do any of the same;
- (c) Any merger, consolidation, sale or lease of all or substantially all of the assets of the Developer; or
- (d) The leasing of part or all of the Development, except as a Permitted Transfer.

Section 7.2 Purpose of Restrictions on Transfer.

(a) This Agreement is entered into solely for the purpose of the development and operation of the Development and its subsequent use in accordance with the terms hereof. The Developer recognizes that the qualifications and identity of Developer are of particular concern to the City, in view of:

- (1) The importance of the redevelopment of the Property to the general welfare of the community;
- (2) The land acquisition assistance and other public aids that have been made available by law and by the government for the purpose of making such redevelopment possible;
- (3) The reliance by the City upon the unique qualifications and ability of the Developer to serve as the catalyst for development of the Property;
- (4) The fact that a change in ownership or Control of the Developer as lessee of the Property, or of a substantial part thereof, or any other act or transaction involving or resulting in a significant change in ownership or with respect to the identity of the parties in Control of the Developer is for practical purposes a transfer or disposition of the Property;
- (5) The fact that the Property is not to be acquired or used for speculation, but only for development and operation by the Developer in accordance with this Agreement and the Regulatory Agreement; and

(b) The Developer further recognizes that it is because of such qualifications and identity that the City is entering into this Agreement with the Developer and that Transfers are permitted only as provided in this Agreement.

Section 7.3 Prohibited Transfers. Any Transfer made in contravention of this Section and is void and are deemed to be a Developer Event of Default under this Agreement whether or

not the Developer knew of or participated in such Transfer. Except for permitted Transfers described in Section 7.4, no Transfer shall be permitted in the absence of specific written agreement by the City, and, unless approved by the City in writing, no Transfer or assignment will be deemed to relieve the Developer or any other party from any obligations under this Agreement.

Section 7.4 Permitted Transfers. Notwithstanding the provisions of Section 7.3, the following Transfers are permitted and are hereby approved by the City without further review:

- (a) Any Transfer creating a Security Financing Interest permitted pursuant to the approved Financing Plan;
- (b) The admission of a tax credit investor limited partner to Developer;
- (c) Any Transfer directly resulting from the foreclosure of a Security Financing Interest or the granting of a deed in lieu of foreclosure of a Security Financing Interest or as otherwise permitted under Article;
- (d) The leasing of residential units within the Development in compliance with the Regulatory Agreement;
- (e) The granting of easements or permits to facilitate the Development of the Property;
- (f) In the event the general partner of the Developer is removed by the limited partner of the Developer for cause following default under the Developer's partnership agreement, the City hereby approves the transfer of the general partner interest to a 501(c)(3) tax-exempt nonprofit public benefit corporation that is selected by the limited partner and approved in advance and in writing by the City, which approval shall not be unreasonably withheld;
- (g) After Close of Escrow, any Transfer creating a Security Financing Interest permitted under the approved Financing Plan;
- (h) Any Transfer directly resulting from the foreclosure of a Security Financing Interest or the granting of a deed in lieu of foreclosure of a Security Financing Interest or as otherwise permitted under Article 9.
- (i) After Close of Escrow, the granting of easements, licenses, or permits to facilitate the development of the Property.
- (j) After Close of Escrow, Transfer of the Property or any partnership interest in Developer to Linc Housing Corporation, Linc Community Development Corporation, or any other entity under common control with the foregoing.

Section 7.5 Effectuation of Certain Permitted Transfers. Other than as permitted in Section 7.4, no Transfer of a direct interest in this Agreement shall be permitted unless, at the time of the Transfer, the person or entity to which such Transfer is made, by an agreement reasonably satisfactory to the City and in form recordable among the land records, expressly

agrees to perform and observe, from and after the date of the Transfer, the obligations, terms and conditions of this Agreement; provided, however, that no such transferee shall be liable for the failure of its predecessor to perform any such obligation. The City shall grant or deny approval of a proposed Transfer within thirty (30) days of receipt by the City of the Developer's request for approval of a Transfer, which request shall include evidence of the proposed transferee's business expertise and financial capacity. Failure by the City to approve or disapprove the proposed Transfer within thirty (30) days after receipt of the Developer's written request shall be deemed to be approval of the proposed Transfer by the City.

Section 7.6 Other Transfers with City Consent.

(a) Any Transfers not permitted under Section 7.4 or Section 7.5 or other provisions of this Agreement shall require the prior written consent by the City. At least sixty (60) days prior to the proposed effective date of the Transfer, the Developer shall deliver to the City evidence that the intended transferee is a Qualified Transferee.

(b) The City may withhold, condition or delay its approval of a Transfer if City determines in its sole discretion that: (1) there is a Developer Event of Default; (2) the proposed Transfer will in any material respect diminish the City's rights under this Agreement; or (3) the proposed transferee is not a Qualified Transferee. If the City withholds its approval of a Transfer under this Section, it shall provide a written statement to the Developer specifying the City's grounds for withholding approval within thirty (30) business days following receipt of the Developer's Transfer request, or as soon as reasonably practicable thereafter.

(c) No Transfer of this Agreement permitted under this Section will be effective unless, at the time of the Transfer, the Qualified Transferee enters into and records an assignment and assumption agreement in a form reasonably approved by the City.

Section 7.7 Termination of Limitations on Transfers. The limitations on Transfers set forth in this Article 7 shall apply with respect to the Property or the Development until issuance by the City of a Certificate of Completion for the Development.

ARTICLE 8. DEFAULT AND REMEDIES

Section 8.1 General Applicability. The provisions of this Article 8 govern the Parties' remedies for breach or failure of this Agreement.

Section 8.2 No Fault of Parties.

(a) The following events constitute a basis for a Party to terminate this Agreement without the fault of the other:

(1) The Developer, despite good faith and diligent efforts, is unable to obtain commitments for all financing needed to acquire and develop the Property.

(2) The City, despite good faith and diligent efforts, is unable to convey the Property to the Developer, and the Developer is otherwise entitled to such conveyance.

(3) The Developer, despite good faith and diligent efforts, is unable to obtain the City's approval of the Financing Plan or the Construction Plans, or obtain all discretionary approvals necessary to develop the Development.

(b) Upon the happening of the above-described event and at the election of either Party, this Agreement may be terminated by written notice to the other Party. After such termination of this Agreement, neither Party will have any rights against, or liability to, the other under this Agreement, except that the indemnification provisions of this Agreement will survive such termination and remain in full force and effect.

Section 8.3 Fault of City. Each of the following events, if uncured after expiration of the applicable cure period, constitutes a "City Event of Default":

(a) The City, without good cause, fails to convey the Property to the Developer in the manner set forth in Article 3 and the Developer is otherwise entitled by this Agreement to such conveyance; or

(b) The City breaches any other material provision of this Agreement which is materially adverse to Developer.

Section 8.4 Fault of Developer. Each of the following events, if uncured after expiration of the applicable cure period, constitutes a "Developer Event of Default":

(a) The Developer fails to exercise good faith and diligent efforts to satisfy, within the time and in the manner set forth in Article 3, one or more of the conditions precedent to the City's obligation to convey the Property to the Developer;

(b) The Developer refuses to accept conveyance from the City of the Property within the time periods and under the terms set forth in Article 3;

(c) The Developer constructs or attempts to construct the Development in violation of Article 4;

(d) The Developer has not satisfied all preconditions set forth in this Agreement to enable it to commence construction of the Development by the date set forth in the Schedule of Performance, or fails to commence or complete construction of the Development by the date set forth in the Schedule of Performance (as such dates may be extended with the prior written consent of the City Manager), or abandons or suspends construction of the Development prior to completion of all construction for a period of sixty (60) days after written notice by the City of such abandonment or suspension;

(e) The Developer fails to comply with any obligation or requirement set forth in Article 4 or Article 6, including, but not limited to, the Developer's failure to construct the Development, or the Developer's failure to rent the Affordable Units in accordance with this Agreement. Any default by the Developer under the Regulatory Agreement shall also be a Developer Event of Default under this Agreement;

(f) A Transfer occurs, either voluntarily or involuntarily, in violation of Article 7;

(g) Any representation or warranty contained in this Agreement or in any application, financial statement, certificate, or report submitted to the City in connection with this Agreement proves to have been incorrect in any material and adverse respect when made;

(h) A court having jurisdiction makes or enters any decree or order: (1) adjudging the Developer to be bankrupt or insolvent; (2) approving as properly filed a petition seeking reorganization of the Developer, or seeking any arrangement for the Developer, under the bankruptcy law or any other applicable debtor's relief law or statute of the United States or any state or other jurisdiction; (3) appointing a receiver, trustee, liquidator, or assignee of the Developer, in bankruptcy or insolvency or for any of their properties; or (4) directing the winding up or liquidation of the Developer, if any such decree or order described in clauses (1) to (4), inclusive, continued unstayed or undischarged for a period of ninety (90) days unless a lesser time period is permitted for cure under any other mortgage on the Property, in which event such lesser time period will apply under this subsection (i) as well; or the Developer, admits in writing its inability to pay its debts as they fall due or voluntarily submits to or files a petition seeking any decree or order of the nature described in clauses (1) to (4), inclusive;

(i) The Developer assigns its assets for the benefit of its creditors or suffered a sequestration or attachment of or execution on any substantial part of its property, unless the property so assigned, sequestered, attached or executed upon have been returned or released within ninety (90) days after such event (unless a lesser time period is permitted for cure under any other mortgage on the Property, in which event such lesser time period will apply under this subsection as well) or prior to sooner sale under such sequestration, attachment, or execution;

(j) The Developer voluntarily suspends its business or, the Developer is dissolved or terminated;

(k) There occurs any default declared by any entity under any loan document related to any loans secured by a deed of trust on the Development or any regulatory agreement recorded against the Property, after the expiration of applicable cure periods; or

(l) The Developer breaches any monetary provision of this Agreement or any monetary provision in any of the other City Documents, and the Developer fails to cure the same within 10 days of written notice thereof.

(m) The Developer breaches any other material non-monetary provision of this Agreement or any material non-monetary provision in any of the other City Documents, and the Developer fails to cure the same within 30 days of written notice thereof, provided that if such cure cannot be reasonably completed in 30 days, then such longer period approved by the City as reasonably necessary to cure the breach provided that the Developer commences the cure within 30 days and diligently, continually, and in good faith works to effect a cure as soon as possible.

Section 8.5 Notice and Cure Period Regarding Defaults.

(a) Before initiating any action for relief specified in Section 8.6 for an alleged breach of this Agreement, the Party claiming breach (the "Complaining Party") must deliver to the other Party (the "Defaulting Party") a written notice of breach (the "Notice of Default"). The Notice of Default must specify the reasons for the allegation of default with

reasonable particularity. Within thirty (30) days the Defaulting Party must either: (1) use good faith efforts to cure the breach or, if such cure is of the nature to take longer than 30 days, to follow the procedures specified in subsection (b) below; or (2) if in the determination of the Defaulting Party, the event does not constitute a breach of this Agreement, the Defaulting Party, within thirty (30) days of receipt of the Notice of Default, must deliver to the Complaining Party a notice which sets forth with reasonable particularity the reasons that a default has not occurred. Failure to respond within the thirty (30) day period may not be deemed an admission of the default, but the Complaining Party may proceed to pursue its remedies under this Article 8. After conclusion of the thirty (30) day period, the Complaining Party may declare a City or Developer Event of Default by providing written notice to the Defaulting Party (the "Declaration of Default"), subject to the provisions of subsection (b) below and may proceed to pursue its remedies under this Article 8. Following the admission of Developer's investor limited partner, any notice provided to the Developer under the City Documents as a Defaulting Party shall also be provided to such investor limited partner at the address provided by the limited partner to the City in writing, and any such cure offered by Developer's investor limited partner shall be deemed a cure by Developer.

(b) If the Defaulting Party believes that the Default cannot practically be cured within the thirty (30)-day period, the Defaulting Party is not in Default provided that: (1) the cure is commenced during the thirty (30) day period after receipt of the Notice of Default; (2) within the thirty (30) day period, the Defaulting Party provides a schedule to the Complaining Party for cure of the Default, subject to the reasonable approval of the Complaining Party; and (3) the cure is completed in accordance with the schedule agreed to by the Parties, or such additional time as agreed by the Complaining Party. If the Parties cannot mutually agree on a schedule for cure of the Default, at the conclusion of one hundred twenty (120) days after issuance of the Notice of Default, the Complaining Party may issue a Declaration of Default and proceed to pursue its remedies under this Article 8.

(c) Notwithstanding the notice and cure periods set forth in this Section, with respect to a Developer Event of Default described in subsections 8.4(d), (g), and (i) through (m) above, the indebtedness evidenced by the City Note shall be automatically accelerated and City shall be entitled to take its remedies, without the need for action by the City, the provision of any notice, or the passage of any cure period.

Section 8.6 Remedies.

(a) Limitation on Damages. City and Developer acknowledge that the purpose of this Agreement is to carry out the Parties' objectives as set forth in the recitals. City and Developer further agree that, in the event of a Default or breach under this Agreement, following the expiration of the notice and cure periods described in Section 8.5, the only remedies available to the non-breaching Party shall be those listed in this Section 8.6.

(b) Developer Remedies. With respect to an uncured City Event of Default, the Developer shall be entitled to the following remedies only: (1) terminate this Agreement with respect to the Property, but only before Close of Escrow; or (2) seek specific performance of this Agreement or other equitable remedy against the City

(c) City Remedies. With respect to an uncured Developer Event of Default, the City shall be entitled to take any or all of the following remedies:

(1) Terminating this Agreement by giving written notice to the Developer. If the City elects to terminate this Agreement, the provisions of this Agreement that are specified to survive such termination shall remain in full force and effect.

(2) Prosecuting an action for damages (excluding specific performance, punitive damages and consequential damages); or seeking any other remedy available at law or in equity (excluding punitive damages and consequential damages).

Section 8.7 Right to Cure at Developer's Expense. The City has the right to cure any monetary default by the Developer under a loan made in connection with the Development. The Developer agrees to reimburse the City for any funds advanced by the City to cure a monetary default by Developer upon demand therefor, together with interest at the lesser of the rate of ten percent (10%) per annum or the maximum rate permitted by law from the date of expenditure until the date of reimbursement.

Section 8.8 Project Documents. If the Agreement is terminated under Sections 8.2 or 8.6, the Developer, at no cost to the City, must deliver to the City copies of any project documents, Construction Plans, and studies in the Developer's possession or to which Developer is entitled related to construction of the Development on the Property and shall obtain appropriate permission for City to utilize the documents.

Section 8.9 Rights of Mortgagees. Any rights of the City under this Article 8 will not defeat, limit or render invalid any Security Financing Interest permitted by this Agreement or any rights provided for in this Agreement for the protection of holders of Security Financing Interests. Any conveyance or reverter of the Property to the City under this Article 8 will be subject to Security Financing Interests permitted by this Agreement.

Section 8.10 Remedies Cumulative. No right, power, or remedy given to the City by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy will be cumulative and in addition to every other right, power, or remedy given by the terms of any such instrument, or by any statute or otherwise. Neither the failure nor any delay to exercise any such rights and remedies will operate as a waiver thereof, nor will any single or partial exercise of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 9. SECURITY FINANCING AND RIGHTS OF HOLDERS

Section 9.1 No Encumbrances Except for Development Purposes. Notwithstanding any other provision of this Agreement, mortgages and deeds of trust, or any other reasonable method of security are permitted to be placed upon the Developer's fee interest in the Property, but only for the purpose of securing loans approved by the City under the approved Financing Plan. Mortgages, deeds of trust, or other reasonable security instruments securing loans approved by the City under the approved Financing Plan are each referred to as a "Security Financing Interest." The words "mortgage" and "deed of trust" as used in this Agreement

include all other appropriate modes of financing real estate acquisition, construction, and land development.

Section 9.2 Holder Not Obligated to Construct. The holder of any Security Financing Interest authorized by this Agreement is not obligated to construct or complete any Development or to guarantee such construction or completion; nor will any covenant or any other provision in conveyances from the City to the Developer evidencing the realty comprising the Property or any part thereof be construed so to obligate such holder. However, nothing in this Agreement is deemed to permit or authorize any such holder to devote the Property or any portion thereof to any uses, or to construct any Development thereon, other than those uses of Development provided for or authorized by this Agreement and the Regulatory Agreement.

Section 9.3 Notice of Default and Right to Cure. Whenever the City under its rights set forth in Article 8 of this Agreement delivers any notice or demand to the Developer with respect to the commencement, completion, or cessation of the construction of the Development, the City will at the same time deliver to each holder of record of any Security Financing Interest creating a lien upon the Developer's fee interest in the Property or any portion thereof, and the Investor, a copy of such notice or demand. Each such holder (insofar as the rights of the City are concerned) has the right, but not the obligation, at its option, within ninety (90) days after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default or breach affecting the Property which is subject to the lien of the Security Financing Interest held by such holder and to add the cost thereof to the security interest debt and the lien on its security interest. Nothing contained in this Agreement is deemed to permit or authorize such holder to undertake or continue the construction or completion of the Development (beyond the extent necessary to conserve or protect such Development or construction already made) without first having expressly assumed in writing the Developer's obligations to the City relating to such Development under this Agreement under an assignment and assumption agreement prepared by the City and recordable among the Official Records (the "Security Financing Interest Assignment"). The holder in that event must agree to complete, in the manner provided in this Agreement (or as may be amended by the Security Financing Interest Assignment; provided, however, the City is under no obligation to extend the dates for performance set forth in this Agreement), the Development to which the lien or title of such holder relates. Any such holder properly completing such Development under this paragraph must assume all rights and obligations of Developer under this Agreement and will be entitled, upon completion and written request made to the City, to a Certificate of Completion from the City.

Section 9.4 Failure of Holder to Complete Development. In any case where six (6) months after default by the Developer in completion of construction of the Development under this Agreement, the holder of record of any Security Financing Interest, having first exercised its option to construct under the Security Financing Interest Assignment, has not proceeded diligently with construction (as reasonably determined by the City), the City must be afforded those rights against such holder it would otherwise have against Developer under this Agreement.

Section 9.5 Right of City to Cure. In the event of a default or breach by the Developer of a Security Financing Interest prior to the completion of the Development, and the holder has not exercised its option to complete the Development on the Property, the City may cure the default, prior to the completion of any foreclosure. In such event the City will be entitled to

reimbursement from the Developer of all costs and expenses incurred by the City in curing the default. The City will also be entitled to a lien upon the Property or any portion thereof to the extent of such costs and disbursements. The City agrees that such lien will be subordinate to any Security Financing Interest, and the City will execute from time to time any and all documentation reasonably requested by Developer to effect such subordination.

Section 9.6 Right of City to Satisfy Other Liens. After the conveyance of title to the Property or any portion thereof and after the Developer has had a reasonable time to challenge, cure or satisfy any liens or encumbrances on the Property or any portion thereof, the City will have the right to satisfy any such lien or encumbrances; provided, however, that nothing in this Agreement will require the Developer to pay or make provision for the payment of any tax, assessment, lien or charge so long as the Developer in good faith may contest the validity or amount therein and so long as such delay in payment is not subject the Property or any portion thereof to forfeiture or sale.

Section 9.7 Holder to be Notified. The Developer will insert each term contained in this Article 9 into each Security Financing Interest or will procure acknowledgement of such terms by each prospective holder of a Security Financing Interest prior to its coming into any security right or interest in the Property or portion thereof.

Section 9.8 Estoppel Certificate. Either the Developer or the City, may at any time, and from time to time, deliver written notice to the other Party requesting such Party to certify in writing that, to the knowledge of the certifying Party: (a) this Agreement is in full force and effect and a binding obligation of the Parties; (b) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments; and (c) the requesting Party is not in default in the performance of its obligations under this Agreement, or if in default, the notice shall describe the nature and amount of any such City or Developer Event of Default. A Party receiving a request shall execute and return such certificate within thirty (30) days following receipt of the request. The City Manager is authorized to execute any estoppel certificate requested by the Developer.

ARTICLE 10. GENERAL PROVISIONS

Section 10.1 Notices, Demands and Communications. Formal notices, demands, and communications between the City and the Developer will be sufficiently given if, and not be deemed given unless, dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by reputable overnight delivery service, or delivered personally, to the principal office of the City and the Developer as follows:

City: City of Belmont
One Twin Pines Lane
Belmont, CA 94002
Attention: City Manager

With a copy to: City of Belmont
One Twin Pines Lane
Belmont, CA 94002

Attention: City Attorney

Developer: Linc-Hill Street, L.P.
c/o Linc Housing Corporation
3590 Elm Avenue
Long Beach, CA 90807
Attention: President and Chief Operating Officer

With a copy to: Carle Mackie Power & Ross LLP
100 B Street, Suite 400
Santa Rosa, California 95401
Attention: Henry Loh II

With a copy to: [TBD - investor]

With a copy to: [TBD – investor counsel]

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by notice as provided in this Section.

Section 10.2 Non-Liability of Officials, Employees and Agents. No City Council members, officers, directors, representatives, consultants, employees and agents of the City may be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligation under the terms of this Agreement. Absent fraud or willful misconduct by the responsible party, no members, officers, directors, representatives, consultants, employees and agents of the Developer may be personally liable to the City, or any successor in interest, in the event of any default or breach by the Developer or for any amount which may become due to the City or successor or on any obligation under the terms of this Agreement.

Section 10.3 Forced Delay. In addition to specific provisions of this Agreement and the City Documents and notwithstanding the Schedule of Performance, performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority (except for restrictions or priorities established by the Party required to perform the action required under this Agreement); unusually severe weather; inability to secure necessary labor, materials or tools; acts or the failure to act of any public or governmental agency or entity (except that acts or the failure to act of a Party shall not excuse performance by such Party, including without limitation the Developer's inability to obtain financing for the Development or the economic infeasibility of the Development) ("Force Majeure"). An extension of time for Force Majeure shall only be for the period of the enforced delay, which period shall commence to run from the time of the notification of the delay by the Party requesting the extension to the other Party. The Party requesting an extension of time under this Section 10.3 shall give notice promptly following knowledge of the delay to the other Party. If, however, notice by the Party claiming such extension is sent to the other Party more

than thirty (30) days after knowledge of the commencement of the delay, the period shall commence to run upon the earlier of (i) thirty (30) days prior to the giving of such notice or (ii) the date that the other Party received knowledge of the events giving rise to the delay.

Section 10.4 Inspection of Books and Records. Upon 2 business days prior written request, the Developer must permit the City to inspect at reasonable times and on a confidential basis those books, records and all other documents of the Developer necessary to determine Developer's compliance with the terms of this Agreement.

Section 10.5 Title of Parts and Sections. Any titles of the articles, sections or subsections of this Agreement are inserted for convenience of reference only and should be disregarded in construing or interpreting any part of its provision.

Section 10.6 General Indemnification; Claims by Third Parties.

(a) The Developer hereby agrees to indemnify, defend (with counsel reasonably selected by the City) and hold the City, and its City Council members, officers, directors, representatives, consultants, employees and agents (collectively, the "Indemnified Parties") harmless against any and all claims, suits, actions, losses and liability of every kind, nature and description made against all or any of the Indemnified Parties, and expenses (including reasonable attorneys' fees) which arise out of or in connection with this Agreement or any of the City Documents, including but not limited to, the leasing of the Property, construction of the Development, and the operation of the Development, except to the extent such claim arises from the grossly negligent or willful misconduct of the City. The provisions of this Section survive both the issuance of a Certificate of Completion by the City and termination of this Agreement.

(b) In the event of any legal action, claim, or proceeding instituted by a third party or other governmental entity or official challenging the validity of any provision of this Agreement, the leasing of the Property, construction of the Development, or the operation of the Development ("Third-Party Challenge"), the responsibilities of the Parties shall be as follows.

(1) The Developer shall bear its own costs of defense as a real party in interest in any Third-Party Challenge, and the Developer shall reimburse City for all costs (including court costs and expenses) and attorneys' fees incurred by City in defense of such action or other proceeding. In its sole discretion, City may tender its defense of such action to Developer or defend the action itself. Upon a tender of defense to Developer by City, Developer shall defend through counsel approved by City, which approval shall not be unreasonably withheld, and Developer shall bear all attorneys' fees and costs from the date of tender. Under no circumstances shall Developer be required to pay or perform any settlement arising out of a Third-Party Challenge unless the settlement is expressly approved by Developer.

(2) The City shall promptly notify the Developer of any Third-Party Challenge and shall cooperate fully in the defense of the Third Party Challenge.

(3) If any part of this Agreement is held by a court of competent jurisdiction to be invalid or unlawful as the result of a Third Party Challenge, the Parties shall use their best efforts to cure any inadequacies or deficiencies identified by the court in a manner

consistent with the express and implied intent of this Agreement, and then to adopt or re-enact such part of this Agreement as necessary or desirable to permit implementation of this Agreement.

Section 10.7 No Third-Party Beneficiaries. There are no third party beneficiaries to this Agreement.

Section 10.8 Applicable Law. This Agreement must be interpreted under and under the laws of the State of California. Venue shall be San Mateo County.

Section 10.9 No Brokers. Each Party represents to the other that it has not had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any real estate broker or other person who can claim a right to a commission or finder's fee. If any broker or finder makes a claim for a commission or finder's fee based upon a contact, dealings, or communications, the Party through whom the broker or finder makes this claim must indemnify, defend with counsel of the indemnified Party's choice, and hold the indemnified Party harmless from all expense, loss, damage and claims, including the indemnified Party's reasonable attorneys' fees, if necessary, arising out of the broker's or finder's claim. The provisions of this Section survive expiration of the Term or other termination of this Agreement and will remain in full force and effect.

Section 10.10 Legal Actions. In the event any legal action is commenced to interpret or to enforce the terms of this Agreement or to collect damages as a result of any breach thereof, each Party shall bear their own attorneys' fees and no attorneys' fees may be awarded to the Party prevailing in the action.

Section 10.11 Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions will continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

Section 10.12 Binding Upon Successors. This Agreement is binding upon and inures to the benefit of the heirs, administrators, executors, successors in interest and assigns of each of the Parties hereto, except that there may be no Transfer of any interest by any of the Parties hereto except under the terms of this Agreement. Any reference in this Agreement to a specifically named Party is deemed to apply to any successor, heir, administrator, executor or assignee of such Party who has acquired an interest in compliance with the terms of this Agreement, or under law.

The covenants and restrictions set forth in this Agreement run with the land and will bind all successors in title to the Property. Each and every contract, deed, or other instrument hereafter executed covering or conveying the Property will be held conclusively to have been executed, delivered, and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed, or other instrument, unless the City expressly releases the Property from the requirements of this Agreement.

Section 10.13 Parties Not Co-Venturers. Nothing in this Agreement is intended to or does establish the Parties as partners, co-venturers, or principal and agent with one another.

Section 10.14 Discretion Retained by City. The City's execution of this Agreement does not constitute approval by the City and in no way limits the discretion of the City in the permit and approval process in connection with construction of the Development.

Section 10.15 Time of the Essence. In all matters under this Agreement, the Parties agree that time is of the essence.

Section 10.16 Representation and Warranties of Developer. The Developer hereby represents and warrants to the City as follows:

(a) Organization. The Developer is a duly organized, validly existing California limited partnership, is in good standing under the laws of the State of California and has the power and authority to own its property and carry on its business as now being conducted.

(b) Authority of Developer. The Developer has full power and authority to execute and deliver this Agreement and to perform and observe the terms and provisions of all of the above.

(c) Authority of Persons Executing Documents. This Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, under this Agreement have been executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Developer, and all actions required under the Developer's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and all other documents or instruments executed and delivered, or to be executed and delivered, under this Agreement, have been duly taken.

(d) Valid Binding Agreements. This Agreement and all other documents or instruments which have been executed and delivered under or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of the Developer enforceable against it in accordance with their respective terms.

(e) No Breach of Law or Agreement. Neither the execution nor delivery of this Agreement or of any other documents or instruments executed and delivered, or to be executed or delivered, under this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, City Council, commission or agency whatsoever binding on the Developer, or any provision of the organizational documents of the Developer, or will conflict with or constitute a breach of or a default under any agreement to which the Developer is a party, or will result in the creation or imposition of any lien upon any assets or property of the Developer, other than liens established pursuant hereto.

(f) Compliance with Laws; Consents and Approvals. The construction of the Development will comply with all applicable laws, ordinances, rules and regulations of federal, state and local governments and agencies and with all applicable directions, rules and regulations of the fire marshal, health officer, building inspector and other officers of any such government or agency.

(g) Pending Proceedings. The Developer is not in default under any law or regulation or under any order of any court, City Council, commission or agency whatsoever, and there are no claims, actions, suits or proceedings pending or, to the knowledge of the Developer, threatened against or affecting the Developer, at law or in equity, before or by any court, City Council, commission or agency whatsoever which might, if determined adversely to the Developer, materially affect the Developer's ability to develop the Development.

(h) Financial Statements. The financial statements of the Developer, and other financial data and information furnished by, or on behalf of the Developer, to the City fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of the Developer from that shown by such financial statements and other data and information.

(i) Sufficient Funds. Upon the acquisition of the Property, the Developer will hold sufficient funds or binding commitments to complete the construction of the Development in accordance with this Agreement.

Section 10.17 Entry by the City The Developer hereby permits the City, through its officers, agents, consultants or employees, at all reasonable times, to enter into the Development: (a) to inspect the work of construction to determine that the same is in conformity with the requirements of this Agreement; and (b), following completion of construction and upon 2 business days prior written notice, to inspect the ongoing operation and management of the Development to determine that the same is in conformance with the requirements of this Agreement. The Developer acknowledges that the City is under no obligation to supervise, inspect, or inform the Developer of the progress of construction, or operations and the Developer may not rely upon the City therefor. Any inspection by the City during the construction is entirely for its purposes in determining whether the Developer is in compliance with this Agreement and is not for the purpose of determining or informing the Developer of the quality or suitability of construction. The Developer must rely entirely upon its own supervision and inspection in determining the quality and suitability of the materials and work, and the performance of architects, subcontractors, and material suppliers.

Section 10.18 Entire Understanding of the Parties. This Agreement constitutes the entire understanding and agreement of the Parties. All prior discussions, understandings and written agreements are superseded by this Agreement. The Developer and the Developer's counsel have read and reviewed this Agreement and agree that any rule of construction (including, but not limited to Civil Code Section 1654, as may be amended from time to time) to the effect that ambiguities are to be resolved against the drafting party will not apply to the interpretation of this Agreement.

Section 10.19 Amendments. The Parties can amend this Agreement only by means of a writing executed by the Developer and the City.

Section 10.20 City Approval. Whenever this Agreement permits City approval, consent, or waiver, to be authorized by the City Manager, the City Manager's signature shall constitute the approval, consent, or waiver of the City, without further authorization required from the City Council unless required by law or the terms of this Agreement.

Section 10.21 Counterparts; Multiple Originals. This Agreement may be executed in counterparts, each of which is deemed to be an original.

Section 10.22 Termination. This Agreement shall automatically terminate upon the occurrence of both of the following events: (a) the full repayment of the City Loan and the Deed of Trust has been reconveyed, and (b) the expiration of the Regulatory Agreement pursuant to its terms. Upon such termination, at the written request of either party hereto, the Parties shall execute a termination of this Agreement, which may be in recordable form. Notwithstanding the foregoing, the provisions of this Agreement that are specified to survive such termination shall remain in full force and effect.

SIGNATURES ON THE FOLLOWING PAGE

DRAFT

The City and the Developer are signing this Agreement as of the Effective Date.

CITY:

CITY OF BELMONT,
a municipal corporation

By: _____,
Afshin Oskoui, City Manager

Dated: _____

ATTEST:

By: _____
Jozi Plut, City Clerk

Dated: _____

APPROVED AS TO FORM:

By: _____
Scott Rennie, City Attorney

Dated: _____

DEVELOPER:

Linc-Hill Street, L.P.,
a California limited partnership

By: Linc-Hill Street LLC,
a California limited liability company,
its general partner

By: Linc Housing Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____
Anders Plett
Senior Vice President of Housing Development

Dated: _____

DRAFT

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land referred to is situated in the City of San Mateo, State of California, and is described as follows:

DRAFT

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EXHIBIT B

SCHEDULE OF PERFORMANCE

<u>Action/Obligation</u>	<u>Section Reference</u>	<u>Timeline for Performance</u>
City has approved all required discretionary entitlement approvals for the Development (the "City Approvals").	2.2	Prior to or concurrent with Effective Date.
Developer shall submit a final Financing Plan to the City.	2.3(a)	Prior to Close of Escrow.
City shall review Financing Plan and approve or disapprove.	2.3(b)	Within 15 working days after submission.
Developer shall submit an application for either a 4% or a 9% tax credit allocation (with up to 3 rounds of subsequent applications if unsuccessful); Staff can approve an additional two years if deemed appropriate.		Developer shall submit first tax credit application no later than April 25, 2023
Developer shall obtain, with the reasonable cooperation of the City, all approvals from the City required for the issuance of a building permit (the "Building Permit").	2.4(a)	Within two (2) years of the Effective Date, and prior to the close of escrow.
Developer shall submit to City its final construction contract for the Development.	2.5	Prior to Close of Escrow.
Developer shall obtain labor and material and performance bond for construction of the Development.	2.6	Prior to Close of Escrow.
Tax Credit Funds and all other financing to construct the Development shall be closed by Developer.	2.10	Prior to, or simultaneously with, Close of Escrow.
Developer shall commence construction of the Development.	4.3	Within 30 days from the Close of Escrow.
Developer shall diligently prosecute to completion the construction of the Development.	4.4	Within 30 months from Close of Escrow.
Developer shall submit the name and information of the property Management Agent to the City for review and approval.	6.9	Prior to final inspection.
City shall furnish the Development's Certificate of Completion.	4.13	Within 10 days of the Development's final inspection.

The City Manager may grant an extension to the Performance Schedule.

EXHIBIT C
PRO FORMA

DRAFT

EXHIBIT D

SCOPE OF DEVELOPMENT

Developer proposes to develop a high quality, sustainable, mixed-use transit oriented residential community, consisting of the following components:

The architectural drawings prepared by Torti Gallas + Partners, dated June 28, 2022 and October 7, 2022, and the civil drawings prepared by BKF Engineers, dated August 31, 2022, both of which were submitted to the City of Belmont electronically on November 11, 2022.

DRAFT

EXHIBIT E
FORM OF GRANT DEED

DRAFT

EXHIBIT F

FORM OF MEMORANDUM OF DDA

DRAFT

EXHIBIT G

FORM OF REGULATORY AGREEMENT

DRAFT

EXHIBIT H

FORM OF NOTICE OF AFFORDABILITY RESTRICTIONS

DRAFT

EXHIBIT I

FORM OF PROMISSORY NOTE

DRAFT

EXHIBIT J

FORM OF DEED OF TRUST

DRAFT



STAFF REPORT

Meeting Date: February 28, 2023
Agency: City of Belmont
Staff Contact: Jozi Plut, City Clerk/Communications Coordinator, jplut@belmont.gov, 650-595-7414
Agenda Title: Council Intergovernmental Assignments for Calendar Year 2023-Update
Agenda Action: Motion

Recommendation

Motion to approve changes to City Council Intergovernmental Assignments for calendar year 2023.

Strategic Focus Area

Fiscal and Organizational Sustainability

Background

City Councilmembers serve on various external agencies, organizations, and liaison roles. These roles include regional Intergovernmental Committees, Boards and Commissions, and as delegates to local organizations representing the City of Belmont or regional interests as appropriate. Additionally, Councilmembers also serve on several City subcommittees and liaison to internal or external bodies. These assignments are reviewed and modified annually following the reorganization of the Council and/or the swearing in of new Councilmembers.

Analysis

At its October 25, 2022, the City Council consider creating a Council Subcommittee to work with the Sequoia Union High School District (SUHSD) and City of San Carlos regarding the development of a School Crossing Guard Pilot Program at Carlmont High School. The Council Appointed Mayor Mates and former Councilmember Stone to engage with the agencies involved about their interested in pursuing the pilot project.

At its regular meeting on January 10, 2023, the Council updated the various assignments by consensus as individual Councilmembers expressed their interest, desire, and availability for the various agencies and committees.

At that time the Carlmont High School Crossing Guide Pilot Program Ad-Hoc Committee was not discussed or revisited, and interest has since been shown to reinstate the committee positions previously held by Mayor Mates and former Councilmember Stone.

The Council should review the list and determine what changes are to be made to the list. Additionally, the Council could also consider eliminating any subcommittees that are no longer active or necessary; likewise, it could add any additional subcommittees if appropriate.



Alternatives

1. Defer to future meeting
2. Take no action

Attachments

- A. 2023 IGR Assignment List

Fiscal Impact

- ☒ No Fiscal Impact
☐ Funding Source Confirmed:

Source:

Staff

Purpose:

Discretionary Action

Public Outreach:

Posting of Agenda



Council Committee and Intergovernmental Assignments (IGR) 2023 Draft

Committee	Delegate/ Representative	Alternates	Schedule	Meeting Location	Contact
2+2 Ad hoc Committee with Mid-Peninsula Water District	McCune Hurt	n/a	As Needed		Public Works Director
2+2+2 BRSSD Committee Multi agency committee to discuss/share issues of interest between the Belmont Redwood Shores School District, Redwood City, and Belmont"	Pang- Maganaris Latimerlo	n/a	As Needed		City Manager
Audit Committee	Vice Mayor Pang- Maganaris		Quarterly		Finance Director
Belmont-SC Fire Dept JPA - Oversight of the legacy Fire Department with San Carlos	Mates	McCune	As Needed		City Manager/Finance Director
Carlmont High School Crossing Guard Pilot Program					
(C/CAG) C/CAG operates as a Joint Powers Authority and has membership that includes each of the 20 cities and the County in San Mateo County. It works on issues that affect the	Hurt	Mates	Monthly 2nd Thursday, 7:00 p.m..		650-599-1406 Public Works Director

quality of life in general; transportation, air quality, stormwater runoff, airport/land use compatibility planning, hazardous waste, climate planning, energy and water resource strategies, and solid waste and recycling.					
Four Corners Ad-hoc Committee Alameda de Las Pulgas Corridor Improvement Project is a multi-agency regional transportation improvement project involving cities of Belmont, San Carlos, and two School Districts (Sequoia Union High School and San Carlos School District) along the Alameda de Las Pulgas and San Carlos Ave Corridor.	Mates Pang- Maganaris	n/a	As Needed		City Manager Public Works Director
Liaison to Senior Citizen Advisory Committee	McCune	Hurt	Odd Months 4th Tuesday, 3:00 P.M. (time may change in 2023)	Twin Pines Senior & Community Center Craft Room	Parks and Rec
Liaison to Chamber San Mateo County – Governmental Relations Committee	Mayor	Latimerlo	Every other Month		Amy Buckmaster/Mary Parden
Notre Dame de Namur University Advisory Board	Hurt	Mates	As Needed		City Manager
Placemaking Ad-hoc Subcommittee	Hurt Mates	n/a	As Needed		Com Dev
Public Safety Committee – The Public Safety Committee’s duties are to consider policy matters related to police and public safety services in Belmont, provide a forum for presentation and discussion of	Vice Mayor	Mates	Quarterly/As Needed		City Manager/Police Chief

specific information related to public safety policy and practices.					
Silicon Valley Clean Water JPA for Wastewater Treatment	Hurt	McCune	Monthly, 2nd Monday, 8:00 a.m.		Public Works Director
Stanford Ad-hoc Subcommittee - Santa Clara/San Mateo Counties multi-jurisdictional meeting to discuss Stanford related matters	Mayor	Hurt	As Needed		City Manager
Youth Advisory Committee - Belmont Youth (grades 7-12) focused on civic engagement through planning and hosting activities and events.	McCune	Pang-Maganaris	YAC meetings 2x Month Thursdays 6:30 pm; school year only; Delegate attendance only as needed	Barrett Community Center; Hideout Room	Parks and Rec

Joint Powers Authorities/Intergovernmental Agencies

San Mateo County Pre-Hospital Emergency Services JPA – The San Mateo County Pre-Hospital Emergency Medical Services Group provides service to the residents and visitors of San Mateo County to advance life support first response fire companies to respond to all 911 emergency medical requests, to work in	Hurt	McCune	Quarterly		City Manager
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tandem with hospital transport and support partners.					
Peninsula Traffic Congestion Relief Alliance (Commute.org) – Commute.org’s mission is to reduce the number of vehicle miles traveled (VMT) by commuters to decrease congestion, improve the environment, and enhance quality of life. The Board has five scheduled meetings each year for the purpose of adopting a work plan and budget, developing policy, and reviewing Commute.org performance.	Latimerlo	Hurt	Even months 3rd Thursday, 8 am		Public Works Director
ABAG General Assembly - Regional planning agency for land use, housing, environmental quality, and economic development- Association of Bay Area Governments, mission is to strengthen cooperation and collaboration across local governments to build healthier, stronger communities. -ABAG is part regional planning agency and part local government service provider. We accomplish our goals by providing planning services and cost-effective ABAG member services to local governments struggling with rising costs and diminishing incomes	Mayor	Vice Mayor	April, November General Assembly Meetings		
Peninsula Division, League of CA Cities - State and local legislative issues (All Councilmembers invited)- The Peninsula Division includes 36 cities in San Francisco, San Mateo, and Santa Clara counties and provides	Mayor	Vice Mayor	Quarterly dinner meetings		League of CA Cities

members with the opportunity to exchange ideas and information and share the advantages of cooperative advocacy.					
San Mateo County Mosquito and Vector Control District - Independent Special District, the Board of Trustees consists of 21 members, one from each city and one representative for the County at-large. Trustees are appointed by their respective City Council to govern the Mosquito and Vector Control District	Citizen Representative: Chuck Cotton Term expires 12/24	n/a	Monthly 2nd Tuesday, 7:30 pm		650-344-8592
San Mateo County Library JPA - Policy direction, oversee budget, services & library programs for the JPA related library system	Mates	Pang-Maganaris	Quarterly plus one 2nd Monday, 8:00 A.M.		Ann-Marie Despaine, Library Director
SFO Roundtable - The Airport/Community Roundtable was established in 1981 to address community noise impacts from aircraft operations at San Francisco International Airport (SFO).	Pang-Maganaris	Hurt	1st Wednesday of Month 6 x yr., 7:00 p.m.		James Castaneda (650) 363-1853
San Mateo County Emergency Service Council- Disaster Preparedness	McCune	Hurt	Quarterly 3rd Thursday, 5:30 p.m., Courthouse		Lt. Craig Denton (650) 599-1295 Kathleen Pape (650) 363-4790
San Mateo County Council of Cities/City Selection Committee - (All Councilmembers invited)	Mayor	Vice Mayor	Monthly-Dinner meeting 4th Friday, 6:00 p.m.		Sukhmani Purewal 650) 363-1802 spurewal@smcgov.org
Regional Housing Needs Policy Committee	Latimerlo	Hurt	As Needed		Carlos de Melo C/CAG

					Sean Charpentier (650)-599-1409
Housing and Regional Trust (HEART) Member Agency Committee – HEART is a 501(c)(3) that was founded in 2003 as a public/private partnership among the cities in San Mateo County, the County, and the business, nonprofit, education, and labor communities to create more affordable housing in San Mateo County. HEART’s mission is to create and preserve affordable housing for low- and moderate-income families by raising and investing money from public and private sources.	Latimerlo	Pang-Maganaris	2-3 annually, 3rd Wed, 7:30 a.m.		HEART Exec Director, (650) 204-5640
Grand Boulevard – The Grand Boulevard is a collaboration of 19 cities, counties, local and regional agencies united to improve the performance, safety, and aesthetics of El Camino Real. The initiative brings together all the agencies having responsibility for the condition, use and performance of the street.	Mates	Pang-Maganaris	2-3 times annually		Carlos de Melo
Caltrain Local Policy Maker Group (LPMG) – LMPG provides policy and stakeholder input to Caltrain staff on the Caltrain Modernization Program (CalMod), and Business Plan.	McCune	Hurt	Last Thurs of Month 6-8 pm		(650) 508-6493
SBWMA (South Bay Waste Management Authority – “RethinkWaste”) - RethinkWaste, also known as the South Bayside Waste Management Authority (SBWMA), is a joint powers authority formed	McCune	Hurt	4th Thursdays, 2:00 p.m., San Carlos		Public Works Director

by eleven local government jurisdictions in San Mateo County, California. The agency provides oversight, support and management of service providers that collect, process, recycle and dispose of materials on behalf of RethinkWaste agencies.					
Peninsula Clean Energy (PCE) - Peninsula Clean Energy is a community-controlled, not-for-profit, joint powers agency formed as a Community Choice Aggregation (CCA) program by San Mateo County and all 20 of its cities and towns in 2016 and joined by the City of Los Banos in 2020.	Mates	Hurt	4th Thursdays 6:30 p.m.		City Manager
Home For All Initiative - The mission of Home for All initiative is to establish a climate in San Mateo County where a diversity of housing is produced and preserved so that San Mateo County is a culturally, generationally, and economically diverse community with housing for all. Home for All SMC is a collaborative initiative comprised of the County of San Mateo, local governments, school districts, community-based organizations, faith-based organizations, advocacy groups and businesses.	Mates	Latimerlo	As Needed		City Manager
San Mateo Consolidated Fire Department - established January 2019 The department was formed by the establishment of a Joint Powers Authority (JPA) and represents the merger of fire departments in San Mateo, Foster City, and Belmont. The Board of Directors for the	Mates	McCune	Quarterly		City Manager

Department is comprised of a Council member from each partner city.					
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THESE APPOINTMENTS ARE MADE BY THE CITY SELECTION COMMITTEE (Council of Cities):		
Association of Bay Area Governments Regional planning agency for land use, housing, environmental quality, and economic development	Local Agency Formation Commission (LAFCO) Authority over all reorganizations & boundary changes within County	Bay Area Air Quality Management District Works to reduce air contaminants within the District
Metropolitan Transportation Commission (MTC) Reviews applications for state & federal transportation funds, maintains regional transportation plan for Bay Area	California Identification System (Cal-ID) Determine the placement of Random-Access Network equipment within the County	Peninsula Corridor Joint Powers Board (Caltrain) Set policy for operation of Peninsula Commute Service
Community Development Committee	Supplemental Law Enforcement Oversight Committee Review Supplemental Law Enforcement Service Fund expenditures	Domestic Violence Council Evaluate efforts to reduce domestic violence, raise public awareness and collect statistics
San Mateo County Transit District (SamTrans)	San Mateo County Transportation Authority (SAMTAC)	HEART (Housing Endowment and Regional Trust) Board

THESE APPOINTMENTS ARE MADE THROUGH C/CAG:		
2020 Peninsula Gateway Corridor	Airport Land Use Committee (ALUC)	Bicycle and Pedestrian Advisory Committee (BPAC)
Congestion Management Program and Environmental Quality Committee (CMEQ)	Congestion Management Program Technical Advisory Committee (TAC)	
National Pollutant Discharge Elimination Technical Advisory Committee (NPDES) -	Integrated Waste management (SWAC)	Utilities Sustainability Task Force (USTF)



STAFF REPORT

Meeting Date: February 28, 2023
Agency: City of Belmont
Staff Contact: Jozi Plut, City Clerk, jplut@belmont.gov, 650-595-7414
Agenda Title: Appointment to City Commissions and Committee
Agenda Action: Resolution

Recommendation

- (1) Appoint at least two residents to the Planning Commission;
- (2) Appoint at least two residents as voting members and up to two non-voting youth members to the Parks and Recreation Commission;
- (3) Consider appointing one resident to the Measure I Committee.

Strategic Focus Area

Fiscal and Organizational Sustainability

Background

The City of Belmont has two Commissions, and a Committee. During the Months of November 2022 to January 2023, the City of Belmont held an open recruitment for applicants to fill open positions on the Planning and Parks and Recreation Commissions and Measure I Committee. Each Commission and Committee is charged with advising the City Council on policy matters and completing assignments as directed by the City Council. Some bodies like the Planning Commission have a regulatory role.

The Planning Commission is a regulatory body and a quasi-judicial body. The Commission makes land use decisions for the City based on the City's General Plan and other focused regulations, such as the Zoning Ordinance the Belmont Village Specific Plan (BVSP) and area plans.

Presently up to 10 commission seats are potentially available, up to four on the Planning Commission and up to six on the Parks and Recreation Commission (including 2 non-voting youth seats). Measure I Committee has one seat available. The Council may choose to fill five or seven seat on the commissions. Appointment periods are at the Council's discretion and are typically for three years. If a seat becomes vacant due to an incumbent resigning mid-term, the council may appoint a replacement for the remainder of the appointment period or for a different period. Replacement appointments have typically been for the remainder of the previous appointment period.

The Planning Commission currently has five members, two of which have reached the end of their appointment periods. To maintain a minimum of five members under Belmont City Code Section 2-166(a)(1), the Council needs to make two appointments which may be for the typical three-year appointment period. The Council may choose to appoint two additional members for a total of seven, and if the Council so chooses, one appointment period should be through February 2024 and the other through either February 2025 to maintain evenly distributed staggered appointment periods..



The Parks and Recreation Commission currently has six voting members, three of which have reached the end of their appointment periods. To maintain a minimum of five voting members under Belmont City Code Section 2-166(b)(1), the Council needs to make two appointments which may be for the typical 2-year appointment period under Belmont City Code Section 2-166(b)(2). The Council may choose to appoint an addition two voting members for a total of seven, and if the Council so chooses, one appointment period should be two years through February 2025 and the other may be either two years through February 2025 or one year through February 2024 to maintain evenly distributed staggered appointment periods.

Additionally, in late fall 2022 a member of the Measure I Committee resigned prior to his appointment period ending in October 2023. The Committee now has four members whose appointment periods end in October 2023. Although only three members are required for the Measure I Committee under Belmont City Code Section 2-166(c), the Council may wish to appoint a fifth member at this time to void the potential for tie votes. In order to stagger the appointment periods, the Council may wish to consider making the appointment through either October 2024 or October 2025.

Analysis

The City Council held panel interviews of commission and committee applicants for consideration of the available positions. The applicants are as follows for each body:

Planning Commission Applicants

Joanna Adamkewicz	Walter Chen
Sven Edlund	Mark Gurevich
Jennifer Hennings	Peter Meier (I)*
Surya Singh	

Parks and Recreation Commission Applicants

Adar Emken	Scott Hill	Craig Michaels (I)*	Kristin Pene
Nicki Fox (I)*	Linda Howard	Warren Nishikawa	Pat Cuvillo
Rupa Guha	Avery Lyford (I)*	Trena Patton	

Non-Voting (youth) Parks and Recreation Applicants

Alexander Adamek
Edward Kogan (I)*
Aiden Lee
Rowen Sheng

Measure I Committee

John Violet

Council may appoint a minimum of five positions and maximum of seven on each commission, plus two non-voting youth seats for the Parks & Recreation Commission.

*(I) – Incumbent



Alternatives

1. Council may direct staff to reopen recruitment to seek additional candidates

Attachments

- A. Resolution

Fiscal Impact

- ☒ No Fiscal Impact
☐ Funding Source Confirmed:

Source:

Staff

Purpose:

Statutory/Contractual Requirement

Public Outreach:

Posting of Agenda

RESOLUTION NO. 2023 –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT MAKING APPOINTMENTS TO THE PLANNING AND PARKS & RECREATION COMMISSIONS AND ONE MEASURE I COMMITTEE VACANT SEAT

WHEREAS, the City held open recruitment for positions on the City’s Planning and Parks and Recreation Commissions and Measure I Committee; and,

WHEREAS, the City Council conducted interviews of the applicants; and,

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The following residents are appointed to the Planning Commission for a three-year appointment period through February 2026.

SECTION 2. The following residents are appointed to the Planning Commission for a two-year appointment period through February 2025.

SECTION 3. The following residents are appointed as voting members of the Belmont Parks & Recreation Commission for a two-year appointment period through February 2025.

SECTION 4. The following residents are appointed as non-voting youth members of the Belmont Parks & Recreation Commission for a one-year appointment period through February 2024.

SECTION 5. The following residents are appointed to the Measure I Committee for an appointment period through October 2023.

ADOPTED February 28, 2023 by the City of Belmont City Council by the following
vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney



STAFF REPORT

Meeting Date: February 28, 2023
Agency: City of Belmont
Staff Contact: Grace Castaneda, Finance Director, gcastaneda@belmont.gov
Jennifer Rose, Housing & Economic Development Manager, jrose@belmont.gov
Agenda Title: Report on Mid-Year Financial Results as of December 31, 2022
Agenda Action: Resolution

Recommendation

Adopt resolutions amending the City of Belmont and Belmont Fire Protection District (BFPD) Fiscal Year (FY) 2023 Budgets.

Strategic Focus Area

Fiscal and Organizational Sustainability

Executive Summary

- The budget continues to reflect COVID-19 fiscal recovery and the ongoing takeaway of key revenue sources as a result of actions taken by the State of California.
- Final dissolution of the Belmont Successor Agency occurred in June 2022, resulting in a shift of certain property tax revenues. Secured property taxes are higher than FY 2023 budget for both the City and BFPD based on actuals and County estimates.
- Property tax in-lieu of vehicle license fee (VLF) continues to be underfunded by the State; however, in FY 2023 the City received a reimbursement for VLF shortfall from FY 2021, resulting in increased revenues in FY 2023. Belmont's anticipated shortfall for FY 2023 is still expected to be \$200,000, and this is the first time the VLF shortfall claim amount has not been included in the State's proposed budget making this major revenue source increasingly vulnerable to long-term State takeaways.
- Sales tax revenues, including Measure I, are slightly exceeding FY 2023 budget estimates, but long-term projections indicate reduced economic growth during the next few years.
- General Fund balance is trending higher than the FY 2023 Budget target, attributable to several recovering revenue sources and continued staff vacancy savings in the current fiscal year. Staff vacancies are not sustainable long-term.
- The City has been working to prepare a Storm Water Master Plan to identify critical storm drain infrastructure needs, but as we have seen with this year's most recent devastating flooding and storms the City must explore new revenue sources to address aging sewer and storm drain infrastructure maintenance to prepare for future storms and reduce flooding.
- The City must take action to ensure long-term financial sustainability and local control over revenue sources to prevent further cuts to City Services including cuts to public safety, parks and public works and other City services.



Analysis

The City prepares a Mid-Year Review annually, analyzing the current budget at the six-month midpoint. The Mid-Year Review serves to discuss the financial results of the organization from July through December, and suggests corrective actions in the event expectations differ from results. This year's Mid-Year Review includes the following components.

Mid-Year Budget Presentation

The attached presentation summarizes year-to-date financial results, trends on major revenue sources, fund balance forecasts, and an overview of financial challenges facing the City.

As is the Belmont tradition, the City has continuously engaged with residents through Your Voice, Your Belmont. Last year, over 1,000 residents participated in this community survey and identified the following City service priorities:

- Maintaining storm drains, reducing flooding, debris and pollution in City streets,
- Fixing potholes and repairing streets and sidewalks,
- Maintaining 911 emergency response times,
- Keeping public areas healthy safe and clean, and
- Maintaining senior services including health, nutrition and transportation programs.

The City is committed to reflecting the community's priorities and is looking forward to continuing to engage residents around the City's budget process and reporting back to the public and City Council on needs and priorities. Working together, we will ensure our budget and financial policies reflect spending consistent with the community's priorities.

Results Summary Overview

- **General Fund balance is up.** The General Fund ended December 31, 2022 with a fund balance of \$26.5 million, excluding budgeted fund transfers of \$4.4 million, which will be accounted for at the end of the fiscal year. By comparison, the General Fund balance was \$16.4 million at December 31, 2021, excluding fund transfers. The fund balance increase is a result of higher revenues and lower expenditures in the current fiscal year, as discussed in more detail below.
- Like many California cities, **revenues are slowly recovering.** General Fund revenues were \$19.6 million at the six-month midpoint, representing 63% of the total current fiscal year budget. The revenue increase is primarily due to receipt of one-time American Rescue Plan Act (ARPA) funds, reimbursement of FY 2021 Property Tax in-lieu of Vehicle License Fee (VLF) funds, and Transient Occupancy Tax (TOT) recovery.
- **General Fund expenditures are contained but are not sustainable.** General Fund expenditures were \$11.1 million at the mid-year mark, representing 39% of the total current fiscal year budget. This is mainly due to staffing vacancy savings which are not sustainable in the long-term. While the City continues to be a transparent and fiscally prudent steward of these funds, it should also be noted that the cost of providing the City services and quality of life residents rely on are also rising.



Major Revenue Source Trends

- **Property Tax revenue is up.** The Belmont Successor Agency was fully dissolved in June 2022, resulting in a shift of certain property tax revenues. In FY 2023, the City's property tax revenue is estimated to be \$600,000 higher than budget, and the Belmont Fire Protection District's property tax is estimated to be \$1.5 million higher than budget.
- **Property Tax In-lieu of VLF is higher than budget estimates.** Property tax in-lieu of VLF continues to be underfunded by the State. In FY 2023 the City received a \$1.5 million reimbursement for a VLF shortfall from FY 2021, resulting in increased revenues for the current fiscal year. Due to the shift of a local school district to non-basic aid, the current County estimates of VLF payments are higher than budget. This one-time reimbursement does not make the City whole on VLF funding for FY 2022 or 2023. Due to the shift of a local school district to non-basic aid, the current County estimate of VLF payments are higher than budget; however, a shortfall remains. Furthermore, this is the first year that the VLF shortfall claim amount has not been included in the State's proposed budget. Belmont's anticipated shortfall for FY 2023 is expected to be \$200,000, which has potential impacts to basic services such as public safety, streets and storm drains maintenance.
- **Hotel Room Tax revenue is rebounding.** By December 31, 2022, Hotel Room Tax (i.e., Transient Occupancy Tax) revenue was approaching pre-pandemic levels, with FY 2023 revenues projected to be \$800,000 higher than budget. The City anticipates this revenue source will continue to rise for the second half of the fiscal year due to the voter-approved two percentage point (from 12% to 14%) increase in the TOT rate, effective January 1, 2023.
- **Sales Tax revenue is slightly up.** Sales Tax Revenues, including Measures I/A/W and Public Safety, are trending \$300,000 higher than current FY 2023 budget. While current year estimates are up, long-term projections indicate reduced economic growth during the next several years.

Financial Reports and Budget Adjustments

The Mid-Year Review analyzes actual results compared to the prior fiscal year while addressing any significant past or anticipated variances this fiscal year. To assist in this analysis, staff generates a detailed Statement of Revenues and Expenditures Budget Variance Report (Attachment B). This report compares budget amounts vs. actual results by major revenue source and expenditure division.

- Routine adjustments to budget *revenues* include variances associated with the timing of the receipt of certain General Fund revenues and variances associated with the timing of the receipt for fees related to large development projects expected to be completed by the end of the fiscal year.
- Routine adjustments to budget *expenditures* reflect operational and staffing needs for departments and timing of capital improvement project expenditures.

The following are notable FY 2023 budget adjustments.

- The FY 2023 mid-year budget review includes a request to transfer \$115,320 from the Traffic Impact Fees Fund 237 to Fund 234 to provide funding for a new enhanced HAWK pedestrian crossing at Hill Street and El Camino Real (capital improvement project #3232). There are adequate traffic impact fee funds available for this purpose, and the attached resolution authorizes this fund transfer for the FY 2023 budget.



- The FY 2023 mid-year budget review includes a request to transfer \$331,000 from Measure W Fund 233 to Street Improvement Fund 234 to provide funding for the Ralston Segment 3 (project #3223). Measure W project reimbursements are received in Fund 233 but must be transferred to Fund 234 where project expenditures are booked.
- The FY 2023 mid-year budget review includes two requests to appropriate budget authority in the Development Services Fund 210 and the General Plan Maintenance Fund 212. These budget increases would provide full contract budget authority for new consultants working on the Harbor Industrial Area Specific Plan--an update of the General Plan Safety Element--and other major development projects; several of these contracts have already been approved by City Council. While full contract budget authority is required for FY 2023, actual expenditures are projected to occur over the next several fiscal years.
- The FY 2023 mid-year review includes a staffing plan amendment to add 1.0 FTE Management Analyst to Human Resources to support benefits administration, recruitment, and training.
- The FY 2023 mid-year budget review includes several adjustments to existing capital improvement project budgets, as well as creation of new projects, as summarized below.

Fund	No.	CIP Project Description	Request
102	3120	Davey Glen ADA Upgrades Project	FY 2023 budget appropriation of \$101,000 requested, resulting in total project budget \$574,494. This corrects and supersedes Council Resolution No. 2023-012.
234	3227	2022 Pavement Preservation/Slurry	Increase of \$541,000 to cover increased project costs; contract approved by Council in May 2022.
234	3231	Traffic Signal Improvements at Cipriani Road & Belmont Canyon Road	Increase of \$52,000 to cover increased project costs per scope of work.
234	3232	<i>New Project:</i> Hill Street & El Camino Real HAWK Pedestrian Crossing Signal	New FY 2023 Budget \$115,320 to cover contract approved by Council Feb. 14, 2023, and \$115,320 transfer from Traffic Impact Fees Fund 237 to Street Improvement Fund 234.
310	6025	Twin Pines Park Stormwater Capture Project	Increase of \$85,070 to provide funding for archeological and cultural resources testing and report.
342	8101	Hallmark Tennis Court Windscreen	Increase of \$10,500 to Project Budget for windscreen installation.
342	8102	Alexander Tennis Court Windscreen	Increase of \$10,000 to Project Budget for windscreen installation.
343	8096	Open Space Management Plan	Increase of \$47,810 to cover WRA Inc contract for open space management plan.
574	8080	<i>New Project:</i> Lodge HVAC & Roof Repair	New Project Budget \$50,000 for HVAC maintenance and storm related roof repairs.



Proposed Resolutions

Staff recommends that Council adopt resolutions amending the City of Belmont and Belmont Fire Protection District (BFPD) FY 2023 Budgets as proposed. These mid-year resolutions are considered annually as part of the budget management process.

Next Steps

Once the Mid-Year Budget Review is complete, City staff will continue to provide monthly financial reports to City Council. Feedback from Council on the results of the Mid-Year Financial Reports and Presentation will help guide the budget development process for FY 2024. The City will also continue to engage residents on their City service needs and priorities and incorporate those into the annual budget development process.

Alternatives

1. Take no action.

Attachments

- A. Resolutions with Exhibit A Summarizing Proposed Budget Amendments by Fund
- B. Mid-Year Financial Reports
- C. Mid-Year Budget Presentation

Fiscal Impact

- ☐ No Fiscal Impact
- ☒ Funding Source Confirmed: The resolutions attached to this report itemize the fiscal impacts by fund.

Source:

Staff

Purpose:

Discretionary Action

Public Outreach:

Posting of Agenda

RESOLUTION NO. 2023 –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT AMENDING THE FISCAL YEAR 2023 BUDGET BY APPROVING REVISIONS TO REVENUE AND AUTHORIZING SUPPLEMENTAL APPROPRIATIONS

WHEREAS, the City of Belmont Fiscal Year (FY) 2023 Budget includes adopted Revenue, Appropriations, and Capital Improvement Program Budgets; and,

WHEREAS, the City continues to address the fiscal impacts of the COVID-19 pandemic and the ongoing takeaway of a key revenue source by the State of California; and,

WHEREAS, the City continues to engage residents around the City's budget process and engaged over 1,000 residents last year that identified City service priorities including maintaining storm drains, reducing flooding, debris and pollution in City streets, fixing potholes and repairing streets and sidewalks, maintaining 911 emergency response times, keeping public areas healthy safe and clean, and maintaining senior services including health, nutrition and transportation programs; and,

WHEREAS, property tax in-lieu of vehicle license fee ("VLF") continues to be underfunded by the State, and for the first time ever the State did not include a VLF shortfall claim in the State's proposed January budget, resulting in an estimated loss of revenue to the City of Belmont; and,

WHEREAS, the FY 2023 transient occupancy tax ("hotel tax") revenues are projected to be slightly higher than budgeted in part because of a Belmont voter approved two-percent increase to the hotel tax that went into effect in January 2023; and,

WHEREAS, final dissolution of the Belmont Successor Agency occurred in June 2022, resulting in a shift of certain property taxes and an increase in secured property tax in FY 2023; and,

WHEREAS, several key General Fund revenues are trending above conservative year-to-date budget estimates, including general sales tax and Measure I sales tax, but economic indicators suggest slow economic growth over the next several fiscal years; and,

WHEREAS, the City Council finds that it is necessary to amend the FY 2023 Revenue Budget, and increase the estimated fund balance, as identified in Exhibit A; and,

WHEREAS, the City has determined that additional funding is required for certain operational expenditures identified in Exhibit A; and,

WHEREAS, the City Council finds that it is necessary to augment the FY 2023 budget for those expenditures; and,

WHEREAS, the City Council wishes to add one permanent Management Analyst full time employee (1.0 FTE) position to the Human Resources staffing plan to support benefits administration, recruitment and training; this action does not require a budget appropriation due

to current department vacancies; and,

WHEREAS, the City Council wishes to amend the FY 2023 Capital Improvement Plan to adjust several existing capital project budgets, and to create several new projects.

NOW, THEREFORE, the City Council of the City of Belmont resolves as follows:

SECTION 1. The FY 2023 Budget is hereby amended as reflected in Exhibit A to the resolution.

SECTION 2. The summary effect on funds is shown in the table below.

Summary Combined Effect on Funds				
Fund	Description	Revenues Increase (Decrease)	Expenditures Increase (Decrease)	Net Change on Fund Balance Increase (Decrease)
101	General Fund	\$3,777,000	\$105,000	\$3,672,000
102	Measure I	\$100,000	\$101,000	\$(1,000)
205	Co-Sponsored Recreation		\$(409,134)	\$409,134
210	Development Services		\$500,000	\$(500,000)
212	General Plan Maintenance		\$790,000	\$(790,000)
227	Supplemental Law Enforcement	\$10,000	\$15,000	\$(5,000)
231	Street Maintenance	\$50,000	\$80,000	\$(30,000)
233	Measure W	\$331,000	\$331,000	
234	Street Improvement	\$446,320	\$708,320	\$(262,000)
237	Traffic Impact Fees		\$115,320	\$(115,320)
239	Public Art Fees	\$(314,000)		\$(314,000)
275	Affordable Housing Fund	\$(1,000,000)	\$(2,140,000)	\$1,140,000
277	Housing In-Lieu Fees	\$(790,000)	\$(165,000)	\$(625,000)
310	Infrastructure	\$225,000	\$175,070	\$49,930
342	Park Impact Fees	\$(2,530,000)	\$20,500	\$(2,550,500)
343	Open Space		\$47,810	\$(47,810)
570	Worker's Compensation		\$23,225	\$(23,225)
573	Fleet & Equipment Management		\$25,000	\$(25,000)
574	Facilities Management	\$11,965	\$225,000	\$(213,035)
575	Benefit Prefunding		\$120,000	\$(120,000)

SECTION 3. The City's Permanent Staffing Plan is increased by 1.0 full time employee (FTE), for a total of 141.5 full time equivalent positions for FY 2023, intended to add one permanent full time Management Analyst to Human Resources to support benefits administration, recruitment, and training. The City Manager, subject to compliance with all applicable City Code and Personnel Rules and Regulations, may revise the Permanent Staffing Plan provided that the total number of full-time, regular personnel citywide does not exceed the total number of authorized positions approved by the City Council.

SECTION 4. The City's Capital Improvement Plan is amended to include the following project adjustments and new capital projects:

Fund	No.	CIP Project Description	FY 2023 Budget Adjustment
102	3120	Davey Glen ADA Upgrades Project	Expense \$101,000
234	3227	2022 Pavement Preservation/Slurry	Expense \$541,000
234	3231	Traffic Signal Improvements at Cipriani Road and Belmont Canyon Road	Expense \$52,000
234	3232	New Project: Hill Street and El Camino Real HAWK Pedestrian Crossing Signal	Expense \$115,320 Revenue \$115,320 transfer from Fund 237 Traffic Impact Fees
310	6025	Twin Pines Park Stormwater Capture Project	Expense \$85,070
574	8080	New Project: Lodge HVAC & Roof Repair	Expense \$50,000
342	8101	Hallmark Tennis Court Windscreen	Expense \$10,500
342	8102	Alexander Tennis Court Windscreen	Expense \$10,000
343	8096	Open Space Management Plan	Expense \$47,810

SECTION 5. The City Council authorizes a transfer of \$115,320 from the Traffic Impact Fees Fund 237 to Fund 234 to provide funding for a new enhanced HAWK pedestrian crossing at Hill Street and El Camino Real, Capital Improvement Project No. 3232.

SECTION 6. The City Council authorizes a transfer of \$331,000 from Measure W Fund 233 to Street Improvement Fund 234 to provide funding for the Ralston Segment 3 Project No. 3223.

* * *

ADOPTED February 28, 2023 by the City of Belmont City Council by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

City of Belmont

FY 2023

Mid-Year Budget Augmentations

Revenues

Ref #	Fund	Account #	Description	Amount Increase (Decrease)
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Community Development

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Finance

	101	0-000-6101	Forecasted increase in property tax based on County estimates and reflecting post Successor Agency dissolution	\$600,000
	101	0-000-6110	Increased Excess ERAF based on actual revenues and County estimate	\$150,000
	101	0-000-6111	Increased VLF in-lieu revenues based on County estimates to reflect reimbursement of FY 2020-21 shortfall	\$1,840,000
	101	0-000-6121	Forecasted increase in Sales and Use Tax based on current trends and updated projection	\$200,000
	101	0-000-6125	Forecasted increase in Transient Occupancy Tax based on business recovery and voter approved TOT increase effective January 2023	\$800,000
	101	0-000-6129	Decreased property transfer tax based on current property sales trends	(\$200,000)
	101	0-000-7111	Increased to reflect increased LAIF interest revenue	\$200,000
	101	0-000-7124	Increased office lease revenue to reflect revised office rent amount	\$40,000
	101	0-000-7252	Reflects several one time reimbursement payments	\$25,000
	101	1-501-6201	Increased projection based on year to date actual revenues for Business License Taxes	\$50,000
	101	4-811-7199	Reduced to reflect correct monthly reantl amounts	(\$21,000)
	275	5-902-7051	Reduced to reflecting timing of Firehouse Square Phase-2 project close in prior fiscal year	(\$1,000,000)
	277	5-902-6996	Reduce to reflect timing of housing in-lieu fee collection for Firehouse Square Phase-2 Project	(\$790,000)

Police

	101	2-601-6315	Increase to reflect fire deployment reimbursements	\$45,000
	101	2-601-6332	Increase to reflect Police Officer Standards Training Reimbursements	\$18,000
	101	2-601-6621	Increase to reflect overtime service revenues for special events and San Mateo County narcotics task force reimbursements	\$30,000
	227	1-601-6333	Increased Supplemental Law Enforcement revenue allocation	\$10,000

Public Works

	102	3-730-6122	Forecasted increase in Measure I Sales Tax based on current trends	\$100,000
	231	3-750-6323	Increased projection of highway user taxes (HUT) based on State Department of Finance revenue projections.	\$30,000
	231	3-750-6325	Increased projection of highway user taxes (HUT) based on State Department of Finance revenue projections.	\$20,000
	233	3-730-6362	Increased for Additional County Grants Measure W Reimbursements related to Ralston Segment 3 Project.	\$331,000
	234	1-504-7620	Transfer from Measure W reimbursements to Street Improvements for Ralston Segment 3 Project.	\$331,000

City of Belmont FY 2023 Mid-Year Budget Augmentations

Revenues

Ref #	Fund	Account #	Description	Amount Increase (Decrease)
	234	1-504-7621	Transfer from Traffic Impact Fees Fund 237 for CIP Project No. 3232 Hill Street and El Camino Real HAWK Pedestrian Crossing Signal	\$115,320
	310	3-760-6380	Increased to reflect San Mateo County and City of San Carlos matching contributions (\$112,000 each) for the Belmont Creek Watershed Restoration Project No. 3218.	\$225,000

Parks and Recreation

	239	4-810-6999	Reduced Public Art Revenue to reflect timing of development project building permit issuance	(\$314,000)
	342	4-810-6997	Reduced Park Impact Fees to reflect timing of development project building permit issuance	(\$2,530,000)
	574	0-000-6412	Increased to reflect updated building maintenance cost allocation	\$11,965

Revenues

TOTAL REVENUE ADJUSTMENT

\$317,285

City of Belmont FY 2023 Mid-Year Budget Augmentations

Expenditures

Ref #	Fund	Account #	Description	Amount Increase (Decrease)
Finance				
	275	5-902-8322	Added budget to cover legal services related to Housing Element adoption	\$10,000
	275	5-902-8351	Increased to provide funding for City Council authorized realtor and closing costs for sale of housing properties, and to provide funding for housing property demolition and cleanup, per City Council contract approval 2/24/2023	\$185,000
	275	5-902-8589	Reduced to reflect timing of affordable housing fund contributions based on development project timing	(\$2,335,000)
	277	5-902-8589	Reduced to reflect timing of affordable housing fund contributions based on development project timing	(\$165,000)
	570	5-503-8310	Increase to correct administrative services allocation	\$23,225
	575	5-503-8519	Increase to reflect pay-go costs for OPEB funding	\$120,000
Police				
	101	1-602-8111	Increase overtime for contract assignments, special events, storm management, matching revenue	\$20,000
	227	1-601-8112	Increase overtime for contract assignments, special events, storm management, matching revenue	\$15,000
Public Works				
	231	3-750-8101	Increase to fund for previously frozen maintenance worker position, filled during FY23	\$80,000
	233	1-504-9607	Transfer to Street Improvements from Measure W for Ralston Segment 3 Project.	\$331,000
	310	3-760-9040	Increase \$90k to fund the purchase of Grant Funded Generators and Radios (Grant Revenue Recvd in FY22) (9030??)	\$90,000
	310	3-760-9030	Increased budget for Twin Pines Park Stormwater Capture Project 6025, for Archeological and Cultural Resources Testing and Report	\$85,070
	573	3-740-8641	Increase for unanticipated fleet equipment repair and maintenance costs	\$25,000
	234	3-730-9030	Increase budget for 2022 Pavement Preservation and Slurry Project to cover increased project costs consistent with contract approved by Council in May 2022	\$541,000
	234	3-730-9030	Increased budget for Traffic Signal Improvements at Cipriani Road and Belmont Canyon Road Project to cover increased project costs per scope of work	\$52,000
	234	3-730-9030	New Project Budget for Hill Street and El Camino Real HAWK Pedestrian Crossing Signal to cover design costs approved by COuncil Feb 14. 2023	\$115,320
	102	3-730-9030	Adjust Davey Glen ADA Upgrades Project budget to supercede action taken by Council on Feb. 14, 2023 to reflect total proposed project budget is \$574,494; FY 2023 budget appropriation of \$101,000 requested	\$101,000

City of Belmont

FY 2023

Mid-Year Budget Augmentations

Expenditures

Ref #	Fund	Account #	Description	Amount Increase (Decrease)
	237	1-504-9607	Transfer to Street Improvements Fund 234 for new CIP Project No. 3232 Hill Street and El Camino Real HAWK Pedestrian Crossing Signal	\$115,320

Parks and Recreation

	205	4-820-8101	Increased to reflect new hire at salary step above original budget	\$43,000
	205	4-820-8103	Increase to cover costs for temporary part time staff including training and minimum wage increase	\$10,000
	205	4-820-8309	Reduce to correct administrative services allocation	(\$474,134)
	205	4-820-8351	Increased costs for consulting recreation staff	\$10,000
	205	4-820-8531	Increased postage costs for recreation materials	\$2,000
	342	4-810-9030	Added Budget for CIP Project No. 8101 Hallmark Tennis Court Windscreen, and CIP Project No. 8102 Alexander Tennis Court Windscreen	\$20,500
	343	4-810-9030	Added Budget for CIP Project 8096 Open Space Management Plan to cover contract with WRA Inc.	\$47,810
	574	4-803-8103	Increased to reflect new building attendant, and promoting building attendant to recreation specialist in FY 2023	\$65,000
	574	4-803-8430	Increase to cover costs of HVAC repairs a Belmont Sports Complex, and storm related ceiling and roof repairs at the Manor Building and Senior Center, some of which will be eligible for FEMA reimbursement.	\$40,000
	574	4-803-8632	Increase to reflect allocation of gas and electricity costs	\$70,000
	574	4-803-9030	Increased costs for new Capital Project No. 8080 Twin Pines Lodge HVAC Replacement	\$50,000

Information Technology

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City Attorney

	101	1-121-8101	Increase for labor costs per Employment Agreement adopted by City Council in November 2022	\$50,000
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City Manager

	101	1-114-8101	Increased for labor costs per new employment agreement for City Clerk and Community Engagement Specialist approved by CC in November	\$25,000
	101	1-202-8540	Increase for November 2022 election and advertising costs	\$10,000

ComDev

	210	5-905-8366	Increased to provide full contract budget authority for applicant funded environmental review of several large development projects; actual expenditures expected to occur across multiple fiscal years	\$500,000
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City of Belmont
FY 2023
Mid-Year Budget Augmentations

Expenditures

Ref #	Fund	Account #	Description	Amount Increase (Decrease)
	212	5-906-8351	Increased to provide full contract budget authority for Harbor Industrial Area Specific Plan consultant, consistent with City Council action taken 01/30/2023, and to provide funding for a Safety Element update; actual expenditures expected to occur across multiple fiscal years	\$790,000

Human Resources

Expenditures

TOTAL EXPENDITURE ADJUSTMENT \$668,111

RESOLUTION NO. 2023 –

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BELMONT FIRE PROTECTION DISTRICT AMENDING THE FISCAL YEAR 2023 BUDGET BY APPROVING REVISIONS TO REVENUE AND AUTHORIZING SUPPLEMENTAL APPROPRIATIONS

WHEREAS, the Belmont Fire Protection District (BFPD) Fiscal Year (FY) 2023 Budget includes adopted Revenue and Appropriations Budgets; and,

WHEREAS, property tax revenues and investment interest revenues are trending above year-to-date estimates; and,

WHEREAS, the Board of Directors finds that it is necessary to amend the FY 2023 Revenue Budget, as identified in Exhibit A, and reduce the estimated Fund balance; and,

NOW, THEREFORE, the Board of Directors of the Belmont Fire Protection District resolves as follows:

SECTION 1. The FY 2023 Budget is hereby amended as reflected in Exhibit A.

SECTION 2. The summary effect on funds is shown in the table below.

Summary Combined Effect on Funds				
Fund	Description	Revenues Increase (Decrease)	Expenditures Increase (Decrease)	Net Change on Fund Balance Increase (Decrease)
223	Belmont Fire Protection District	1,637,500	-	1,637,500

* * *

ADOPTED February 28, 2023 by the Board of Directors of the Belmont Fire Protection District by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

City Attorney

Belmont Fire Protection District

FY 2023

Mid-Year Budget Augmentations

Revenues

Ref #	Fund	Account #	Description	Amount Increase (Decrease)
Fire				
	223	0-000-6356	Decreased to reflect revised paramedic service revenues.	(\$27,500)
	223	0-000-7111	Increased projection of LAIF investment interest.	\$175,000
	223	0-000-6101	Forecasted increase in property tax based on County estimates and reflecting post Successor Agency dissolution.	\$1,490,000
TOTAL REVENUE ADJUSTMENT				\$1,637,500

Belmont Fire Protection District
FY 2023
Mid-Year Budget Augmentations

Expenditures

Ref #	Fund	Account #	Description	Amount Increase (Decrease)
Fire				
			NONE	

TOTAL EXPENDITURE ADJUSTMENT

\$0

CITY OF BELMONT
Statement of Revenues and Expenditures
Budget Variance Report
December 31, 2022
Expenditures

Fund	Division	Description	As of 12/31/2022				12/31/2021 Actual
			Adjusted Budget	YTD Actual	YTD %	Remaining Budget	
101	101	CITY COUNCIL	\$ 217,091	\$ 119,247	55%	\$ 119,246	\$ 109,355
101	102	CONTINGENCY	250,000		0%	-	5,000
101	111	EXECUTIVE MANAGEMENT	1,320,836	518,355	39%	518,355	445,546
101	114	CITY CLERK	524,922	265,122	51%	265,121	128,750
101	121	CITY ATTORNEY	624,003	370,960	59%	370,959	335,461
101	202	CITY CLERK-ELECTIONS	99,000	13,848	14%	13,848	371
101	401	HUMAN RESOURCES	1,218,303	469,180	39%	469,180	572,096
101	501	FINANCIAL OPERATIONS	1,668,132	667,957	40%	667,956	559,108
101	502	FINANCIAL PLANNING & REPORTING	913,436	365,519	40%	365,518	333,921
101	503	RISK MANAGEMENT	177,528	90,297	51%	90,297	77,400
101	504	OPERATING TRANSFERS	4,420,000		0%	-	
101	600	LAW ENFORCEMENT ADMINISTRATION	2,295,060	1,073,144	47%	1,073,143	1,022,696
101	601	CRIME CONTROL	9,523,083	4,786,052	50%	4,786,052	4,495,859
101	602	TRAFFIC & COMMUNITY SAFETY	1,146,382	567,962	50%	567,962	561,726
101	604	SUPPORT SERVICES	1,693,967	746,723	44%	746,723	777,456
101	811	PARKS AND OPEN SPACES	2,214,008	1,006,816	45%	1,006,815	909,854
		GENERAL FUND	28,305,751	11,061,181	39%	11,061,175	10,334,599
102	730	IMPROVEMENT PROJECTS	5,399,000	425,664	8%	425,664	736,429
		MEASURE I	5,399,000	425,664	8%	425,664	736,429
205	820	RECREATION PROGRAMS	2,020,371	834,518	41%	834,518	540,317
205	822	COMMUNITY LEARNING CENTER	1,173,691	552,176	47%	552,176	530,005
205	823	SENIOR SERVICES	653,075	191,042	29%	191,041	267,734
		RECREATION	3,847,137	1,577,736	41%	1,577,734	1,338,055
206	801	FACILITIES MANAGEMENT	720,385	174,573	24%	174,573	183,633
		LIBRARY MAINTENANCE/OPERATION	720,385	174,573	24%	174,573	183,633
207	812	ATHLETIC FIELD MAINTENANCE	270,000	28,734	11%	28,734	35,272
		ATHLETIC FIELD MAINTENANCE	270,000	28,734	11%	28,734	35,272
208	811	PARKS AND OPEN SPACES	73,467	21,057	29%	21,056	22,498
		CITY TREES	73,467	21,057	29%	21,056	22,498
210	780	PUBLIC WORKS DEVELOPMENT	1,965,924	782,293	40%	782,292	635,238
210	904	PERMIT CENTER	1,861,296	870,957	47%	870,957	770,005
210	905	DEVELOPMENT REVIEW	1,850,351	723,889	39%	723,889	840,863
		DEVELOPMENT SERVICES	5,677,571	2,377,139	42%	2,377,138	2,246,106
212	906	GENERAL PLAN MAINTENANCE	1,030,581	71,067	7%	71,067	
		GENERAL PLAN MAINTENANCE	1,030,581	71,067	7%	71,067	-
223	115	FIRE SERVICES	10,324,692	5,135,043	50%	5,135,042	7,009,276
223	118	BSCFD LEGACY COSTS	1,804,512	1,757,807	97%	1,757,806	1,673,184
223	119	BFD LEGACY COSTS	188,411	151,870	81%	151,869	135,418
		BELMONT FIRE PROTECTION DISTRICT	12,317,615	7,044,719	57%	7,044,717	8,817,879

CITY OF BELMONT
Statement of Revenues and Expenditures
Budget Variance Report
December 31, 2022
Expenditures

Fund	Division	Description	As of 12/31/2022				12/31/2021 Actual
			Adjusted Budget	YTD Actual	YTD %	Remaining Budget	
225	601	CRIME CONTROL	5,000	2,212	44%	2,211	1,223
		PUBLIC SAFETY GRANTS	5,000	2,212	44%	2,211	1,223
227	601	CRIME CONTROL	163,863	88,333	54%	88,333	118,532
		SUPPLEMENTAL LAW ENFORCEMENT	163,863	88,333	54%	88,333	118,532
231	701	PLANNING & PROJECT MANAGEMENT	549,680	263,598	48%	263,597	264,117
231	750	STREET MAINTENANCE	1,173,557	575,322	49%	575,322	473,961
231	751	TRAFFIC/ELECTRICAL OPERATIONS	710,306	305,257	43%	305,256	253,597
		STREET MAINTENANCE	2,433,542	1,144,177	47%	1,144,175	991,676
232	730	IMPROVEMENT PROJECTS	770,000	7,215	1%	7,215	618,599
		RMRA STREET PROJECTS	770,000	7,215	1%	7,215	618,599
233	730	IMPROVEMENT PROJECTS	320,000		0%	-	
		MEASURE W	320,000	-	0%	-	-
234	730	IMPROVEMENT PROJECTS	2,372,538	746,965	31%	746,964	1,520,811
		STREET IMPROVEMENT	2,372,538	746,965	31%	746,964	1,520,811
275	902	HOUSING	2,635,774	262,413	10%	262,413	240,806
		HOUSING SUCCESSOR	2,635,774	262,413	10%	262,413	240,806
277	902	HOUSING	165,000		0%	-	
		INCLUSIONARY HOUSING FUND	165,000	-	0%	-	-
308	802	GENERAL FACILITIES IMPROVEMENT	371,148	5,126	1%	5,126	84,552
		GENERAL FACILITIES	371,148	5,126	1%	5,126	84,552
310	760	EMERGENCY REPAIR	2,558,334	814,248	32%	814,248	180,025
		INFRASTRUCTURE	2,558,334	814,248	32%	814,248	180,025
312	303	COMCAST PEG PROGRAM	120,000		0%	-	
		COMCAST	120,000	-	0%	-	-
341	810	PARK IMPROVEMENT PROJECTS	750,293	372,822	50%	372,821	424,131
		PLANNED PARK	750,293	372,822	50%	372,821	424,131
342	810	PARK IMPROVEMENT PROJECTS	311,000	151,000	49%	151,000	
342	504	OPERATING TRANSFERS	1,000,000		0%	-	
		PARK IMPACT	1,311,000	151,000	12%	151,000	-
343	810	PARK IMPROVEMENT PROJECTS	127,876	23,981	19%	23,981	7,227
		OPEN SPACE	127,876	23,981	19%	23,981	7,227
406	502	FINANCIAL PLANNING & REPORTING	684,822	531,449	78%	531,448	516,666
		LIBRARY BOND DEBT SERVICE	684,822	531,449	78%	531,448	516,666

CITY OF BELMONT
Statement of Revenues and Expenditures
Budget Variance Report
December 31, 2022
Expenditures

Fund	Division	Description	As of 12/31/2022				12/31/2021 Actual
			Adjusted Budget	YTD Actual	YTD %	Remaining Budget	
501	701	PLANNING & PROJECT MANAGEMENT	775,038	369,356	48%	369,356	417,352
501	710	SEWER UTILITY	6,324,294	2,873,903	45%	2,873,902	3,074,177
		SEWER ENTERPRISE - OPERATIONS	7,099,333	3,243,259	46%	3,243,258	3,491,528
503	730	IMPROVEMENT PROJECTS	7,944,577	1,999,568	25%	1,999,568	1,257,149
503	504	OPERATING TRANSFERS	1,063,000		0%	-	
		SEWER ENTERPRISE - CAPITAL	9,007,577	1,999,568	22%	1,999,568	1,257,149
507	730	IMPROVEMENT PROJECTS	4,273,963	2,274,757	53%	2,274,757	2,535,478
		SEWER TREATMENT FACILITY	4,273,963	2,274,757	53%	2,274,757	2,535,478
525	701	PLANNING & PROJECT MANAGEMENT	313,231	104,065	33%	104,065	102,098
525	720	DRAINAGE/WATER POLLUTION CNTRL	1,544,383	697,408	45%	697,408	766,512
525	730	IMPROVEMENT PROJECTS	1,068,220	8,215	1%	8,215	74,166
		STORM DRAINAGE	2,925,834	809,689	28%	809,688	942,776
530	770	SOLID WASTE MANAGEMENT	353,694	158,666	45%	158,665	116,556
530	813	LITTER CONTROL	202,795	98,692	49%	98,691	79,124
		SOLID WASTE	556,489	257,357	46%	257,356	195,680
570	503	RISK MANAGEMENT	708,500	648,270	91%	648,269	551,418
		WORKERS' COMPENSATION	708,500	648,270	91%	648,269	551,418
571	503	RISK MANAGEMENT	1,067,285	600,397	56%	600,396	494,659
		LIABILITY INSURANCE	1,067,285	600,397	56%	600,396	494,659
572	503	RISK MANAGEMENT	4,776	(5,221)	-109%	(5,220)	(4,006)
		SELF-FUNDED VISION	4,776	(5,221)	-109%	(5,220)	(4,006)
573	301	INFORMATION TECHNOLOGY	2,459,051	1,295,638	53%	1,295,638	1,105,991
573	302	IT CAPITAL	708,630	96,070	14%	96,070	216,356
573	740	FLEET MANAGEMENT	1,702,272	861,660	51%	861,659	489,358
		FLEET & EQUIPMENT MANAGEMENT	4,869,953	2,253,368	46%	2,253,367	1,811,705
574	801	FACILITIES MANAGEMENT	1,539,647	802,147	52%	802,146	776,739
574	803	RECREATIONAL FACILITIES	788,990	428,187	54%	428,187	289,157
		FACILITIES MANAGEMENT	2,328,636	1,230,334	53%	1,230,333	1,065,896
575	503	RISK MANAGEMENT	1,311,770	814,139	62%	814,139	1,018,756
		BENEFIT PREFUNDING	1,311,770	814,139	62%	814,139	1,018,756
TOTAL EXPENDITURES			\$ 106,584,813	\$ 41,057,728	39%	\$ 41,057,704	\$ 41,779,757

CITY OF BELMONT
Statement of Revenues and Expenditures
Budget Variance Report
December 31, 2022
Revenues

			As of December 31, 2022					
Fund	Account	Description	Adjusted FY 2023 Budget	YTD Actual	YTD %	Remaining Budget	12/31/2021 Actual	
101	6100	PROPERTY TAXES	\$ 11,510,046	\$ 7,942,801	69%	\$ 3,567,245	\$ 4,860,307	
101	6200	SALES TAXES	3,982,132	1,514,247	38%	2,467,885	1,411,554	
101	6300	OTHER TAXES	4,956,964	2,466,582	50%	2,490,382	1,668,187	
101	6200	LICENSES AND PERMITS	1,123,672	494,059	44%	629,613	413,536	
101	6300	INTERGOVERNMENTAL	3,485,651	3,400,367	98%	85,284	3,336,211	
101	6400-6999	SERVICE CHARGES	4,464,145	2,282,309	51%	2,181,836	2,124,970	
101	7100	FINES AND FORFEITURES	165,000	59,894	36%	105,106	54,200	
101	7100	USE OF MONEY AND PROPERTY	938,181	1,480,759	158%	(542,578)	382,300	
101	7200	MISCELLANEOUS	336,864	8,104	2%	328,760	16,549	
GENERAL FUND			30,962,654	19,649,122	63%	11,313,533	14,267,813	
102	6200	SALES TAXES	2,164,765	793,568	37%	1,371,197	784,777	
102	7100	USE OF MONEY AND PROPERTY	5,548	23,197	418%	(17,649)	714	
MEASURE I			2,170,313	816,765	38%	1,353,548	785,491	
205	6300	INTERGOVERNMENTAL	60,000	35,696	59%	24,304	41,139	
205	6400-6999	SERVICE CHARGES	1,930,480	818,049	42%	1,112,431	601,028	
205	7100	USE OF MONEY AND PROPERTY	(839)	(3,682)	439%	2,843	(72)	
205	7200	MISCELLANEOUS	12,000	7,962	66%	4,038	3,353	
205	7600	OPERATING TRANSFERS IN	1,900,000	-	0%	1,900,000	-	
RECREATION			3,901,641	858,025	22%	3,043,616	645,448	
206	6100	TAXES	302,838	156,032	52%	146,806	151,419	
206	7100	USE OF MONEY AND PROPERTY	1,292	6,161	477%	(4,869)	193	
LIBRARY MAINTENANCE/OPERATION			304,130	162,193	53%	141,937	151,611	
207	6400-6999	SERVICE CHARGES	90,000	64,523	72%	25,477	58,144	
207	7100	USE OF MONEY AND PROPERTY	566	3,131	553%	(2,565)	81	
ATHLETIC FIELD MAINTENANCE			90,566	67,654	75%	22,912	58,225	
208	6400-6999	SERVICE CHARGES	10,000	2,995	30%	7,005	4,815	
208	7100	USE OF MONEY AND PROPERTY	453	2,247	496%	(1,794)	67	
CITY TREES			10,453	5,242	50%	5,211	4,882	
209	7100	USE OF MONEY AND PROPERTY	128	705	551%	(577)	18	
209	7200	MISCELLANEOUS	4,000	389	10%	3,611	0	
SENIOR SERVICES DONATION			4,128	1,094	27%	3,034	18	
210	6200	LICENSES AND PERMITS	1,858,000	1,180,422	64%	677,578	886,539	
210	6400-6999	SERVICE CHARGES	2,159,000	1,118,322	52%	1,040,678	1,188,370	
210	7100	USE OF MONEY AND PROPERTY	2,419	8,371	346%	(5,952)	67	
210	7200	MISCELLANEOUS	8,200	4,105	50%	4,095	4,274	
210	7600	OPERATING TRANSFERS IN	1,500,000	-	0%	1,500,000	-	
DEVELOPMENT SERVICES			5,527,619	2,311,221	42%	3,216,399	2,079,249	
212	6300	INTERGOVERNMENTAL	-	-	N/A	-	-	
212	6400-6999	SERVICE CHARGES	500,000	296,118	59%	203,882	75,272	
212	7100	USE OF MONEY AND PROPERTY	1,199	12,148	1013%	(10,949)	162	
GENERAL PLAN MAINTENANCE			501,199	308,266	62%	192,933	75,434	

CITY OF BELMONT
Statement of Revenues and Expenditures
Budget Variance Report
December 31, 2022
Revenues

Fund	Account	Description	As of December 31, 2022				12/31/2021 Actual
			Adjusted FY 2023 Budget	YTD Actual	YTD %	Remaining Budget	
223	6100	TAXES	14,475,559	8,236,702	57%	6,238,857	6,192,808
223	6300	INTERGOVERNMENTAL	107,815	22,070	20%	85,745	27,652
223	7100	USE OF MONEY AND PROPERTY	17,502	494,523	2826%	(477,021)	1,090
223	7200	MISCELLANEOUS	5,000	-	0%	5,000	7,201
BELMONT FIRE PROTECTION DISTRICT			14,605,876	8,753,295	60%	5,852,581	6,228,751
225	7100	USE OF MONEY AND PROPERTY	49	243	495%	(194)	7
225	7200	MISCELLANEOUS	-	-	N/A	-	-
PUBLIC SAFETY GRANTS			49	243	495%	(194)	7
227	6300	INTERGOVERNMENTAL	158,000	104,058	66%	53,942	106,997
227	7100	USE OF MONEY AND PROPERTY	(20)	132	-660%	(152)	(0)
227	7600	OPERATING TRANSFERS IN	20,000	-	0%	20,000	-
SUPPLEMENTAL LAW ENFORCEMENT			177,980	104,189	59%	73,791	106,997
231	6300	INTERGOVERNMENTAL	778,700	321,148	41%	457,552	266,354
231	6400-6999	SERVICE CHARGES	581,078	288,655	50%	292,423	296,805
231	7100	USE OF MONEY AND PROPERTY	387	(2,487)	-643%	2,874	97
231	7200	MISCELLANEOUS	-	700	N/A	(700)	200
231	7600	OPERATING TRANSFERS IN	1,000,000	-	0%	1,000,000	-
STREET MAINTENANCE			2,360,165	608,017	26%	1,752,148	563,456
232	6300	INTERGOVERNMENTAL	603,375	254,146	42%	349,229	222,975
232	7100	USE OF MONEY AND PROPERTY	2,000	1,621	81%	380	14
RMRA STREET PROJECTS			605,375	255,766	42%	349,609	222,989
233	6100	TAXES	391,059	141,552	36%	249,507	90,218
233	6300	INTERGOVERNMENTAL	160,000	170,810	107%	(10,810)	268,522
233	7100	USE OF MONEY AND PROPERTY	515	11,064	2148%	(10,549)	57
233	7600	OPERATING TRANSFERS IN	-	-	N/A	-	-
MEASURE W			551,574	323,425	59%	228,149	358,796
234	6100	TAXES	867,155	399,931	46%	467,224	363,225
234	6300	INTERGOVERNMENTAL	618,500	343,180	55%	275,320	467,247
234	7100	USE OF MONEY AND PROPERTY	3,537	9,560	270%	(6,023)	427
234	7200	MISCELLANEOUS	100,000	146,628	147%	(46,628)	835,364
234	7600	OPERATING TRANSFERS IN	-	-	N/A	-	-
STREET IMPROVEMENT			1,589,192	899,298	57%	689,894	1,666,263
237	6400-6999	SERVICE CHARGES	814,000	-	0%	814,000	200,000
237	7100	USE OF MONEY AND PROPERTY	187	1,563	836%	(1,376)	-
TRAFFIC IMPACT			814,187	1,563	0%	812,624	200,000

CITY OF BELMONT
Statement of Revenues and Expenditures
Budget Variance Report
December 31, 2022
Revenues

Fund	Account	Description	As of December 31, 2022				12/31/2021 Actual
			Adjusted FY 2023 Budget	YTD Actual	YTD %	Remaining Budget	
239	6400-6999	SERVICE CHARGES	315,000	-	0%	315,000	-
239	7100	USE OF MONEY AND PROPERTY	1,000	3,086	309%	(2,086)	-
		PUBLIC ART	316,000	3,086	1%	312,914	-
275	6300	INTERGOVERNMENTAL	310,000	-	0%	310,000	-
275	7100	USE OF MONEY AND PROPERTY	81,081	44,045	54%	37,036	40,311
275	7200	MISCELLANEOUS	-	-	N/A	-	-
275	7500	OTHER FINANCING SOURCES	3,900,000	2,940,000	75%	960,000	-
		HOUSING SUCCESSOR	4,291,081	2,984,045	70%	1,307,036	40,311
277	6400-6999	SERVICE CHARGES	790,000	-	0%	790,000	-
277	7100	USE OF MONEY AND PROPERTY	3,000	1,272	42%	1,728	34
		INCLUSIONARY HOUSING FUND	793,000	1,272	0%	791,728	34
308	7100	USE OF MONEY AND PROPERTY	1,111	5,640	508%	(4,529)	170
308	7200	MISCELLANEOUS	-	-	N/A	-	-
		GENERAL FACILITIES	1,111	5,640	508%	(4,529)	170
310	6300	INTERGOVERNMENTAL	1,213,334	257,331	21%	956,003	-
310	7100	USE OF MONEY AND PROPERTY	3,218	20,700	643%	(17,482)	503
		INFRASTRUCTURE	1,216,552	278,031	23%	938,521	503
312	7100	USE OF MONEY AND PROPERTY	525	3,089	588%	(2,564)	76
		COMCAST	525	3,089	588%	(2,564)	76
341	7100	USE OF MONEY AND PROPERTY	44	17,097	38857%	(17,053)	52
341	7200	MISCELLANEOUS	-	-	N/A	-	-
341	7600	OPERATING TRANSFERS IN	1,000,000	-	0%	1,000,000	-
		PLANNED PARK	1,000,044	17,097	2%	982,947	52
342	6300	INTERGOVERNMENTAL	194,570	-	0%	194,570	-
342	6400-6999	SERVICE CHARGES	2,617,400	281,894	11%	2,335,506	-
342	7100	USE OF MONEY AND PROPERTY	2,028	2,263	112%	(235)	294
342	7200	MISCELLANEOUS	-	-	N/A	-	-
		PARK IMPACT FEES	2,813,998	284,157	10%	2,529,841	294
343	7100	USE OF MONEY AND PROPERTY	276	1,188	430%	(912)	43
		OPEN SPACE	276	1,188	430%	(912)	43
406	6100	TAXES	674,058	347,297	52%	326,761	337,029
406	7100	USE OF MONEY AND PROPERTY	2	(400)	-20013%	402	(6)
		LIBRARY BOND DEBT SERVICE	674,060	346,897	51%	327,163	337,023

CITY OF BELMONT
Statement of Revenues and Expenditures
Budget Variance Report
December 31, 2022
Revenues

Fund	Account	Description	As of December 31, 2022				12/31/2021 Actual
			Adjusted FY 2023 Budget	YTD Actual	YTD %	Remaining Budget	
501	6400-6999	SERVICE CHARGES	15,033,619	7,591,485	50%	7,442,134	7,036,504
501	7100	USE OF MONEY AND PROPERTY	56,733	351,320	619%	(294,587)	7,823
SEWER ENTERPRISE-OPERATIONS			15,090,352	7,942,806	53%	7,147,546	7,044,328
503	6400-6999	SERVICE CHARGES	652,000	148,337	23%	503,663	-
503	7100	USE OF MONEY AND PROPERTY	43,355	125,547	290%	(82,192)	10,974
SEWER ENTERPRISE-CAPITAL			695,355	273,884	39%	421,471	10,974
505	6800	SERVICE CHARGES-SEWER	-	32,036	N/A	(32,036)	-
505	7100	USE OF MONEY AND PROPERTY	(4,667)	(21,820)	468%	17,153	(676)
SEWER ENTERPRISE-TREATMENT PLANT			(4,667)	10,216	-219%	(14,883)	(676)
507	6400-6999	SERVICE CHARGES	3,142,679	1,571,028	50%	1,571,651	1,571,339
507	7100	USE OF MONEY AND PROPERTY	9,945	35,501	357%	(25,556)	1,519
SEWER TREATMENT FACILITY			3,152,624	1,606,529	51%	1,546,095	1,572,858
525	6400-6999	SERVICE CHARGES	1,088,346	483,387	44%	604,959	440,987
525	7100	USE OF MONEY AND PROPERTY	1,574	5,252	334%	(3,678)	272
525	7200	MISCELLANEOUS	51,500	120,546	234%	(69,046)	54,094
525	7600	OPERATING TRANSFERS IN	1,063,000	-	0%	1,063,000	-
STORM DRAINAGE			2,204,420	609,185	28%	1,595,235	495,353
530	6300	INTERGOVERNMENTAL	-	-	N/A	-	13,691
530	6400-6999	SERVICE CHARGES	544,705	227,189	42%	317,516	208,837
530	7100	USE OF MONEY AND PROPERTY	2,819	16,326	579%	(13,507)	398
SOLID WASTE			547,524	243,516	44%	304,008	222,927
570	6400-6999	SERVICE CHARGES	681,232	397,592	58%	283,640	360,410
570	7100	USE OF MONEY AND PROPERTY	2,007	11,086	552%	(9,079)	273
570	7200	MISCELLANEOUS	15,000	138	1%	14,862	14,125
WORKERS' COMPENSATION			698,239	408,816	59%	289,423	374,808
571	6400-6999	SERVICE CHARGES	700,000	350,000	50%	350,000	239,480
571	7100	USE OF MONEY AND PROPERTY	2,655	16,180	609%	(13,525)	380
571	7200	MISCELLANEOUS	-	(477,052)	N/A	477,052	(1,657,658)
LIABILITY INSURANCE			702,655	(110,872)	-16%	813,527	(1,417,798)
572	6400-6999	SERVICE CHARGES	2,964	-	0%	2,964	5,358
572	7100	USE OF MONEY AND PROPERTY	10	56	556%	(46)	2
572	7600	OPERATING TRANSFERS IN	-	-	N/A	-	-
SELF-FUNDED VISION			2,974	56	2%	2,918	5,360
573	6400-6999	SERVICE CHARGES	4,434,210	2,217,105	50%	2,217,105	2,537,387
573	7100	USE OF MONEY AND PROPERTY	7,897	49,696	629%	(41,799)	1,064
573	7200	MISCELLANEOUS	2,050	457	22%	1,593	1,652
573	7500	OTHER FINANCING SOURCES	10,000	6,556	66%	3,444	17,408
FLEET & EQUIPMENT MANAGEMENT			4,454,157	2,273,814	51%	2,180,343	2,557,512

CITY OF BELMONT
Statement of Revenues and Expenditures
Budget Variance Report
December 31, 2022

Revenues

Fund	Account	Description	As of December 31, 2022				12/31/2021 Actual
			Adjusted FY 2023 Budget	YTD Actual	YTD %	Remaining Budget	
574	6400-6999	SERVICE CHARGES	1,916,327	721,096	38%	1,195,231	742,705
574	7100	USE OF MONEY AND PROPERTY	282,000	160,039	57%	121,961	90,732
574	7600	OPERATING TRANSFERS IN	-	-	N/A	-	-
FACILITIES MANAGEMENT			2,198,327	881,136	40%	1,317,191	833,437
575	6400-6999	SERVICE CHARGES	1,471,409	694,767	47%	776,642	687,538
575	7100	USE OF MONEY AND PROPERTY	1,704	7,300	428%	(5,596)	278
BENEFIT PREFUNDING			1,473,113	702,067	48%	771,046	687,816
704	7100	USE OF MONEY AND PROPERTY	446	2,405	539%	(1,959)	65
SPECIAL ASSESSMENT DISTRICT			446	2,405	539%	(1,959)	65
TOTAL REVENUES			\$ 106,499,268	\$ 53,893,434	51%	\$ 52,605,834	\$ 40,180,901

CITY OF BELMONT

FISCAL YEAR 2023 BUDGET MID-YEAR REVIEW

City Council Meeting
February 28, 2023





EXECUTIVE SUMMARY

FINANCIAL RESULTS

FISCAL SUSTAINABILITY

FINANCIAL OUTLOOK

RECOMMENDATION

EXECUTIVE SUMMARY



Second and final installment of ARPA funding received



Property, sales, and hotel taxes are recovering



State actions to take away property tax in-lieu of VLF



Take action to maintain City services and infrastructure



Resolutions requested from Council



FINANCIAL RESULTS

FINANCIAL RESULTS

GENERAL FUND



12/31 Fund Balance

Up \$8.5M over last fiscal year end; includes \$3.2M ARPA, \$3.7M VLF, TOT recovery



Revenues

Year end estimates are ***12.4% over*** adjusted budget, including ARPA



Local Economy

Leading indicators ***mixed but overall positive*** in FY 2023



Expenditures

Year end estimates are ***2.9% under*** adjusted budget

FINANCIAL RESULTS

YEAR-TO-DATE RESULTS AS OF
DEC. 31, 2022 (IN MILLIONS)

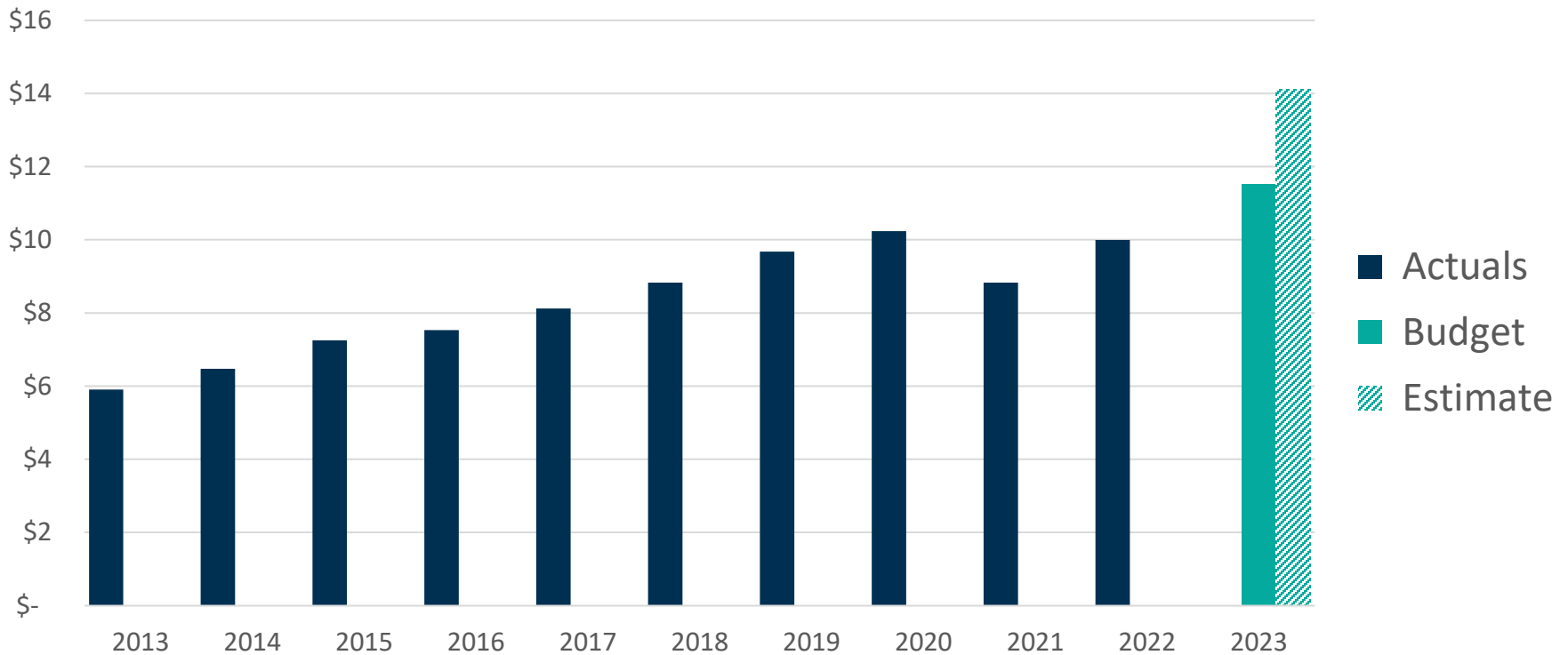


	Revenues		Expenditures	Fund Balance (12/31/22)
	Rev.	ARPA		
General Fund (Excluding Measure I)	\$16.4	\$3.2	\$13.3*	\$26.5
Belmont Fire Protection District 223	8.6		7.0	17.9
Development Services 210	2.3		2.3	1
Recreation 205	0.9		1.6	(0.7)
Storm Drain 525	0.6		0.8	2.3

*Includes 50% of budgeted operating transfers anticipated at year-end

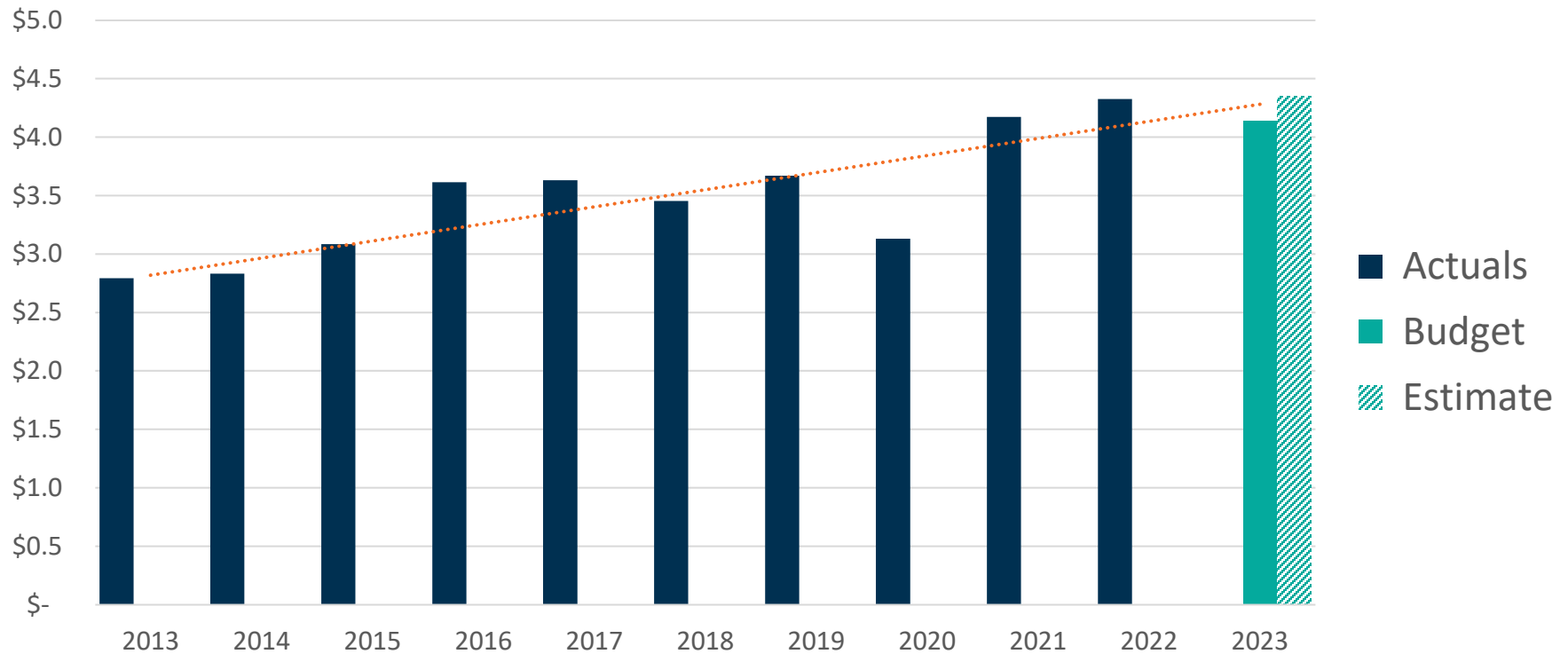
FINANCIAL RESULTS

PROPERTY TAX (IN MILLIONS)



FINANCIAL RESULTS

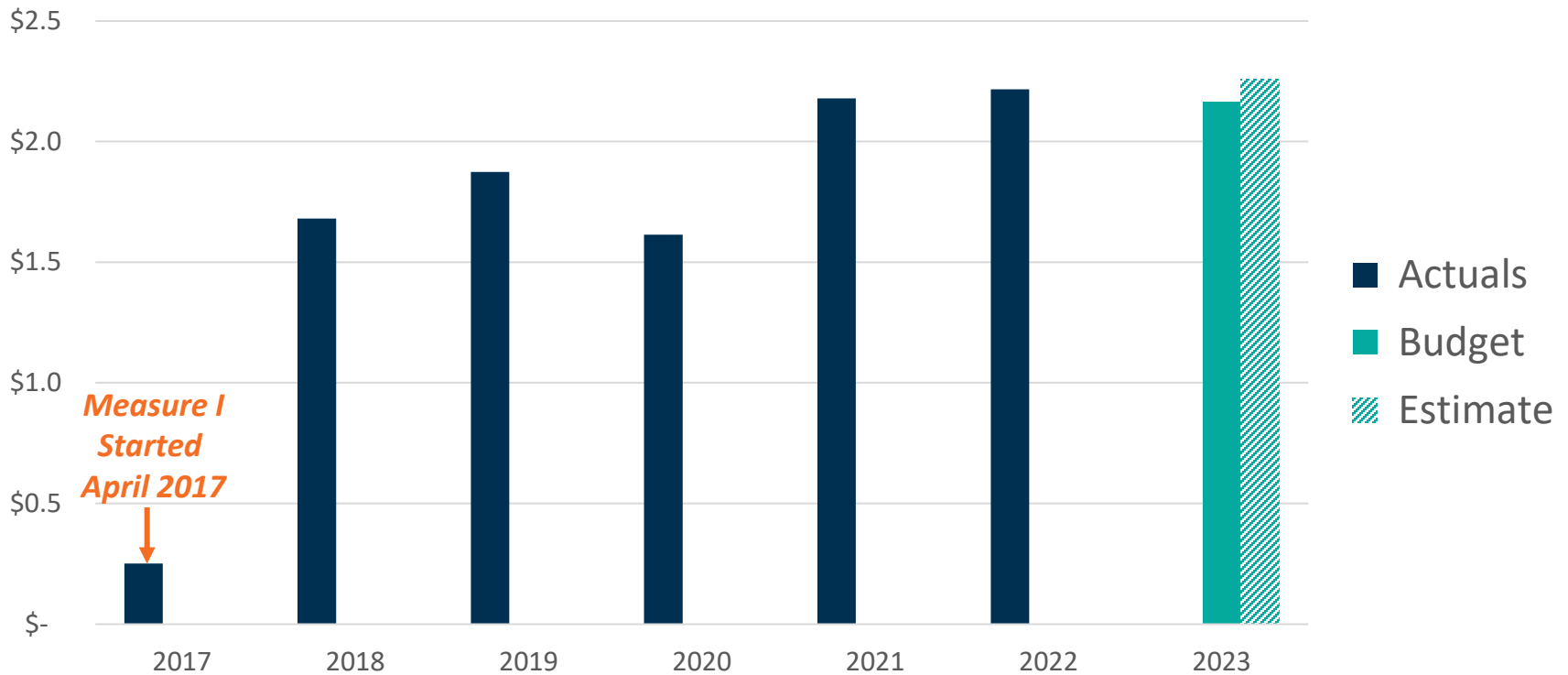
SALES TAX: 1% BRADLEY BURNS*
(IN MILLIONS)



*Excludes Measure I ½-Cent Tax

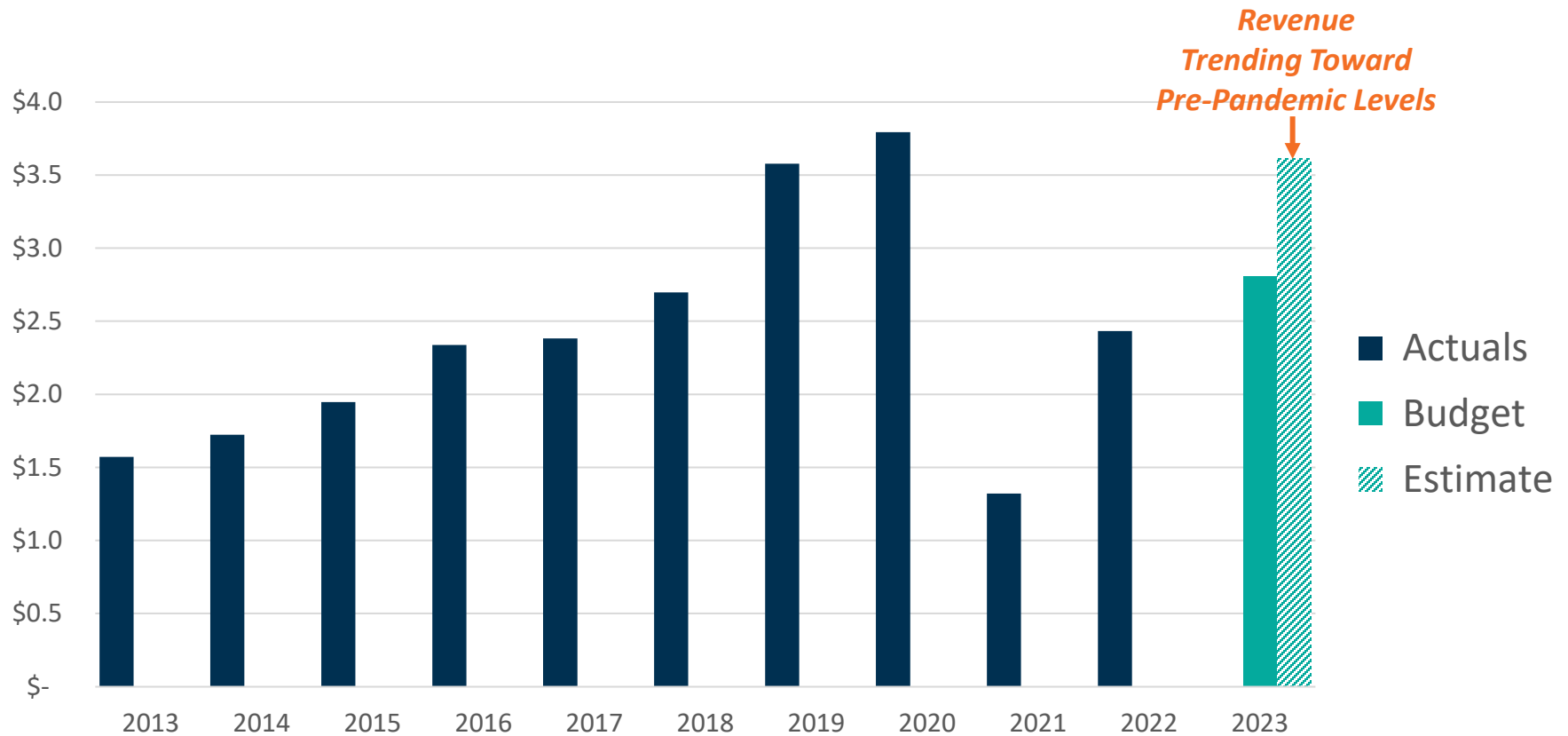
FINANCIAL RESULTS

SALES TAX: MEASURE I (IN MILLIONS)



FINANCIAL RESULTS

HOTEL ROOM TAX (IN MILLIONS)



FINANCIAL RESULTS

GENERAL FUND EXPENDITURES (IN MILLIONS)



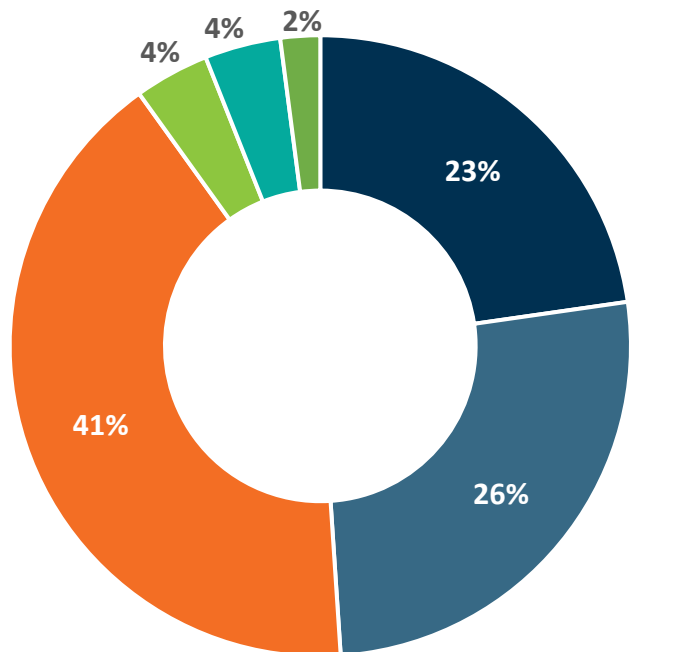
	FY 2023 Adjusted Budget	12/31/22	% of Total
Personnel	\$16.8	\$8.1	48%
Services & Supplies	\$3.6	\$1.2	34%
Admin & Other	\$3.5	\$1.7	50%

Major General Fund-Supported Transfers

- Recreation Fund
\$1.9M
- Development Services Fund
\$1.5M
- Street Maintenance Fund
\$1M

FINANCIAL RESULTS

CAPITAL IMPROVEMENT PLAN



- Streets
- Measure I
- Sewer/Storm
- Technology
- Recreation Facilities
- Parks & Open Space

Completed CIP Projects (FY 2023)

- Belmont Pavement Preservation Project
- 2022 Pavement Project
- Sanitary Sewer Easement Rehab Project
- North Road Pump Station and Force Main Project

Sewer Treatment

- Significant ongoing contributions to SVCW for RESCU program



FISCAL SUSTAINABILITY

FISCAL SUSTAINABILITY

PROPERTY TAX IN-LIEU OF VLF



- VLF shortfall
 - ~\$200,000 General Fund FY 2023
- Backfill of shortfall NOT included in Governor's proposed FY 2024 Budget
- City Manager's group working in conjunction with the County

*Future
impact to
General Fund
of \$4 million
annually*

FISCAL SUSTAINABILITY

INFRASTRUCTURE NEEDS



- Storm Water Master Plan
 - **Identify needs** of critical storm drain infrastructure;
 - **Explore funding** mechanisms to address aging sewer and storm drain infrastructure; and
 - **Ensure resiliency** of long-term infrastructure.

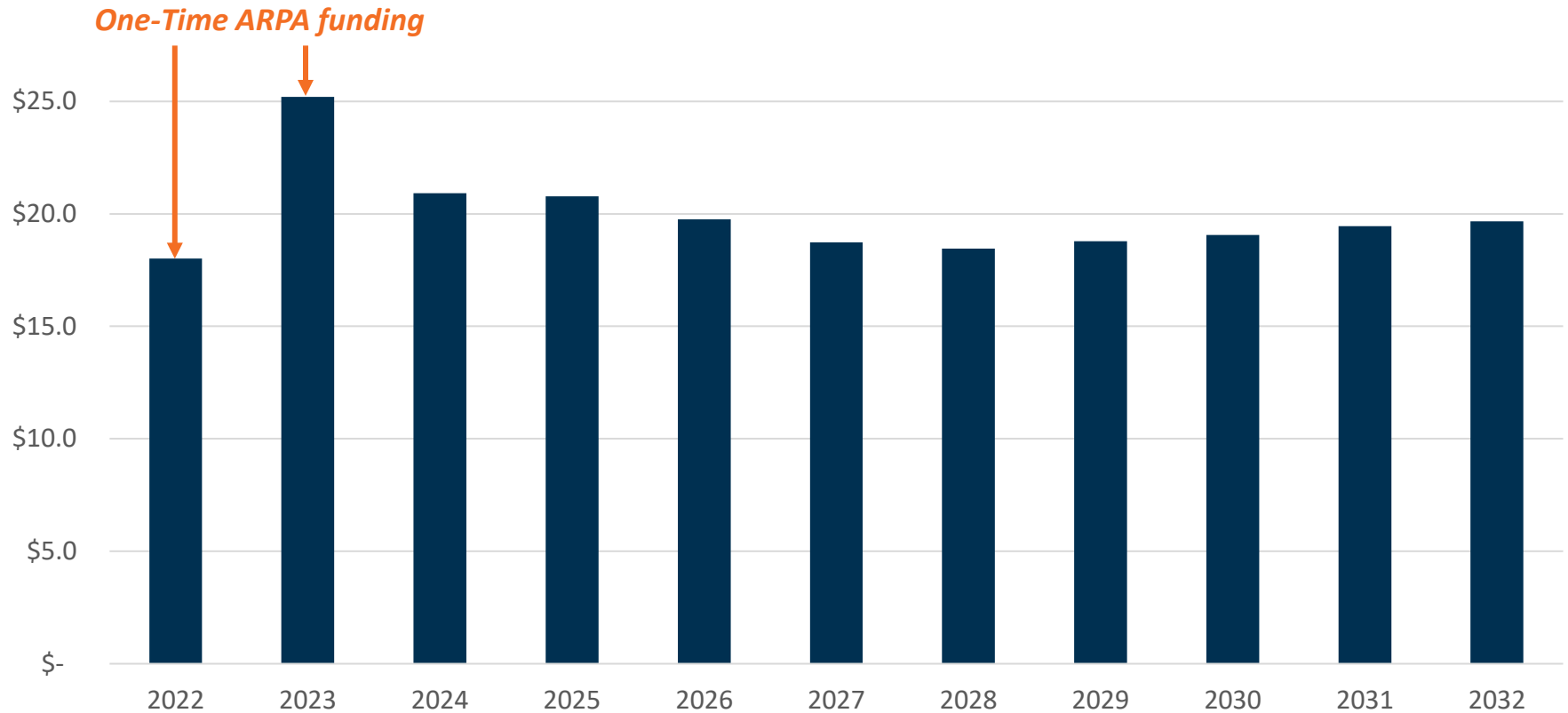




FINANCIAL OUTLOOK

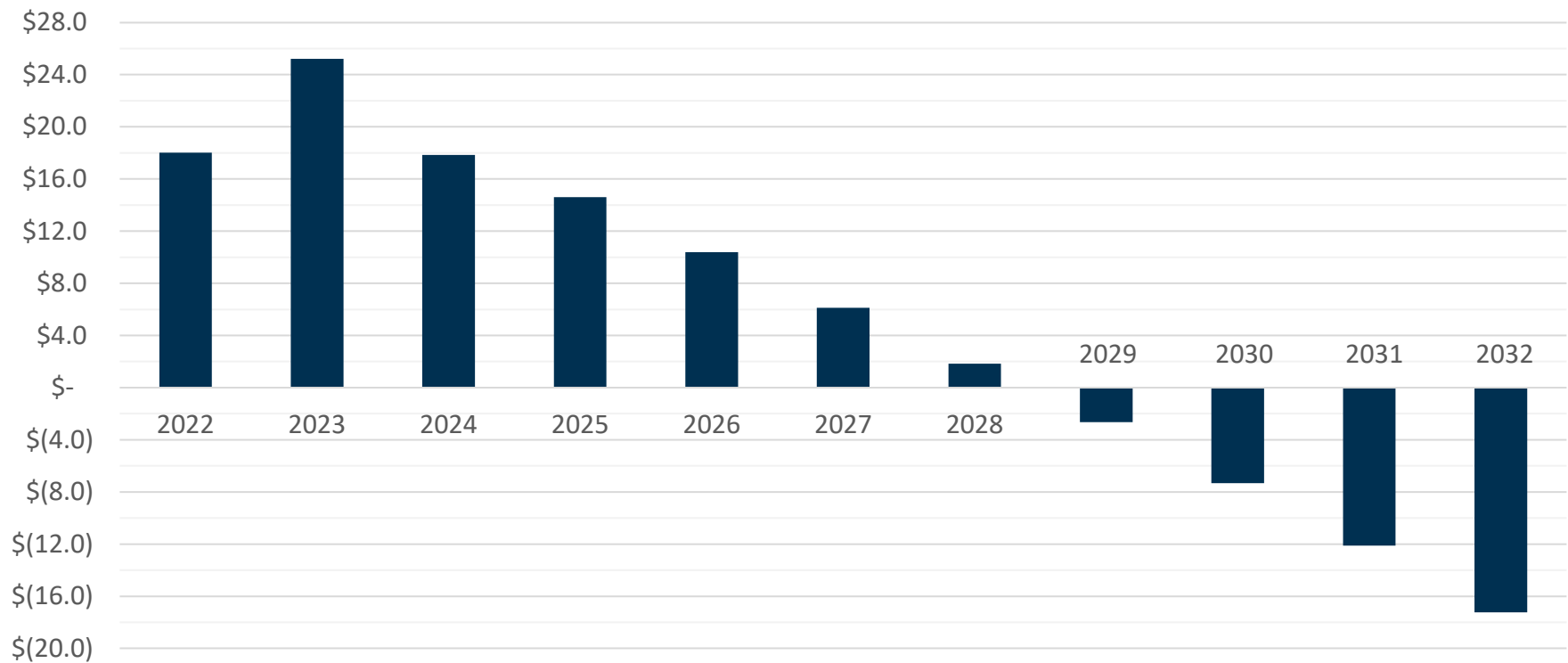
FINANCIAL OUTLOOK

FUND BALANCE (IN MILLIONS)



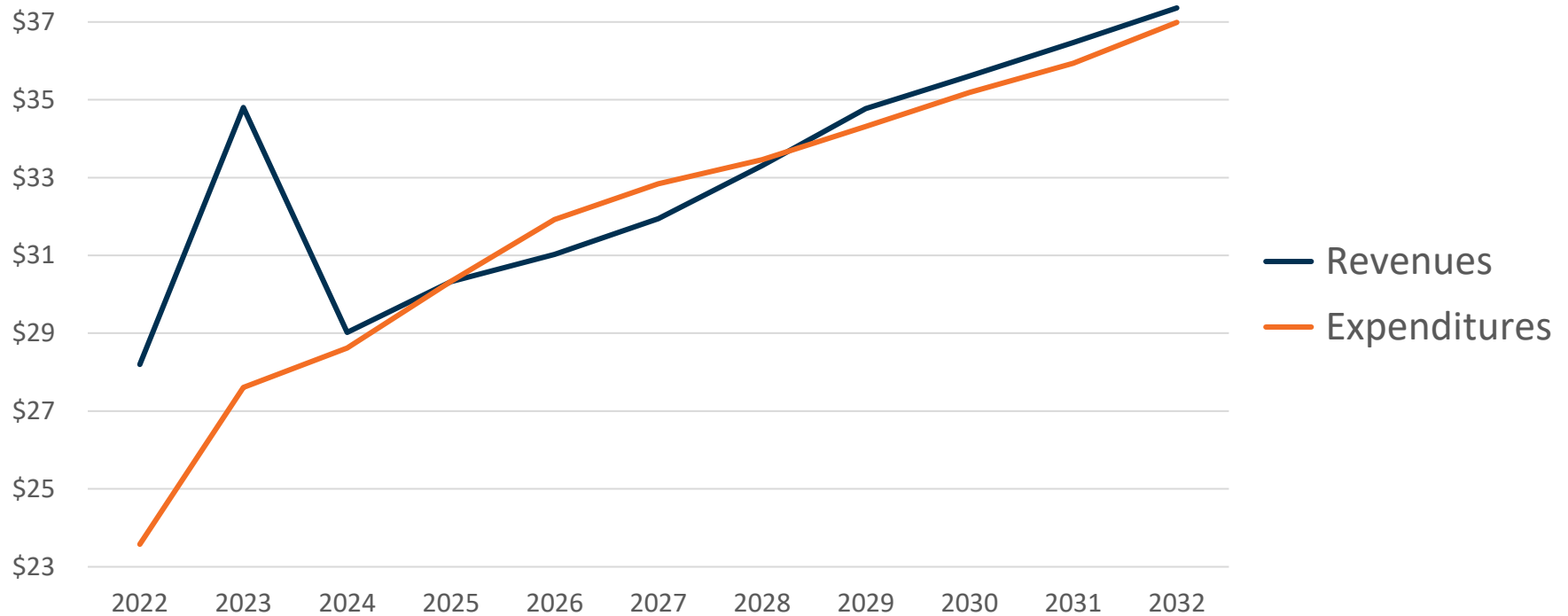
FINANCIAL OUTLOOK

FUND BALANCE IMPACT WITHOUT VLF (IN MILLIONS)



FINANCIAL OUTLOOK

REVENUE & EXPENDITURE ESTIMATES (IN MILLIONS)



RECOMMENDATION



RECOMMENDATION

NEXT STEPS



Continue ***community engagement*** to identify community service priorities; ***explore targeted, locally-controlled revenue sources***

FY 2024 Budget directive will reflect ***ongoing efforts to address financial sustainability & Council's Strategic Focus Areas***

RECOMMENDATIONS

FY 2023 MID-YEAR BUDGET RESOLUTIONS



- **Human Resources staffing (+1 FTE)**
 - Management Analyst
- **Revisions to capital improvement project budgets**
 - Based on updated project estimates and timelines
 - Transfer revenues to CIP Project expenditure funds
- **Address actions previously approved by Council, variances based on YTD estimates**

RECOMMENDATIONS

FY 2023 MID-YEAR BUDGET RESOLUTIONS



- **Adopt resolutions amending FY 2023 Budgets for:**
 - The City of Belmont
 - Belmont Fire Protection District