



PALMDALE

a place to call home

**CITY COUNCIL
HOUSING AUTHORITY
CITY COUNCIL CHAMBER
38300 SIERRA HIGHWAY
SUITE B
PALMDALE, CA 93550
WEDNESDAY, MARCH 20, 2024
5:00 PM
www.cityofpalmdale.org**

WELCOME

1. CALL MEETING TO ORDER

Note: All City Council memberships are reflected in their City Council titles.

2. ROLL CALL

MAYOR BISHOP, MAYOR PRO TEM LOA, COUNCILMEMBERS OHLSEN,
BETTENCOURT, ALARCÓN
COMMISSIONERS FRAGA-SAENZ, BETTS

3. PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

4. PUBLIC COMMENT RULES:

“(California Government Code Section 54954.3).

(a) Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body’s consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of Section 54954.2 [section omitted].

(b) (1) The legislative body of a local agency may adopt reasonable regulations to ensure that the intent of the subdivision (a) is carried out, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for

each individual speaker.

(2) Notwithstanding paragraph (1), when the legislative body of a local agency limits time for public comment, the legislative body of a local agency shall provide at least twice the allotted time to a member of the public who utilizes a translator to ensure that non-English speakers receive the same opportunity to directly address the legislative body of a local agency.”

In furtherance of Section 54954.3 of the Brown Act, the public is allotted to speak a total of two (2) minutes on the entirety of the Consent Calendar(s), Appointment(s), New Business and Closed Session, with two (2) minutes on each Public Hearing, and, if desired, an additional two (2) minutes on items not on the agenda that are within the subject matter jurisdiction of the City Council. As specified in the Brown Act, a speaker utilizing a translator will receive twice the amount of time specified.

5. **PUBLIC COMMENTS:**

CONSENT CALENDAR(S), APPOINTMENT(S), NEW BUSINESS, AND CLOSED SESSION: Now is the time for public participation on items listed on the Consent Calendar(s), Appointment(s), New Business, and Closed Session. Each speaker is allotted two (2) minutes in total for the entirety of the above sections.

6. **HOUSING AUTHORITY CONSENT CALENDAR**

All matters listed under the Housing Authority Consent Calendar will be enacted by one motion unless an item(s) is pulled by the Authority, in which case the item(s) will be removed from the Calendar and will be considered separately following this portion of the Agenda.

- 6.1 Adopt Resolution No. HA 2024-002, a Resolution of the Housing Authority of the City of Palmdale declaring APNs 3006-008-921 and 3006-008-922 Exempt Surplus Land under the Surplus Land Act as amended.

[SR SLA Transit Village.docx](#)
[Reso. No. HA 2024-002.docx](#)
[Attch 1 Parcel Map](#)

- 6.2 Approve revision to the Housing Authority's self-imposed maximum space rent for income qualifying spaces for the Boulders Mobile Home Parks and authorize the Authority Executive Director or her designee to review and determine future increases to the maximum space rent for qualifying spaces and establish a subsidy program.

[SR Boulders MHP Space Rent.](#)

- 6.3 Approve the minutes from the previous meetings.

HA - January 24, 2024
HA - February 21, 2024
[Minutes 01 24 2024 HA.pdf](#)
[Minutes 02 21 2024 HA.pdf](#)

7. **CONSENT CALENDAR**

All matters listed under the Consent Calendar will be enacted by one motion unless an item(s) is pulled by Council, in which case the item(s) will be removed from the Calendar and will be considered separately following this portion of the Agenda.

- 7.1 Waive full reading of the Resolution(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).
- 7.2 Adopt Resolution No. CC 2024-029, a Resolution of the City Council of the City of Palmdale approving the 2024 Palmdale Auto Mall Marketing Program.
[SR 2024 Palmdale Auto Mall Marketing Program.docx](#)
[Reso. No. CC 2024-029.docx](#)
- 7.3 Adopt Resolution No. CC 2024-025, a Resolution of the City Council of the City of Palmdale to accept the Los Angeles County Council of Governments Regional Homeless Coordination and Local Solutions Fund.
[SR COG Grant.docx](#)
[Reso. No. CC 2024-025 COG.doc](#)
- 7.4 Approve Single Family Residential Rehabilitation Program for Minor Home Repair and Home Accessibility.
[SR Single Family Residential Rehabilitation Program.docx](#)
[Atch 1 Home Repair Grant Overview.docx](#)
[Atch 2 Home Accessibility Program Overview.docx](#)
- 7.5 Adopt Resolution No. CC 2024-027, a Resolution of the City Council of the City of Palmdale approving the City Asset Naming and Renaming Policy.
[SR City Asset Naming and Renaming Policy](#)
[Reso. No. CC 2024-027](#)
[Exh A City Asset Naming and Renaming Policy](#)
- 7.6 Award Construction Agreement with Baker Electric & Renewables LLC for PN 753, North County ITS Expansion Project, Phase V, in the amount not-to exceed \$7,095,123 for a term of 220 working days from the date of Notice to Proceed.

[SR Agrmt No. A-8657 with Baker Electric & Renewables LLC.docx](#)
[Agrmt No. A-8657 with Baker Electric & Renewables LLC.pdf](#)
[Exh A Withdrawal Letter from Elecnor Belco Electric, Inc.pdf](#)
[Atch 1 Site Map.pdf](#)
[Atch 2 Site Photo.pdf](#)

- 7.7 Award Construction Agreement with California Commercial Pools for PN 886, Dry Town Water Park Lazy River Deck Replacement Project, in the amount of \$135,000 for a term of 20 working days from the date of Notice to Proceed.

[SR Agrmt.No. A-8748 with California Commercial Pools.docx](#)
[Agrmt No. A-8748 with California Commercial Pools.pdf](#)
[Atch 1 Site Photo.pdf](#)

- 7.8 Approve the minutes from the previous meetings.

CC/SA - March 6, 2024
[Minutes 03 06 2024 CC SA.pdf](#)

8. PUBLIC HEARING

- 8.1 Adopt Resolution No. CC 2024-022, A Resolution of the City Council of the City of Palmdale calling special election regarding alteration of the Rate and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities); Resolution No. CC 2024-023, A Resolution of the City Council of the City of Palmdale declaring results of special election in the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities), determining that alteration of the Rate and Method of Apportionment of Special Taxes for the District is lawfully authorized, and directing recording of Amended and Restated Notice of Special Tax Lien; and Resolution No. CC 2024-028, A Resolution of the City Council of the City of Palmdale authorizing execution of agreements relating to the issuance of Special Tax Bonds for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities).

[SR Reso. No. CC 2024-022, 2024-023, and 2024-028.docx](#)
[Reso. No. CC 2024-022 Call for Special Election.docx](#)
[Reso. No. CC 2024-023 Declare Results Special Election.docx](#)
[Reso. No. CC 2024-028 Authorize Agreements.docx](#)
[Agrmt. No. A-8588 Bond Counsel Disclosure Counsel Quint & Thimmig.pdf](#)
[Agrmt. No. A-8765 Bond Counsel Disclosure Counsel Best Best & Krieger.pdf](#)
[Agrmt. No. A-8589 Municipal Advisor Harrell & Company, LLC.pdf](#)

9. **NON-AGENDA PUBLIC COMMENTS:** *Now is the time for public participation on items not listed on the agenda. Each speaker is allotted two (2) minutes total.*

10. **COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS**

11. **CITY MANAGER'S REPORT**

12. PRESENTATION BY CITY ATTORNEY

12.1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

U-Haul v. City of Palmdale

Case No. 22AVCV00439

This closed session is being held pursuant to the authority of California Government Code Section 54956.9.

12.2 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Attorney

Name: William P. Curley, III

13. ANNOUNCEMENT BY CITY ATTORNEY

14. **ADJOURN** meeting to April 3, 2024, at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

Americans with Disabilities Act (ADA) Accommodations

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (661) 267-5151 at least 72 hours prior to the meeting.

If you require oral translation, please contact the City Clerk's Office at (661) 267-5151 at least 72 hours prior to the meeting.



Housing Authority Staff Report

DATE: MARCH 20, 2024

TO: HONORABLE CHAIR AND COMMISSIONERS

FROM: NEIGHBORHOOD SERVICES
HOUSING DIVISION

DISTRICT: 1

SUBJECT: ADOPT RESOLUTION NO. HA 2024-002, A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF PALMDALE DECLARING APNS 3006-008-921 AND 3006-008-922 EXEMPT SURPLUS LAND UNDER THE SURPLUS LAND ACT AS AMENDED

RECOMMENDATION

Staff recommends that the Housing Authority:

1. Adopt Resolution No. HA 2024-002, a Resolution of the Housing Authority of the City of Palmdale declaring APN's 3006-008-921 and 3006-008-922 Exempt Surplus Land under the Surplus Land Act as amended; and,
2. Authorize the Executive Director or her designee to take all actions convenient and necessary to submit the Resolution to the State of California Department of Housing and Community Development to secure a waiver for the Exempt Surplus Land.

BACKGROUND

On May 9, 2005, the former Community Redevelopment Agency of the City of Palmdale (Redevelopment Agency) approved the acquisition of 10.39 acres of vacant land on the north side of East Avenue Q between Sumac Avenue and 5th Street East for the development of affordable housing (Project). The Project would consist of multi-family rental housing to be owned and operated by a non-profit organization on a portion of the approximately 10 acre site, and single-family owner-occupied townhomes on the remaining portion of the approximately 10 acre site (this remaining portion is comprised of APNs 3006-008-921 and 306-008-922 and is referred to herein as the "Property").

In December 2005, the Redevelopment Agency released a Request for Proposal (RFP) to solicit proposals in order to identify and select a developer for the Project. Better

Housing Solutions, part of Community Development Associates, Inc. (CDA), was selected to develop the Project.

On February 15, 2007, the Redevelopment Agency and Better Housing Solutions, Inc. entered into a pre-development agreement to apply for an award of Proposition 1C Infill Infrastructure funds (IIG Grant) for a portion of the infrastructure costs for the planned Project. In June 2010, two agreements were entered into, one agreement with Palmdale TOD Apartments, LP for developing the multi-family rental housing and one agreement with Palmdale Transit Village Townhomes LLC for developing the single-family owner-occupied townhomes on the Property.

The State of California Department of Housing and Community Development (HCD) approved an allocation of \$9,950,400 of IIG Grant funding. The Redevelopment Agency and CDA entered into IIG Grant Agreement 07-IIG-4212 with HCD on October 24, 2011 (IIG Agreement), requiring 202 affordable housing units, consisting of 153 multi-family rental units and 2 manager units (a total of 155 units for the multi-family portion of the Project), and 46 for-sale townhomes to be built and placed into operation on the Property.

With the dissolution of redevelopment agencies by the State of California in January 2012, the Housing Authority of the City of Palmdale (Housing Authority) was designated as the Housing Successor Agency. In June 2012, the Successor Agency to the Community Redevelopment Agency approved the transfer of the Redevelopment Agency's housing functions, assets, and obligations to the Housing Authority as the Housing Successor Agency, including the Property, and the Los Angeles County Oversight Board ratified this action in December 2012. On October 12, 2012, the IIG Agreement was amended, replacing the Redevelopment Agency with the Housing Authority.

The infrastructure required to be completed under the IIG Agreement has been constructed and completed, the IIG Grant has been expended, and the 155 multi-family rental units (known as the Wright Brothers Court Apartments) required under the IIG Agreement have been placed into service as of June 30, 2014.

The development of the 46 for-sale townhomes required to be developed on the Property under the IIG Agreement stalled, and in February 2017, the Housing Authority issued a notice of termination for the townhome development agreement with Palmdale Transit Village Townhomes LLC and notified HCD. Litigation developed with regard to the Project. In April 2023, litigation settlement documents were executed, and the townhome development agreement was terminated. As part of the litigation settlement, on June 1, 2022, the Housing Authority approved an amendment to the IIG Agreement to remove CDA and to add a developer selected through a Request for Proposal (RFP) process subject to the approval by HCD. The IIG Agreement amendment was executed in February 2023.

Notwithstanding the litigation settlement, the IIG Agreement still required the 46 for-sale townhomes to be developed on the Property. In December 2023, the Housing Authority requested a feasibility study to determine the feasibility of developing the 46 for-sale townhomes based on the cost to build the townhomes versus the potential proceeds from the sale of the units. Based on the feasibility study, in January 2024, the Housing Authority submitted a request to HCD to amend the IIG Agreement to allow affordable multi-family rental housing to be developed in place of the for-sale townhomes. On February, 28, 2024, HCD approved the request and indicated that HCD would be preparing an amendment to the IIG Agreement for the Housing Authority and HCD to review and sign permitting development on the Property of 46 multi-family rental units affordable to households at 50%-60% of Area Median Income (AMI) in place of development of for-sale townhome units.

DISCUSSION

Pursuant to the IIG Agreement, to be amended in accordance with HCD's approval on February 28, 2024, 46 multi-family rental units affordable to households at 50%-60% of AMI are required to be developed on the Property. An RFP will be released by the Housing Authority to identify a developer for the affordable housing required by the IIG Agreement as amended. The Property would be transferred by long-term ground leasehold to the selected developer to develop and operate the affordable 46 multi-family rental units.

The Surplus Land Act (Government Code Section 54220 *et seq.*) (SLA) provides a process by which local agencies (which includes the Housing Authority) offer "surplus land" to affordable housing developers and others as outlined in the SLA. The SLA further provides that the Housing Authority may declare the Property to be "exempt surplus land" under the SLA if the Property meets one of the exemptions set forth in the SLA for "exempt surplus land" currently set forth in Government Code Section 54221(f).

The Property qualifies as "exempt surplus land" under Government Code Section 54221(f)(1)(F), which reads, in part:

Surplus land that is to be developed for a housing development, which may have ancillary commercial ground floor uses, that restricts 100 percent of the residential units to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Section 50052.5 or 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing, land use for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, and in no event shall the maximum affordable sales price or rent level be higher than 20 percent

below the median market rents or sales prices for the neighborhood in which the site is located.

The Property will be developed as an affordable housing rental development restricted 100% to persons and families of low or moderate income. Following the RFP process, after selecting a developer, the Housing Authority will enter into an agreement with the developer to transfer the Property by long-term ground leasehold and will require the development of the 46 multi-family rental units affordable to persons and families at 50-60% of AMI as required by the IIG Agreement as amended. This agreement will also require recordation of a covenant agreement which will restrict 100% of the residential units developed on the Property to persons and families of low or moderate income, with at least 75% of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable rent, as defined in Health and Safety Code Section 50053, for a minimum of 55 years with the maximum affordable rent level no higher than 20% below the median market rents for the neighborhood in which the Property is located. The Property meets all of the criteria for “exempt surplus land” under Government Code Section 54221(f)(1)(F).

To obtain the exemption under the SLA, the Housing Authority must declare the Property where the IIG Agreement affordable units are to be constructed to be “exempt surplus land” and submit the declaration of exemption to HCD for approval. Resolution No. HA 2024-002 provides the required declaration of the Property as “exempt surplus land” under the SLA as amended. Transfer of the Property pursuant to the agreement and the recorded covenant would meet the SLA goal of development of affordable housing and the criteria for “exempt surplus land” under Government Code Section 54221(f)(1)(F).

FISCAL IMPACT

\$0; There is no fiscal impact associated with this action.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

D. Transform housing inventory to meet the changing lifestyle and market demands.

Prepared by:

Sophia Reyes, Director Neighborhood Services

Certified as to availability of Funds:

Janelle Samson, Director of Operations

Approved by:

Ronda Perez, Executive Director

Approved as to form:

William P. Curley, III, Authority Attorney

Report to Chair and Commissioners of the Housing Authority
Re: Resolution No. HA 2024-002
March 20, 2024
Page 5

ATTACHMENTS

Atch 1 Reso. No. HA 2024-002
Atch 2 Parcel Map

HOUSING AUTHORITY
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. HA 2024-002

A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF
PALMDALE DECLARING APNS 3006-008-921 AND 306-008-922
EXEMPT SURPLUS LAND UNDER THE SURPLUS LAND ACT AS
AMENDED

WHEREAS, on May 9, 2005, the former Community Redevelopment Agency of the City of Palmdale (Redevelopment Agency) approved the acquisition of 10.39 acres of vacant land on the north side of East Avenue Q between Sumac Avenue and 5th Street East for the development of affordable housing. The affordable housing would consist of multi-family rental housing to be owned and operated by a non-profit organization on a portion of the approximately 10 acre site, and single-family owner-occupied townhomes on the remaining portion of the approximately 10 acre site (this remaining portion is comprised of APNs 3006-008-921 and 306-008-922 and is referred to herein as the "Property"); and

WHEREAS, in December 2005, the Redevelopment Agency released a Request for Proposal (RFP) to solicit proposals in order to identify and select a developer for the affordable housing project; and

WHEREAS, Better Housing Solutions, part of Community Development Associates, Inc. (CDA), was selected to develop the affordable housing project; and

WHEREAS, on February 15, 2007, the Redevelopment Agency and Better Housing Solutions, Inc. entered into a pre-development agreement to apply for an award of Proposition 1C Infill Infrastructure funds (IIG Grant) for a portion of the infrastructure costs for the planned project; and

WHEREAS, in June 2010, two agreements were entered into, one agreement with Palmdale TOD Apartments, LP for developing the multi-family rental housing and one agreement with Palmdale Transit Village Townhomes LLC for developing the single-family owner-occupied townhomes on the Property; and

WHEREAS, the State of California Department of Housing and Community Development (HCD) approved an allocation of \$9,950,400 of IIG Grant funding. The Redevelopment Agency and CDA entered into IIG Grant Agreement 07-IIG-4212 with HCD on October 24, 2011 (IIG Agreement), requiring 202 affordable housing units, consisting of 153 multi-family rental units and 2 manager units (a total of 155 units for the multi-family portion of the Project), and 46 for-sale townhomes to be built and placed into operation on the Property; and

WHEREAS, with the dissolution of redevelopment agencies by the State of California in January 2012, the Housing Authority of the City of Palmdale (Housing Authority) was designated as the Housing Successor Agency. In June 2012, the Successor Agency to the Community Redevelopment Agency approved the transfer of the Redevelopment Agency's housing functions, assets, and obligations to the Housing Authority as the Housing Successor Agency, including the Property, and the Los Angeles County Oversight Board ratified this action in December 2012. On October 12, 2012, the IIG Agreement was amended, replacing the Redevelopment Agency with the Housing Authority; and

WHEREAS, the infrastructure required to be completed under the IIG Agreement has been constructed and completed, the IIG Grant has been expended, and the 155 multi-family rental units (known as the Wright Brothers Court Apartments) required under the IIG Agreement have been placed into service; and

WHEREAS, the development of the 46 for-sale townhomes required to be developed on the Property under the IIG Agreement have not been developed despite the diligent good faith efforts of the former Redevelopment Agency and Housing Authority; and

WHEREAS, in December 2023, the Housing Authority requested a feasibility study to determine the feasibility of developing the 46 for-sale townhomes. Based on the feasibility study, in January 2024, the Housing Authority submitted a request to HCD to amend the IIG Agreement to allow affordable multi-family rental housing to be developed in place of the for-sale townhomes. On February, 28, 2024, HCD approved the request and indicated that HCD would prepare an amendment to the IIG Agreement permitting development on the Property of 46 multi-family rental units affordable to households at 50%-60% of Area Median Income (AMI) in place of development of for-sale townhome units; and

WHEREAS, an RFP will be released soon by the Housing Authority to identify a developer for the affordable housing required by the IIG Agreement as amended; and

WHEREAS, the Surplus Land Act (Government Code Section 54220 *et seq.*) (SLA) provides a process by which local agencies (which includes the Housing Authority) offer "surplus land" to affordable housing developers and others as set forth in the SLA. The SLA further provides that the Housing Authority may declare the Property to be "exempt surplus land" under the SLA if the Property meets one of the exemptions set forth in the SLA for "exempt surplus land" currently set forth in Government Code Section 54221(f); and

WHEREAS, the Property qualifies as “exempt surplus land” under Government Code Section 54221(f)(1)(F) which reads, in part:

Surplus land that is to be developed for a housing development, which may have ancillary commercial ground floor uses, that restricts 100 percent of the residential units to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable sales price or an affordable rent, as defined in Section 50052.5 or 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing, land use for ownership housing, and 50 years for rental or ownership housing located on tribal trust lands, and in no event shall the maximum affordable sales price or rent level be higher than 20 percent below the median market rents or sales prices for the neighborhood in which the site is located; and

WHEREAS, the Property will be developed as an affordable housing rental development restricted 100% to persons and families of low or moderate income. Following the RFP process, after selecting a developer, the Housing Authority will enter into an agreement with the developer to transfer the Property and will require the development of the 46 multi-family rental units affordable to persons and families at 50-60% of AMI as required by the IIG Agreement as amended. This agreement will also require recordation of a covenant agreement which will restrict 100% of the residential units developed on the Property to persons and families of low or moderate income, with at least 75% of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable rent, as defined in Health and Safety Code Section 50053, for a minimum of 55 years with the maximum affordable rent level no higher than 20% below the median market rents for the neighborhood in which the Property is located. The Property meets all of the criteria for “exempt surplus land” under Government Code Section 54221(f)(1)(F); and

WHEREAS, having affordable housing developed on the Property would meet the purpose of the SLA; and

WHEREAS, under the SLA, the Housing Authority desires to declare the Property to be “exempt surplus land” and to submit the declaration to HCD for ratification of the requested exemption.

NOW THEREFORE, BE IT RESOLVED, THE HOUSING AUTHORITY OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The Housing Authority hereby finds and determines that all of the foregoing recitals are true and correct.

SECTION 2. The Housing Authority hereby finds, determines, and declares based on substantial evidence in the record, including, but not limited to, the Staff Report which accompanies this Resolution, that APN's 3006-008-921 and 3006-008-922 are "exempt surplus land" under the Surplus Land Act as amended.

SECTION 3. Authorize the Executive Director or her designee to take all actions convenient and necessary to submit this declaration to the State of California Department of Housing and Community Development to approve the exemption under the SLA as amended.

SECTION 4. The Authority Secretary shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 20th day of March, 2024.

Approved as to form:

Austin Bishop, Chair

ATTEST:

William P. Curley, III
Authority Attorney

Rochelle Scott,
Acting Authority Secretary

I, Rochelle Scott, Acting Authority Secretary of the Housing Authority of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the Housing Authority of the City of Palmdale at a special meeting of said Authority held on the 20th day of March, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, Acting Authority Secretary



Housing Authority Staff Report

DATE: MARCH 20, 2024

TO: HONORABLE CHAIR AND COMMISSIONERS

FROM: NEIGHBORHOOD SERVICES
HOUSING DIVISION

DISTRICT: 2, 3

SUBJECT: APPROVE REVISION TO THE HOUSING AUTHORITY OF THE CITY OF PALMDALE'S SELF-IMPOSED MAXIMUM SPACE RENT FOR INCOME-QUALIFYING SPACES FOR THE BOULDERS MOBILE HOME PARKS, ESTABLISH SPACE RENT SUBSIDY PROGRAM FOR BOULDERS MOBILE HOME PARKS AND AUTHORIZE THE AUTHORITY EXECUTIVE DIRECTOR OR HER DESIGNEE TO REVIEW AND APPROVE NON-SUBSTANTIAL REVISIONS FOR ANNUAL SPACE RENT INCREASES AND THE BOULDERS MOBILE HOME SPACE RENT SUBSIDY PROGRAM

RECOMMENDATION

Staff recommends that the Housing Authority:

1. Approve the revision to the Housing Authority's self-imposed maximum rent for income-qualifying spaces for the Boulders Mobile Home Parks; and
2. Establish a Space Rent Subsidy Program for the Boulders Mobile Home Parks; and
3. Authorize the Executive Director or her designee to review and approve non-substantial revisions for Boulders Mobile Home Parks space rent increases and the Boulders Mobile Home Parks Space Rent Subsidy Program.

BACKGROUND

In 1997, when the Boulders Mobile Home Parks (Parks) were acquired to transfer to a nonprofit, Staff were encouraged to address the high space rents for the residents, which were over \$500 per month. In 2003, the Housing Authority of the City of Palmdale (Housing Authority) acquired the Parks and approved a maximum monthly space rent of \$360. On May 7, 2008, the Housing Authority approved a maximum space rent of \$400 per month for income-qualifying spaces. Annual space rent increases were at 2%, bringing many eligible residents to the maximum space rent by 2013, a five-year period. The 1997 Bond Regulatory Agreement and Declaration of Restrictive Covenants

(Regulatory Agreement) does not restrict rents for non-qualifying and non-compliant spaces and allows establishing space rent at an unrestricted “market” level. The current space rent for non-qualifying units is \$500 per month. Storage agreements for residents storing items including but not limited to recreational vehicles, old cars, and boats are not restricted under the Regulatory Agreement.

DISCUSSION

The cost of operating the three Parks has increased annually in the 15 years since the 2008 approved increase of the maximum space rent. From 2022 to 2023, operating costs increased 21%, and the current year costs have increased 17%. In addition, maintenance of the facilities, including streets, retaining walls, and trees, is required. A majority of the 786 units have reached the maximum space rent of \$400 and have not received a rent increase since 2012. The current leases provide for an increase “based on one-half (1/2) of the annual increase in the Consumer Price Index (CPI) for the Los Angeles, Anaheim, Riverside area, utilizing “All Urban Consumers” index as of the latest available CPI for the month during which the notice of increase is given, or two percent of the previous year’s base rent, whichever is greater”.

The August 2023 JLT Market Report for Los Angeles County surveyed 94 mobile home park communities and reported an average adjusted monthly rent of \$1,103, the average rent under rent control ordinances for all age properties is \$887. A market survey conducted in June 2023 for the Antelope Valley has monthly space rents ranging from \$450 to \$920. The February 26, 2024 Mobile Home Park Rental Review Board Staff Report provides the space rents for new leases for the mobile home parks in Palmdale under the space rent control ordinance range from \$379 to \$1,200, with the median rent of \$700 and average rent of \$804. The annual increase experienced by Palmdale mobile home parks under the rent control ordinance has ranged from 1.09% to 4.93%. The space rent, if the Parks residents had not reached the maximum, would have averaged a two percent yearly increase.

To continue to meet the Parks obligations and maintain the current level of service and amenities, Staff recommends removing the maximum space rent and having the space rent increase in accordance with the lease terms. For current leases, the increase to the monthly space rent will range from \$8 to \$9 for the first 10 years. In addition, increase the space rent for new residents to \$650 for qualifying spaces and \$800 for spaces whose residents choose to not provide the required annual certification. Leases for new residents will provide for an annual space rent increase of three percent per year or one-half of CPI, whichever is greater. No changes are proposed for Storage Agreements. Staff will annually monitor market rate rents and the financial progress of the parks to determine if this policy requires adjustment.

Residents have expressed concern regarding increasing rents with the increase in basic living expenses, especially for retired residents on a fixed income. The Housing Authority proposes a space rent assistance program for households experiencing challenges with increased space rent. The subsidy would be limited to the increase in space rent and

funded through the Parks operations budget. Residents must apply annually. The number of residents assisted is based on available funds. The criteria for the program are the most vulnerable residents who qualify as low-income based on the State of California Department of Housing and Community Development income limits, not qualified or receiving other assistance, and with housing costs equaling over 50% of their monthly income.

FISCAL IMPACT

\$72,768 revenue and \$10,000 expense; Increased revenue and expenditures will take effect in Fiscal Year 2024-25, and will be proposed in the annual operating budget.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

- C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Sophia Reyes, Director of Neighborhood Services
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, Executive Director
Approved as to form:	William P. Curley, III, Authority Attorney

**MINUTES
CITY COUNCIL/HOUSING AUTHORITY
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
JANUARY 24, 2024**

www.cityofpalmdale.org

1) CALL MEETING TO ORDER

Mayor Bishop called the meeting to order at 5:00 pm.

Note: All City Council memberships are reflected in their City Council titles.

**2) ROLL CALL MAYOR BISHOP, MAYOR PRO TEM LOA, COUNCILMEMBERS
OHLSEN, BETTENCOURT, ALARCÓN COMMISSIONERS FRAGA-SAENZ, BETTS**

PRESENT: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea
Alarcón, Christina Fraga-Saenz, Dianne Betts.

ABSENT: None.

3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

4) PUBLIC COMMENTS

CONSENT CALENDAR(S), APPOINTMENT(S), NEW BUSINESS, AND CLOSED
SESSION:

None.

5) HOUSING AUTHORITY CONSENT CALENDAR

5.1) Approve the termination of Affordable Housing Agreement with Ninth Patriot, LLC and Housing Authority Development loan of \$900,000 for development located at 9th Street East and East Avenues Q11 and Q12 (APN 3009-018- 009 through 016).

5.2) Award Information for Bid (IFB) No. 23-001-3610 for Professional Arboricultural Services and approve Agreement with The New Tip Top Arborists, Inc., in an amount not to exceed \$500,000 over a 54-month term.

5.3) Approve the minutes from the previous meetings.

December 6, 2023

Motion: Approve all items listed under the Housing Authority Calendar.

Moved by Richard J. Loa, seconded by Christina Fraga-Saenz.

Vote: Motion carried (7-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón, Christina Fraga-Saenz, Dianne Betts.

Mayor Bishop adjourned the Housing Authority meeting at 5:07 pm.

6) CONSENT CALENDAR

6.1) Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).

6.2) Adopt Resolution No. CC 2024-009, a Resolution of the City Council of the City of Palmdale stating the City's Investment Policy and repealing Resolution No. CC 2023-006, and Adopt Resolution No. CC 2024-010, a Resolution of the City Council of the City of Palmdale stating the Investment Policy for the City contributions to the Retiree Health Reimbursement Arrangement (HRA) Plan and the Retiree Health Premium Supplement (HPS) Plan and repealing Resolution No. CC 2023-007.

6.3) Approve Memorandum of Understanding by and between the City of Palmdale, County of Los Angeles and Los Angeles County Metropolitan Transportation Authority for the cooperation, collaboration, and negotiation of joint responsibilities to establish the Center for Transportation Technology Excellence.

Councilmember Alarcón pulled this item for discussion.

Director of Economic and Community Development Garibay provided a report on this item.

Councilmember Alarcón provided the background on the project and recognized the efforts of Supervisor Barger.

Mayor Bishop stated it is extremely beneficial to the entire region.

Councilmember Ohlsen spoke regarding the Center for Transportation Technology Excellence.

Mayor Pro Tem Loa stated it was a united effort and many levels of government worked together.

Motion: Approve Memorandum of Understanding A-8676 with City of Palmdale, County of Los Angeles, and Los Angeles County Metropolitan Transportation Authority to establish the Center for Transportation Technology Excellence.
Moved by Andrea Alarcón, seconded by Richard J. Loa.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

- 6.4) Accept a Department of Resources Recycling and Recovery (CALRECYCLE) grant for the replacement of 11 or more drinking fountains with dual bottle- filling drinking stations located at various City parks in the amount of \$92,183.
- 6.5) Approve Agreement with Samsara, Inc., utilizing Sourcewell Cooperative Contract, for web-based fleet telematics software and equipment in an amount not to exceed \$300,000 over a 5 year contract.
- 6.6) Award Construction Agreement with R.C. Becker and Son, Inc. for PN 741, Avenue S-8 and 40th Street East Roundabout Project, for \$3,545,778 for a term of 150 working days from the Date of the Notice to Proceed.
- 6.7) Approve Second Amendment to Agreement with MNS Engineers, Inc. for PN 761, Civic Center Complete Streets Project, for \$168,435, bringing the total cost to \$267,905, for continued public works construction inspection services.
- 6.8) Approve First Amendment to Agreement with MNS Engineers, Inc., for Public Works Construction Inspection Services for PN 780, Avenue Q-12 Sidewalk Gap Closure Project, for an increase of \$42,480, total agreement amount not to exceed \$107,480, for a term of ninety (90) calendar days from receipt of Authorization to Proceed.
- 6.9) Approve the minutes from the previous meetings.

CC/SA - January 10, 2024

Motion: Approve all items listed under the Consent Calendar except 6.3.

Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

7) PUBLIC HEARING

- 7.1) Introduction and adoption of Ordinance No. 1612, an Ordinance of the City Council of the City of Palmdale approving various amendments to Title 3 and Title 5 of the Palmdale Municipal Code.

Acting City Clerk Scott read the title of Ordinance No. 1612.

Motion: Introduce Ordinance No. 1612.

Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

Planning Manager Magana gave a PowerPoint presentation on this item.

Mayor Bishop opened the public hearing to receive testimony.
Xavier Flores asked how the item related to alcohol and tobacco outlets.

Councilmember Bettencourt noted a letter of support was received from a local business on this item.

Mayor Bishop closed the public hearing.

In response to Mr. Flores' question, Planning Manager Magana stated there was no change to alcohol and tobacco outlets with the ordinance that was presented.

There was Council and staff discussion regarding the comprehensive update of the municipal code and the reduction of paperwork submitted by businesses.

Motion: Adopt Ordinance No. 1612, an Ordinance of the City Council of the City of Palmdale approving various amendments to Title 3 and Title 5 of the Palmdale Municipal Code.

Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

- 72) Introduction and adoption of Ordinance No. 1634, an Ordinance of the City Council of the City of Palmdale approving various amendments to Titles 1, 8, and 9 of the Palmdale Municipal Code (PMC) to enhance public safety.

Acting City Clerk Scott read the title of Ordinance No. 1634.

Community Compliance Manager Vallarta provided a brief presentation on Ordinance No. 1634.

Motion: Introduce Ordinance No. 1634.

Moved by Laura Bettencourt, seconded by Richard J. Loa.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

Mayor Bishop opened the Public Hearing to receive testimony.

Public Testimony: None.

Mayor Bishop closed the Public Hearing.

Councilmember Ohlsen discussed the benefit of allowing Peace Officers to enforce the City's Municipal Code and the ability to prosecute where the District Attorney will not prosecute. He thanked staff for their hard work.

Councilmember Alarcón, Councilmember Bettencourt, and Mayor Pro Tem Loa thanked the Sheriff's Department for their kindness, professionalism, and responsiveness to the needs of the community.

Motion: Adopt Ordinance No. 1634, an Ordinance of the City Council of the City of Palmdale approving various amendments to Titles 1, 8, and 9 of the Palmdale Municipal Code (PMC) to enhance public safety.
Moved by Andrea Alarcón, seconded by Richard J. Loa.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

- 7.3) Introduction and adoption of Urgency Ordinance No. U-1635, an Urgency Ordinance of the City Council of the City of Palmdale, adopting by reference Appendix P of the 2022 California Building Code, and Appendix AZ of the 2022 California Residential Code.

Acting City Clerk Scott read the title of Ordinance No. U-1635.

Motion: Introduce Urgency Ordinance No. U-1635.

Moved by Laura Bettencourt, seconded by Richard J. Loa.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

Building Official George presented the staff report.

Mayor Bishop opened the Public Hearing to receive testimony.

Public Testimony: None.

Mayor Bishop closed the Public Hearing.

Building Official George discussed the benefits of adopting the appendices and the use of buildings for emergency shelters.

There were Council comments regarding the housing crisis and how adopting this item would be beneficial to the unhoused in the community.

Motion: Adopt Urgency Ordinance No. U-1635, an Urgency Ordinance of the City Council of the City of Palmdale, adopting by reference Appendix P of the 2022 California Building Code, and Appendix AZ of the 2022 California Residential Code.

Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

- 8) REPORTS AND ACTION ITEMS FROM MAYOR AND / OR COUNCILMEMBERS
8.1) Council Action Items.

Councilmember Bettencourt discussed her Committee Assignments.

Mayor Bishop discussed the Trader Joe's project and the jobs that it will bring to the community.

Councilmember Ohlsen commended City Manager Perez for removing the hurdle to get the Trader Joe's project moving forward.

Councilmember Alarcón questioned the noticing for Item 8.1. City Attorney Curley provided clarification for noticing requirements.

There were no Council action items submitted.

9) CITY MANAGER'S REPORT

City Manager Perez reported on the following: Trader Joe's Industrial Development; Martin Luther King Jr. Day of Service and assembly of organic waste containers; Justice Sunday; Los Angeles County Department of Public Health free car seat event at Drytown Waterpark February 3; Million Little Day of Creativity at Palmdale Oasis Recreational Center; Letters to Harriet Tubman at the Palmdale Playhouse on February 3; Desert Sands playground ribbon cutting on February 6; SOS Children's Village ribbon cutting on February 7; Public Works Environmental Team secured a grant for charging infrastructure for almost \$1.8M; and the LAHSA homeless count February 25.

City Manager Perez welcomed and introduced Assistant City Manager Mendez and shared his background.

10) NON-AGENDA PUBLIC COMMENTS:

Eugene Hernandez recognized Mayor Pro Tem Loa's progressive history of fighting for social justice.

Marcos Alvarez commented regarding the unhoused, rent increases, and the creation of programs to reduce homelessness.

Mayor Bishop concluded the public comments.

11) PRESENTATION BY CITY ATTORNEY

City Attorney Curley confirmed the Closed Session item would be heard as listed.

11.1) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Shanae Smith, Patricia Nevarez and Michael "Mike" Behen vs. City of Palmdale, et al.

Los Angeles County Superior Court

Case No. 22STCV18219

This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d)(1).

12) ANNOUNCEMENT BY CITY ATTORNEY

Councilmember Alarcón did not participate in the Closed Session.

Closed Session was held 5:43 pm – 6:55 pm.

City Attorney Curley announced the Council was updated and there were no reportable actions.

13) ADJOURN

Mayor Bishop adjourned the meeting at 6:56 pm to February 7, 2024, at 5:00 pm in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 20th day of March 2024.

Austin Bishop, Mayor

ATTEST:

Rochelle Scott, Acting City Clerk

**MINUTES
CITY COUNCIL/SA/HA/IDA/PAA/PCA/PFA
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
FEBRUARY 21, 2024**

www.cityofpalmdale.org

1) CALL MEETING TO ORDER

Mayor Bishop called the meeting to order at 5:00 pm.

Note: All City Council memberships are reflected in their City Council titles.

**2) ROLL CALL MAYOR BISHOP, MAYOR PRO TEM LOA, COUNCILMEMBERS
OHLSEN, BETTENCOURT, ALARCÓN COMMISSIONERS FRAGA-SAENZ, BETTS**

PRESENT: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón, Christina Fraga-Saenz, Dianne Betts.

ABSENT: None.

3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

Mayor Pro Tem Loa led the pledge of allegiance.

4) PRESENTATIONS

4.1) Declaring Black History Month.

Mayor Bishop spoke regarding Black History Month.

4.2) Declaring National Cancer Prevention Month.

Mayor Bishop spoke regarding National Cancer Prevention Month.

Councilmember Bettencourt spoke regarding her personal experience with cancer.

**4.3) Presentation update from Economic and Community Development - Planning
and Building and Safety Divisions.**

Planning Manager Magana and Building Official George provided updates on their divisions.

Mayor Bishop commended staff on their fantastic job at making sure the City is headed in the right direction.

Councilmember Alarcón thanked staff for their presentations and asked if the

rental inspection program included Home Sharing Programs. Building Official George responded.

4.4) Presentation of Measure AV Ad Hoc Committee Annual Report.

Measure AV Committee Members Smart and Angebrandt presented the MAV Annual Report.

Council thanked the Committee for their hard work.

Councilmember Alarcón requested line-item details for future presentations.

5) PUBLIC COMMENTS
CONSENT CALENDAR(S), APPOINTMENT(S), NEW BUSINESS, AND CLOSED SESSION:

Public Comments: None.

A motion was made and carried unanimously to waive the full reading of Resolutions(s) and Ordinances on this agenda.

There was Council and City Attorney discussion regarding the joint items.

Councilmember Alarcón asked to pull Items 6.1 and 6.2.

6) JOINT CONSENT CALENDAR CC/SA/HA/IDA/PAA/PCA/PFA

6.1) Receive and File the Annual Comprehensive Financial Reports for the year ended June 30, 2023, for the City of Palmdale, the Housing Authority of the City of Palmdale, the Palmdale Civic Authority, the Palmdale Financing Authority, and the Palmdale Community Foundation.

Motion: Receive and File the Annual Comprehensive Financial Reports for the year ended June 30, 2023, for the City of Palmdale, the Housing Authority of the City of Palmdale, the Palmdale Civic Authority, the Palmdale Financing Authority, and the Palmdale Community Foundation.

Moved by Richard J. Loa, seconded by Eric Ohlsen.

Vote: Motion carried (6-1)

City Council:

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt.

No: Andrea Alarcón.

Housing Authority:

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Christina Fraga-Saenz, Dianne Betts.

No: Andrea Alarcón.

62) Review and approve FY 2023-24 Mid-Year Budget Adjustments.

Motion: Approve FY 2023-24 Mid-Year Budget Adjustments.

Moved by Richard J. Loa, seconded by Eric Ohlsen.

Vote: Motion carried (6-1)

City Council:

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt.

No: Andrea Alarcón.

Housing Authority:

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Christina Fraga-Saenz, Dianne Betts.

No: Andrea Alarcón.

There was Council discussion regarding the Multi-Agency Regional Resilience Center (MARRC).

Mayor Bishop adjourned the Housing Authority meeting at 5:47 pm.

Councilmember Alarcón commented on the placement of items on the agenda and requested that Items 7.3, 7.5, and 7.6 be pulled.

City Attorney Curley clarified how items should be placed on the agenda.

7) CONSENT CALENDAR

7.1) Adopt Resolution No. CC 2024-019, a Resolution of the City Council of the City of Palmdale of consideration to alter the Rate and Method of Special Tax for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities).

7.2) Notice of Completion - Accept public landscape improvements for Tract 60789 located on the west side of 40th Street East and Hollowglen Drive.

7.3) Award Construction Agreement with Square Signs, LLC., dba Front Signs, for PN 888, Street Sweeping Signage, for \$391,150 for a term of 100 working days from the date of the Notice to Proceed.

Director of Public Works Glidden provided the staff report on this project.

Councilmember Alarcón discussed the Citywide street sweeping program. City Manager Perez spoke regarding the comprehensive roll-out plan. Discussion continued regarding an outreach program, including Zone L in the schedule and signage.

Motion: Award Construction Agreement with Square Signs, LLC., dba Front Signs, for PN 888, Street Sweeping Signage, for \$391,150.

Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

- 74) Approve the Master Power Purchase and Sale Agreement and Confirmation Letter between Energy for Palmdale's Independent Choice (EPIC) and Southern California Edison (SCE) for the purchase of resource adequacy capacity.
- 75) Adopt Resolution No. CC 2024-011, a Resolution of the City Council of the City of Palmdale authorizing the acceptance of the California Department of Justice Tobacco Grant Program funds of \$793,710 and approve the related agreement for the term of November 1, 2023, through June 30, 2026.

Community Compliance Coordinator Navarrette presented the staff report.

There was Council and staff discussion regarding the benefits of receiving the California Department of Justice Tobacco Grant.

Councilmember Alarcón requested a geocoded map or a map that plots where the 78 retailers are to see if there are concentrations of them in any particular area and to see the proximity of tobacco retailers and schools. Community Compliance Coordinator Navarrette stated the filters are available on the City's Geographic Information System (GIS). There was additional discussion regarding this item.

Motion: Adopt Resolution No. CC 2024-011, a Resolution of the City Council of the City of Palmdale authorizing the acceptance of the California Department of Justice Tobacco Grant Program funds of \$793,710 and approve the related agreement for the term of November 1, 2023, through June 30, 2026.
Moved by Andrea Alarcón, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

- 76) Approve the City's 2024 State and Federal Legislative Platform to promote Palmdale's priorities and legislative initiatives at the State and Federal levels.

Council Chief of Staff Zayas provided a detailed overview of this item.

Mayor Pro Tem Loa discussed Assembly Bill 2082 regarding the relinquishment of Palmdale Boulevard.

Councilmember Alarcón discussed her suggested changes to the legislative platform to see if the Council would consider implementing: 1) under the Transportation & Infrastructure section, include a line item for the Center for Transportation and Technology Excellence; 2) under the Economic Vitality & Innovation section include a line item for Aerospace & Defense Industries; 3) under the Palmdale Boulevard section strike the language "that seek funding for."

Discussion ensued regarding this item.

Mayor Pro Tem Loa spoke regarding the document being general and flexible and the ability to go back to legislators to discuss.

Councilmember Ohlsen supported Councilmember Alarcón's changes related to Palmdale Boulevard.

Councilmember Alarcón continued with her recommendations: 4) under Social Unity/Illegal Drug Prevention and Treatment change the language from illegal drug prevention to substance abuse; 5) under Social Unity/Homelessness and Mental Health section, remove the second bullet related to conservatorship and guardianship.

Mayor Pro Tem Loa made a motion to approve the item with the change regarding Palmdale Boulevard which removes language "that seek funding." The motion died for lack of a second.

Councilmember Ohlsen requested that the conversation continue.

Councilmember Alarcón made a motion to incorporate the five recommendations that she noted and outlined. The motion died for lack of a second.

Councilmember Bettencourt made a motion to accept specific changes of not having the financial part of Palmdale Boulevard and removing the guardianship, Mayor Pro Tem Loa seconded the motion. There was no vote. There was further discussion regarding the legislative platform.

Motion: Approve the City's 2024 State and Federal Legislative Platform to promote Palmdale's priorities and legislative initiatives at the State and Federal levels with the following changes: 1) under the Palmdale Boulevard section, strike the language "that seek funding for"; 2) remove the second bullet under "Homelessness and Mental Health"; and 3) under Social Unity/Illegal Drug Prevention and Treatment change the language from illegal drug prevention to substance abuse prevention.

Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

Mayor Pro Tem Loa spoke regarding Consent Calendar items.

Mayor Bishop thanked the staff for their hard work.

7.7) Approve the minutes from the previous meetings.

CC/SA - February 7, 2024

Motion: Approve all items listed under the Consent Calendar except Items 7.3, 7.5, and 7.6

Moved by Richard J. Loa, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

8) COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

8.1) Council reports, announcements, and requests for future agenda items.

Councilmember Bettencourt thanked emergency staff for helping with the storm.

Mayor Pro Tem Loa discussed why certain items are placed on the Consent Calendar.

Mayor Bishop thanked staff for all of their hard work.

Councilmember Alarcón requested to add to a future agenda a proposed action item to implement Spanish translation at all future Council meetings. Mayor Bishop asked staff to bring a report forward.

Mayor Bishop asked for clarification on the procedure for adding agenda items, and City Attorney Curley responded.

Discussion ensued regarding translation services and the current policy.

Councilmember Ohlsen requested a report back on translation services. There was Council consensus.

Mayor Pro Tem Loa requested that the report include an analysis of what other cities are doing with large populations containing English as a second language.

Councilmember Alarcón requested that the Council add a future agenda item on whether or not they will demand the City Attorney disclose his financial records for review.

City Attorney Curley provided clarification on attorney billing records.

Councilmember Ohlsen requested that all Council and staff comments be made to the Chair.

Mayor Bishop discussed the cost of legal work and the City Attorney's upcoming performance review.

9) CITY MANAGER'S REPORT

City Manager Perez reported on the following: Concerts at the Palmdale Playhouse; Yellen Dog Park event; Desert clean-up events; Books and Barks; Desert Sands playground ribbon cutting on February 28; Public Safety Disaster Preparedness Expo at Legacy Commons on February 28; and celebration of three additional murals.

Mr. and Mrs. Mayor of Whoville spoke regarding the Seussical production that starts at the Palmdale Playhouse on March 8.

10) NON-AGENDA PUBLIC COMMENTS:

Public Comment: Eugene Hernandez commented regarding Cancer Awareness Month and preserving prime desert woodland.

Mayor Bishop asked City Manager Perez to provide a brief update on the Joshua Tree preserve on Avenue M. City Manager Perez provided an update on the Joshua Tree preserve and spoke regarding the Parks Master Plan.

Councilmember Bettencourt spoke regarding a museum.

Public Comments: Douglas Schmidt discussed safe access lanes for bicycles; Sergio asked about roadwork on Avenue T and requested a road inventory report; Annabelle Farmer discussed a dangerous situation on Avenue R5 and between 3rd Street and 5th Street East because of no sidewalks; Daniel spoke in support of the Palmdale Aerospace Teachers Association; Roger Soderstedt asked that any presentation or webpage show the budget and where does it come from; Marcos Alvarez commented on being a taxpayer and speaking on things of importance that impact the community; Chuck Murphy complimented the Sheriff's Department; Marsha Furman spoke about speaker forms, standard time limits on speaking, and being a cancer survivor; and Xavier Flores spoke in support of Councilmember Alarcón.

Mayor Bishop closed the Public Comments.

11) PRESENTATION BY CITY ATTORNEY

City Attorney Curley confirmed the items listed.

11.1) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

William Robert Herrera, et al vs. City of Palmdale, et al.

Central District of California Federal District Court Case No. 2:16-cv-09453-MWF-MAR

This closed session is being held pursuant to the authority of California Government Code Section 54956.9.

11.2) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Priscilla Huerta, et al vs. City of Palmdale, et al.

Central District of California Federal District Court Case No. 2:18-10354-MWF-FFM

This closed session is being held pursuant to the authority of California Government Code Section 54956.9.

12) ANNOUNCEMENT BY CITY ATTORNEY

Closed Session was held from 7:16 pm - 7:36 pm.

City Attorney Curley announced the Council was updated, and there were no reportable actions.

13) ADJOURN

Mayor Bishop adjourned the meeting at 7:39 pm to March 6, 2024, at 5:00 pm in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 20th day of March 2024

Austin Bishop, Mayor

ATTEST:

Rochelle Scott, Acting City Clerk



City Council Staff Report

DATE: MARCH 20, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT
ECONOMIC DEVELOPMENT DIVISION

DISTRICT: ALL

SUBJECT: ADOPT RESOLUTION NO. CC 2024-029; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE 2024 PALMDALE AUTO MALL MARKETING PROGRAM

RECOMMENDATION

Staff recommends that the City Council:

1. Adopt Resolution No. CC 2024-029, a Resolution of the City Council of the City of Palmdale approving the 2024 Palmdale Auto Mall Marketing Program; and,
2. Authorize the City Manager, or her designee, to take actions necessary to implement the program.

BACKGROUND

The economic impact of the Palmdale Auto Mall (Auto Mall) resonates deeply within the community, contributing to the City's financial well-being. Revenue generated from the Auto Mall supports essential community projects, including new parks, maintaining roads, and enhancing safety measures. This mutual relationship underscores the Auto Mall's significance as a driving force behind the economic vitality of the City.

The City of Palmdale has fostered a robust partnership with the Auto Mall, collaborating on various initiatives to enhance the appeal of the area and bolster community engagement. Some noteworthy past efforts include the Operation Jumpstart Gift Card Program, the installation of the City's first public art piece, Revolution, Holidays on Parade and various food truck events, which successfully increased business and foot traffic to the Auto Mall.

DISCUSSION

The Palmdale Auto Mall Marketing Program (Program) aims to stimulate activity for businesses and assist the slowdown in vehicle sales over the past few quarters. This initiative, with a total cost of \$1,000,000, is set to run through the end of the calendar year and builds upon the City's longstanding partnership with the Auto Mall. It capitalizes on the collective resources and expertise of the City and the auto dealerships to stimulate consumer engagement and sales, revitalize the local economy, and support local businesses.

The Program will include a comprehensive joint marketing campaign that encompasses a range of promotional strategies designed to boost the visibility and success of the "Shop Palmdale/Shop Local" Campaign (Shop Local Campaign) and increase vehicle sales. These strategies will include digital marketing efforts to reach a broader audience online, billboard advertisements strategically placed to capture the attention of commuters, and other innovative approaches to ensure the message of the Program is seen and heard by a broad and diverse audience. Additionally, the Program seeks to augment the Auto Mall's existing marketing efforts and explore mediums not currently used by dealerships, aiming to maximize engagement with the community and visitors, encouraging support for local businesses and fostering a thriving local economy. A breakdown of these proposed promotional strategies is as follows:

PROMOTIONAL STRATEGIES	CITY COST	AUTO MALL COST
Marketing	\$170,000	\$200,000
Special Events	\$170,000	\$100,000
Promotions and Giveaways	\$160,000	\$200,000
TOTAL COST =	\$500,000	\$500,000

Central to the success of the Program is the active participation of the auto dealerships, who will play a pivotal role in amplifying the reach and impact of the Campaign. Each of the eight auto dealerships will allocate \$20,000 monthly from their marketing and promotion budgets for a three-month period to help promote the Campaign, including using the Campaign's logo on marketing items and promoting the Campaign on the Palmdale Auto Mall and individual auto dealership websites. An additional \$20,000 will be used towards Promotions and Giveaways, bringing their contribution to \$500,000. If the Campaign is successful, a modest 10% increase in vehicle sales would result in an additional \$75,000 per quarter in sales tax revenue for the City, generating an additional \$225,000 in sales tax revenue for the City. This collaboration signifies the commitment of the Auto Mall to support the community, substantially enhancing the Program's potential to stimulate business activity within the Auto Mall and throughout the City.

FISCAL IMPACT

\$500,000; funds for the Program are allocated in Account #15761101-737133-1209 within the City Council adopted budget for FY 2023-24.

STRATEGIC PLAN

Goal IV: Maintain a desirable community where everyone wants to live, work, and play.

D. Develop and maintain diverse programs and events that inspire growth, pride, and lifelong learning.

Prepared by:	Roberto Ramirez, Economic Development Manager
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENT

Resolution No. CC 2024-029

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-029

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
APPROVING THE PALMDALE AUTO MALL MARKETING PROGRAM

WHEREAS, the Palmdale Auto Mall (Auto Mall) stands as a pivotal economic entity within the City of Palmdale, contributing revenue through sales tax, which in turn supports vital community services and projects; and

WHEREAS, the City of Palmdale and the Auto Mall have established a strong collaborative relationship, undertaking joint initiatives aimed at enhancing the attractiveness of the Auto Mall and fostering community engagement; and

WHEREAS, the Palmdale Auto Mall Marketing Program (Program) is designed to stimulate business within the Auto Mall, leveraging the partnership between the City and the auto dealerships to increase consumer engagement and sales through innovative marketing strategies; and

WHEREAS, the Program will include digital marketing efforts, billboard advertisements, and other innovative approaches to ensure the message of the Program is seen and heard by a broad and diverse audience, encouraging support for local businesses and fostering a thriving local economy; and

WHEREAS, mutual involvement by the auto dealerships is crucial to the success of the Program, as they are committed to contributing financially to the Program, demonstrating their dedication to economic development and the prosperity of the Auto Mall.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The City Council hereby specifically finds that all of the facts set forth in the Recitals of this Resolution, are true and correct.

SECTION 2. The Program shall be implemented to enhance business activity within the Auto Mall, thereby enhancing the economic vitality of the City.

SECTION 3. Implementation of the Program shall be supported by the City, in collaboration with the auto dealerships, to ensure its objectives of increasing consumer engagement, sales, and overall community prosperity are achieved.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this 20th day of March 2024.

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley III, City Attorney

Rochelle Scott, Acting City Clerk

I, Rochelle Scott, Acting City Clerk of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 20th day of March 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, Acting City Clerk



City Council Staff Report

DATE: MARCH 20, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: NEIGHBORHOOD SERVICES

DISTRICT: ALL

SUBJECT: ADOPT RESOLUTION NO. CC 2024-025, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE TO ACCEPT THE LOS ANGELES COUNTY COUNCIL OF GOVERNMENTS REGIONAL HOMELESSNESS COORDINATION AND LOCAL SOLUTIONS FUND

RECOMMENDATION

Staff recommends that the City Council:

1. Adopt Resolution No. CC 2024-025, a Resolution of the City Council of the City of Palmdale to accept the Los Angeles County Council of Governments Regional Homelessness Coordination and Local Solutions Fund; and,
2. Authorize the City Manager or her designee to execute any documents related to the application, acceptance, and implementation of approved grant programs and projects of the Los Angeles County Council of Governments Regional Homelessness Coordination and Local Solutions Fund.

BACKGROUND

Homelessness is a regional crisis. As such, one of the top priorities of the Chief Executive Office's Homeless Initiative (CEO-HI) is to continue strengthening the collaboration between the County and diverse stakeholders, including the 88 cities in Los Angeles County. In January 2023, the LA County Board of Supervisors declared state of emergency to accelerate the County's efforts to help people move out of encampments and into housing and increase mental health and substance use disorder services. The Los Angeles County Board of Supervisors allocated Local Solutions Fund, based on the 2023 homeless count, establishing the New Framework to End Homelessness Initiative.

DISCUSSION

The Antelope Valley does not have a Council of Governments structure in place; therefore, the CEO-HI is working with the Antelope Valley cities to provide proportional funding directly to the cities. The City of Palmdale's fiscal year 2024-2025 allocation is \$567,905. Local Solutions Fund, funded by Measure H, are allocated on a yearly basis until 2027.

The Local Solutions Fund prioritizes activities that align with the New Framework strategies to End Homelessness. This framework has five categories, including Coordinate, Prevent, Connect, House, and Stabilize, focusing on housing those at risk of homelessness. The Local Solutions Fund is funding various city programs aimed at supporting those who are at risk of homelessness. These programs will include interim housing, workforce development for young adults between the ages of 18 and 25, case management, outreach, and wrap-around services. The goal of these programs is to help individuals stabilize their situations and prepare for transitioning to permanent housing.

The City has submitted the following programs for the 2024-2025 Local Solutions Fund. The City will fund daily placement of unhoused individuals they refer for a unit at Advancing Communities Together (ACT) Dream Village. The Dream Village will consist of tiny homes interim housing. Case Management will be provided by ACT to assist participants in securing services, and transitional and permanent housing. Valley Oasis' Taking Flight Program will provide individuals experiencing homelessness or previously homeless with housing navigation, placement, rental subsidy, case management, wrap-around services, collaboration with the Northrup Gruman AFAB program, and other training to earn a living wage. The program is designed to offer valuable support in facilitating placement for internships and employment opportunities. Advancing Communities Together will offer a Workforce Development Program for Transitional Aged Youth (TAY), providing work experience, job training, financial literacy, and education in construction, maintenance technician, and office assistance. Mental Health America Los Angeles (MHALA) will work with adults to assist in stabilizing and preparing individuals for housing. MHALA has an outreach team that will help in identifying and locating program participants. MHALA will leverage funding to offer support services for employment, mental health and wrap around services for participants.

FISCAL IMPACT

\$567,905; The Los Angeles County Council of Governments Regional Homelessness Coordination and Local Solutions Fund of \$567,905 will be accounted for in accounts 2422500-464036-3034 City Homeless Plan Grant.

STRATEGIC PLAN

Goal II: Ensure long-term fiscal health of the City and maintain funding for services.

- C. Pursue alternative financing opportunities for continued infrastructure improvements and quality community programs.

Prepared by:	Becky Bartlett, Management Analyst II
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Reso. No. CC 2024-025

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-025

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
TO ACCEPT THE LOS ANGELES COUNTY COUNCIL OF
GOVERNMENTS REGIONAL HOMELESSNESS COORDINATION AND
LOCAL SOLUTIONS FUNDS

WHEREAS, Homelessness is a regional crisis. As such, one of the top priorities of the Chief Executive Office's Homeless Initiative (CEO-HI) is to continue strengthening the collaboration between the County and diverse stakeholders, including the 88 cities in Los Angeles County; and

WHEREAS, In January 2023, the LA County Board of Supervisors declared another state of emergency to accelerate the County's efforts to help people move out of encampments and into housing, and increase mental health and substance use disorder services. The Los Angeles County Board of Supervisors allocated Local Solution Funds, based on the 2023 homeless count, establishing the New Framework to End Homelessness Initiative; and

WHEREAS, The Antelope Valley does not have a Council of Government structure in place, therefore, CEO-HI is working with the Antelope Valley cities to provide proportional funding directly to the cities. The City of Palmdale's fiscal year 2024-2025 allocation is \$567,905. Local Solutions Funds, funded by Measure H, are allocated on a yearly basis until 2027.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The City of Palmdale authorizes the acceptance of the Los Angeles County Local Solutions Funds of \$567,905 for fiscal year 2024-2025 and funding allocated in subsequent years.

SECTION 2. The City Manager, or her designee, is hereby authorized and empowered to execute in the name of the City of Palmdale all documents, including but not limited to agreements, amendments, requests for payment, and reports, necessary to secure Los Angeles County Council of Governments Regional Homelessness Coordination and Local Solutions Funds and implement the approved grant programs and projects.

SECTION 3. These authorizations are effective for four (4) years from the date of adoption of this resolution

SECTION 4. The City Clerk shall certify to the adoption of this resolution.

PASSED, APPROVED and ADOPTED this 20th day of March, 2024.

Approved as to form:	_____
	Austin Bishop, Mayor
	ATTEST:
_____	_____
William P. Curley, III	Rochelle Scott, Acting City Clerk
City Attorney	

I, Rochelle Scott, Acting City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 20th day of March, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____	_____
	Rochelle Scott, Acting City Clerk



City Council Staff Report

DATE: MARCH 20, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: NEIGHBORHOOD SERVICES
HOUSING DIVISION

DISTRICT: ALL

SUBJECT: APPROVE SINGLE-FAMILY RESIDENTIAL REHABILITATION
PROGRAM FOR MINOR HOME REPAIR AND HOME
ACCESSIBILITY

RECOMMENDATION

Staff recommends that the City Council:

1. Approve the Single-Family Residential Rehabilitation Program for Minor Home Repair and Home Accessibility; and,
2. Authorize the City Manager or her designee to execute any documents related to the implementation of the Single-Family Residential Rehabilitation Program, and to review and approve non-substantial revisions to the program.

BACKGROUND

The City Council approved the five-year plan (The Plan) for the State of California Department of Housing and Community Development's (HCD) Permanent Local Housing Allocation (PLHA) Program on July 14, 2020. The PLHA funding is generated from the Building Homes and Jobs Act, SB2, which established a \$75 recording fee on real estate documents to increase the supply of affordable housing in California. The Plan includes rehabilitation activities for minor home repairs and home accessibility for owner-occupied single-family residential housing.

DISCUSSION

The Single-Family Residential Rehabilitation Program (Program) consists of two activities, one provides Minor Home Repair and the second, Home Accessibility improvements. These programs apply to stick-built homes that are owner-occupied.

The Minor Home Repair Program will assist very-low-income households, whose incomes are 50% of the Area Median Income (AMI), by providing a grant of up to \$30,000 for minor

home repairs to ensure health and safety of households. The eligible households must include a member who is either 60 years or older or disabled. A portion of the households to be assisted must include a member who is a Veteran. Repairs may include electrical, plumbing, heating, roofing, and elimination of code violations in the home. This program applies to stick-built homes that are owner-occupied.

The Home Accessibility Program will assist extremely low-income households, whose income is 30% of AMI, and very-low-income households, whose incomes are 50% of the AMI, by providing a grant of up to \$30,000 for minor home accessibility improvements. The eligible households must include a member who is either 60 years or older or disabled. A portion of the households to be assisted must include a member who is a Veteran. Accessibility modifications may include ramps, door and cabinet knob replacement, kitchen and bath fixtures and faucets, shower head combo with slide bar, and other health and safety accessibility improvements determined to be eligible.

Homeowners may select the contractor to provide the repairs and improvements from a list of approved Contractors. To be approved Contractors must submit documentation of appropriate professional licenses, must be bonded, carry liability insurance in the amount required by the City, and have a City of Palmdale business license. Appropriate permits for work to be completed will be obtained by the Contractor.

The repair and provision of accessibility of housing owned and occupied by very low and extremely low households in accordance with the Program will improve and preserve the City's supply of affordable housing.

FISCAL IMPACT

\$658,390; Funds are budgeted in account 24164007-782965 Owner Rehab EG and account 24164007-782970 Owner Rehab Access.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

- C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Sophia Reyes, Director of Neighborhood Services
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

Report to Mayor and City Council
Re: Approve Single Family Residential Rehabilitation Program
March 20, 2024
Page 3

ATTACHMENTS

Atch 1 Home Repair Program Overview
Atch 2 Home Accessibility Program Overview

**CITY OF PALMDALE HOUSING
REHABILITATION GRANT
HOME REPAIR PROGRAM**

PROGRAM OUTLINE AND OPERATING PROCEDURES

PROGRAM DESCRIPTION:

This program is designed to assist very-low-income (50% of the Area Median Income) households by providing a grant up to \$30,000 for minor home repairs to ensure health and safety of the household. The eligible households must include a member who is 60 years or older or disabled. A portion of the households to be assisted must also include a member who is a Veteran. Repairs may include electrical, plumbing, heating, roofing, and elimination of code violations in their home. This program applies to stick-built homes and must be the principal residence of the homeowners. Participating households shall enter into a Maintenance Agreement with the City of Palmdale. The PLHA funding guidelines require the funding be a loan for a period of 10 years, will have annual compliance, and will convert to a grant if meet compliance of being owner occupied during this term. Only one grant per address will be allowed for the lifetime of this program.

TYPE OF ASSISTANCE:

Upon approval, grant funds up to \$30,000 may be used to repair and/or replace any item that is considered to be a health and safety emergency, i.e. leaking roof, broken plumbing. This work must be performed by a licensed contractor that has been approved by the City to participate within the guidelines of this program.

ELIGIBLE APPLICANTS:

Owner-occupants of single-family residences located within the City of Palmdale whose household incomes do not exceed 50% of the Los Angeles County median, as adjusted by family size. Applicants must provide evidence of homeownership and of their income by submitting copies of their mortgage statement, homeowner's insurance, one recent utility bill (gas or electric), valid photo ID for all property owners on title, copy of Social Security Card for all property owners on title, two years of federal income tax returns and W-2s and/or 1099's, three months of the most recent pay stubs, three months of bank and other statements, child support, alimony and benefit letters, and certify and attest under penalty of perjury (Certificate of Eligibility) that they meet the income requirements and are eligible for this program. Please refer to the information on the following page for specific income limits.

<u>Household Size</u>	<u>Maximum Income*</u> <u>50% AMI</u>
1	\$ 44,150
2	\$ 50,450
3	\$ 56,750
4	\$ 63,050
5	\$ 68,100
6	\$ 73,250
7	\$ 78,200
8	\$ 83,250

Note: *These 2023 Maximum income levels are adjusted annually, based upon the latest data published by the California Department of Housing and Community Development and the U. S. Department of Housing and Urban Development.

ELIGIBLE REPAIRS:

Repairs for emergency conditions that immediately affect the health and/or safety of the household or occupants of surrounding properties. These items are limited to the following items:

- 1. REPAIR OR REPLACEMENT OF BROKEN PLUMBING**
- 2. REPAIR OR REPLACEMENT OF LEAKING ROOF**
- 3. INOPERATIVE WATER HEATER**
- 4. INOPERATIVE HEATING AND/OR COOLING UNIT**
- 5. OTHER HEALTH & SAFETY REPAIRS DETERMINED ELIGIBLE BY THE REHABILITATION STAFF.**

PROCEDURES:

1. Application for participation in the Home Repair Program may be obtained electronically or in paper form. Upon receipt of an application, Housing staff shall evaluate the request. The requested repairs must be deemed eligible, and the applicant has provided staff with proof of ownership in the form of a title report, grant deed or recent property tax bill, gas or electric utility bill to proceed in the program. Additionally, program policies and procedures shall be fully explained to the applicant at this time, particularly those pertaining to the applicant's selection of a contractor. Staff will then provide the applicant with a list of pre-approved vendors/contractors.
2. All contractors participating in this program must meet City Approval. A list of pre-approved contractors may be obtained from the Housing Division. The applicant, however, may use any contractor of their choice as long as the contractor holds appropriate professional licenses, is bonded, carries liability insurance in the amount required by the City, has the City as an additional insured, and has a City of Palmdale

business license. Contractors must provide proof of these items and complete an application to participate before a notice to proceed will be executed. The City will pay the contractor directly by joint check made out to the homeowner and contractor for all approved work that has been completed as outlined in the scope of work specifications.

3. Upon issuance of the Notice to Proceed, the applicant and contractor shall complete the Home Repair Program Contract where applicable and sign it acknowledging program policies and procedures. With the required signatures obtained, the contractor may commence with the scope of work as outlined in the accepted estimate. The City shall not be committed to fund any repair work prior to the Agency's execution of the Notice to Proceed. The repair work shall not exceed the City's approved estimated scope of work and grant amount without written authorization of the Housing Division Staff. The contractor will be required to obtain City approval of a change order if the contractor feels they cannot do the work for the estimated price due to existing conditions not foreseen by the contractor, homeowner or Housing Division staff. The change order must give written detail as to the additional repairs required and must be signed by the contractor, homeowner and a member of the Housing Division Staff. Any work performed beyond the original scope of work without the written consent of the Housing Division Staff will become the sole responsibility of the contractor.
4. Once the work has been completed, the contractor shall request an inspection from the Housing Division Staff. Staff will verify the completion of the work and obtain the applicant's approval with a Certificate of Completion. Staff will require a copy of any and all permits obtained by the contractor to complete the approved repair work. It is the contractor's responsibility to provide this information. Once approved, the amount owed the approved contractor will be processed for payment.

**CITY OF PALMDALE HOUSING
REHABILITATION GRANT
HOME ACCESSIBILITY PROGRAM**

PROGRAM OUTLINE AND OPERATING PROCEDURES

PROGRAM DESCRIPTION:

This program is designed to assist extremely-low-income (30% of the Area Median Income) and very-low-income (50% of Area Median Income) households by providing a grant up to \$30,000 for minor home accessibility modifications to ensure health and safety of households. The eligible households must include a member who is 60 years or older or disabled. A portion of the households to be assisted must also include a member who is a Veteran. Accessibility modifications may include ramps, door and cabinet knob replacement, bathroom access bars or shower handheld combo with slide bar, accessible cabinets, and other health and safety improvements determined to be eligible. This program applies to stick-built homes and must be the principal residence of the homeowners. The PLHA funding guidelines require the funding be a loan for a period of 10 years, will have annual compliance, and will convert to a grant if meet compliance of being owner occupied during this term. Only one grant per address will be allowed for the lifetime of this program.

TYPE OF ASSISTANCE:

Upon approval, grant funds up to \$30,000 may be used to provide accessibility improvements. This work must be performed by a licensed contractor that has been approved by the City to participate within the guidelines of this program.

ELIGIBLE APPLICANTS:

Owner-occupants of single-family residences located within the City of Palmdale whose household incomes do not exceed 50% of the Los Angeles County median, as adjusted by family size. Applicants must provide evidence of homeownership and of their income by submitting copies of their mortgage statement, homeowner's insurance, one recent utility bill (gas or electric), valid photo ID for all property owners on title, copy of Social Security Card for all property owners on title, two years of federal income tax returns and W-2s and/or 1099's, three months of the most recent pay stubs, three months of bank and other statements, child support, alimony and benefit letters, and certify and attest under penalty of perjury (Certificate of Eligibility) that they meet the income requirements and are eligible for this program. Please refer to the information on the following page for specific income limits.

<u>Household Size</u>	<u>Maximum Income*</u>	
	<u>50% AMI</u>	<u>30% AMI</u>
1	\$ 44,150	\$26,500
2	\$ 50,450	\$30,300
3	\$ 56,750	\$34,100
4	\$ 63,050	\$37,850
5	\$ 68,100	\$40,900
6	\$ 73,150	\$43,950
7	\$ 78,200	\$46,950
8	\$ 83,250	\$50,560

Note: *These 2023 Maximum income levels are adjusted annually, based upon the latest data published by the California Department of Housing and Community Development and the U. S. Department of Housing and Urban Development.

ELIGIBLE ACCESSIBILITY:

Accessibility improvements in compliance with the most current building code. These improvements may include the following items:

- 1. INSTALLATION OF ACCESS RAMPS**
- 2. ADA DOOR HARDWARE**
- 3. KITCHEN AND BATH FIXTURES AND FAUCETS; SHOWER HEAD COMBO WITH SLIDE BAR**
- 4. OTHER HEALTH & SAFETY ACCESSIBILITY IMPROVEMENTS DETERMINED ELIGIBLE BY THE REHABILITATION STAFF.**

PROCEDURES:

1. Application for participation in the Home Accessibility Program may be obtained electronically or in paper form. Upon receipt of an application, Housing staff shall evaluate the request. The requested accessibility modifications must be deemed eligible, and the applicant has provided staff with proof of ownership in the form of a title report, grant deed or recent property tax bill, gas or electric utility bill to proceed in the program. Additionally, program policies and procedures shall be fully explained to the applicant at this time, particularly those pertaining to the applicant's selection of a contractor. Staff will then provide the applicant with a list of pre-approved vendors/contractors.
2. All contractors participating in this program must meet City Approval. A list of pre-approved contractors may be obtained from the Housing Division. The applicant, however, may use any contractor of their choice as long as the contractor holds appropriate professional licenses, is bonded, carries liability insurance in the amount required by the City, includes the City as an additional insured, and has a City of Palmdale business license. Contractors must provide proof of these items and

complete an application to participate before a notice to proceed will be executed. The City will pay the contractor directly by joint check made out to the homeowner and contractor for all approved work that has been completed as outlined in the scope of work specifications.

3. Upon issuance of the Notice to Proceed, the applicant and contractor shall complete the Home Accessibility Program Contract where applicable and sign it acknowledging program policies and procedures. With the required signatures obtained, the contractor may commence with the scope of work as outlined in the accepted estimate. The City shall not be committed to fund any Accessibility work prior to the Agency's execution of the Notice to Proceed. The Accessibility work shall not exceed the City's approved estimated scope of work and grant amount without written authorization of the Housing Division Staff. The contractor will be required to obtain City approval of a change order if the contractor feels they cannot do the work for the estimated price due to existing conditions not foreseen by the contractor, homeowner or housing staff. The change order must give written detail as to the additional accessibility modifications required and must be signed by the contractor, homeowner and a member of the housing staff. Any work performed beyond the original scope of work without the written consent of the housing staff will become the sole responsibility of the contractor.
4. Once the work has been completed, the contractor shall request an inspection from the housing staff. Staff will verify the completion of the work and obtain the applicant's approval with a Certificate of Completion. Staff will require a copy of any and all permits obtained by the contractor to complete the approved accessibility work. It is the contractor's responsibility to provide this information. Once approved, the amount owed the approved contractor will be processed for payment.



City Council Staff Report

DATE: MARCH 20, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PARKS AND RECREATION DEPARTMENT

DISTRICT: ALL

SUBJECT: ADOPT RESOLUTION NO. CC 2024-027, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE APPROVING THE CITY ASSET NAMING AND RENAMING POLICY

RECOMMENDATION

Staff recommends that the City Council adopt Resolution No. CC 2024-027, a Resolution of the City Council of the City of Palmdale Asset Naming and Renaming Policy.

BACKGROUND

The City owns and operates assets that are symbolic of community pride and identity. Establishing a procedure that governs naming and renaming practices has become prudent and provides a process for public input. It is common practice for public agencies to establish a policy to govern naming. The intent of this policy is to guide the naming process objectively and aid in selecting names suitable for the unique nature of City property.

DISCUSSION

The City of Palmdale is also committed to providing a fair, consistent, and efficient process while respecting the critical need for public input and legislative approval. The proposed policy establishes guidelines to best serve the City's interests and ensure a worthy and enduring legacy for the City. A City asset includes parks, facilities, streets, and amenities. This policy outlines the criteria, conditions, and procedures that govern the naming and remaining of City assets to maintain their integrity and recognize outstanding community contributions. The proposed policy has been prepared to include best practices and trends among other agencies.

FISCAL IMPACT

The City may receive financial or in-kind donations that may warrant recognizing the donor for their contribution. The expenses associated with installing or removing naming-related infrastructure or materials will be evaluated on a project-by-project basis, subject to City Council-adopted funding and Palmdale Municipal Code purchasing policies.

STRATEGIC PLAN

Goal IV: Maintain a desirable community where everyone wants to live, work and play.

B. Provide inclusive access to a variety of supportive services that build a resilient and healthy community.

Prepared by:	Keri Smith, Director of Parks and Recreation
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Reso. No. CC 2024-027
Exh A City Asset Naming and Renaming of Policy

CITY COUNCIL
CITY OF PALMDALE, CALIFORNIA
RESOLUTION NO. CC 2024-027

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
CITY ASSET NAMING AND RENAMING POLICY

WHEREAS, *the City Council has an interest in establishing consistent procedures whereby City assets may be named or renamed; and*

WHEREAS, *it is common practice for public agencies to establish a naming and renaming policy to govern assets; and*

WHEREAS, *the City owns and operates assets that are symbolic of community pride and identity. This policy will aid in the selection of names suitable for the unique nature of City assets; and*

WHEREAS, *the City Council is committed to providing a fair, consistent, and efficient process while respecting the critical need for public input and legislative approval; and*

WHEREAS, *the policy outlines the criteria, conditions, and procedures that govern the naming and remaining of City assets to maintain their integrity and recognize outstanding community contributions.*

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. *The attached Exhibit A, City Asset Naming and Renaming Policy is hereby adopted and effective immediately.*

SECTION 2. The City Clerk shall certify the adoption of this resolution.

PASSED, APPROVED and ADOPTED this _____ day of _____, _____.

Approved as to form:

Austin Bishop, Mayor

ATTEST:

William P. Curley, III
City Attorney

Rochelle Scott, Acting City Clerk

I, Rochelle Scott, Acting City Clerk of the City of Palmdale, California, do hereby certify that the foregoing resolution was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the _____ day of _____, 20____ by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, Acting City Clerk

EXHIBIT A

City of Palmdale

City Asset Naming and Renaming Policy

A. PURPOSE

1. To establish uniform guidelines for naming and renaming City assets to best serve the City's interests and to ensure a worthy and enduring legacy. This policy outlines the criteria, conditions, and procedures that govern the naming and renaming process to maintain their integrity and recognize outstanding community giving while acknowledging public investments.

B. POLICY

1. The City will adopt a name for City assets based on one or more of the following criteria:
 - i. Location. As a general policy, a name should assist the public in identifying its location. The City shall first consider the name of the nearby neighborhood, landmark, geographical identification, natural or topographical features, and adjacent schools and streets; or
 - ii. Historical Significance. Names that have recognizable historical significance associated with Palmdale. Examples include the history of a major event, place, or person that plays a vital role in preserving and honoring a community's history; or
 - iii. Outstanding Individuals. This category is designed to honor those who have served the City in an exceptional and distinguished manner, and as such, an asset of commensurate value may be selected. Recognition is acceptable should their contribution be deemed of major significance to benefit the City. Naming or renaming a City asset for an individual is encouraged for those persons whose significance and good reputation have been accepted in the community or City; and/or state or national history; or
 - iv. Major Donations. Financial contributions to the City may warrant acknowledging the funding source through naming or renaming. Such donations will require a donation agreement to address the use of the funds, length of naming recognition, and continued maintenance and operations costs.

C. GUIDING PRINCIPLES

1. General Provisions
 - i. The City will also consider the following when considering nominations for naming or renaming of a City asset:
 - a. Nominations that portray depictions, words, or phrases that the City reasonably deems to be harmful, controversial, or otherwise do not support the guiding principles stated in this policy will not be considered.

- b. The naming of a City asset in honor of a deceased person shall generally not occur until after a minimum waiting period of one year.
 - c. Generally, the naming of ancillary features or rooms may have names that differ from that of the entire property. These names shall be subject to the same criteria within this policy but may be more generously applied commensurate with the value of the named feature.
 - d. If multiple donors share in the contribution, the City shall favor a functional title for the asset with plaques honoring those who contributed.
 - e. If a civic group provides the contribution, only those whose mission statement is compatible with City goals and objectives shall be considered.
 - f. No City asset shall be named after an elected official while that official remains in public office, and naming an asset after an elected official while in office will only be considered under extraordinary circumstances.
 - g. Names shall not be subject to change unless, after investigation and review, the proposed name is found to be more appropriate than the existing name based on the criteria in this policy.
 - h. names shall be subject to change should the name become disreputable or does not otherwise support the guiding principles outlined in this policy.
- 2. Corporate contributions shall be recognized within the framework of the City's Advertising & Sponsorship Policy.
 - 3. All related signage shall comply with the applicable sections of the Palmdale Municipal Code.
 - 4. The City Council may authorize the feature of a park or open space to be developed or established through a fundraising effort that may include naming. This policy does not intend to prohibit fundraising activities that involve naming as part of the fundraising effort. Examples may include naming a brick, seats, and plants.

D. PROCEDURES

- 1. Naming or Renaming Nomination Process
 - i. Public input is accepted by submitting a City-provided application for naming or renaming a City asset. The City Manager or their designee will review nominations to evaluate alignment with the City's naming policy. Reviewed nominations will be provided to the City Council in a written report to include project feasibility and cost estimates. Public nominations that are determined to be in alignment with this policy will require the Councilmember for the district in which the asset is located to endorse the nomination; the City Council may then hear endorsed nominations and consider approval.

- ii. Nominations initiated by individual Councilmembers shall be submitted to the City Council directly. Councilmembers may only initiate nominations for assets located in their City Council district.
 - iii. Nominations under the criteria of historical significance shall include an evaluation by a historian and/or a public Library director to validate facts.
- 2. Naming or Renaming Approval Process
 - i. Naming of City assets requires a majority vote of approval by the City Council.
 - ii. Renaming of City assets requires a unanimous vote of approval by the City Council.
 - iii. Generally, a facility shall not be named after an elected official or private individual unless that person is deceased. A decision to name a facility after an elected official who is not deceased shall require a unanimous vote of approval by the City Council.
- 3. The City, in its sole discretion, may:
 - i. Name rooms and property amenities to establish operational order or to coincide with a property theme. Street naming shall comply with current requirements and application procedures.
 - ii. Provide a good faith, discretionary administration of this policy for the benefit of the public in general. This policy is not intended to provide an enforceable right, expectation, or property interest to any third-party providing donations to the City.

E. DEFINITION OF TERMS

“Amenities” shall mean an individual exterior or interior feature within a larger park or facility, including, but not limited to, meeting rooms, landscaped grounds, flower gardens, sculptures, picnic shelters, play lots, ball fields, and other similar items.

“City Asset” shall include parks, facilities, streets, and amenities.

“Donation” shall mean a monetary (cash) contribution, endowment, personal property, real property, financial securities, equipment, in-kind goods or services, or any other asset that the City has accepted and for which the donor has not received goods or services in return.

“Donor” shall mean a person or other legal entity that proposes or provides a donation to the City.

“Elected Official” shall mean any person who acquires local, regional, or national office through an election.

“Funding” shall mean a financial or in-kind donation that may result in the naming or renaming of a City asset.

“Historian” shall mean a scholar who studies and writes published historical narratives based on research and validation.

“Naming” shall mean the selection and approval by the City Council for the initial naming of a City asset.

“Renaming” shall mean the selection and approval by the City Council for a new name of an existing City asset.

“Sign Ordinance” shall mean the City’s sign regulations contained in the Palmdale Municipal Code.



City Council Staff Report

DATE: MARCH 20, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PUBLIC WORKS DEPARTMENT
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: 1, 2

SUBJECT: AWARD CONSTRUCTION AGREEMENT WITH BAKER ELECTRIC & RENEWABLES LLC FOR PN 753, NORTH COUNTY ITS EXPANSION PROJECT, PHASE V, IN THE AMOUNT NOT-TO EXCEED \$7,095,123 FOR A TERM OF 220 WORKING DAYS FROM THE DATE OF THE NOTICE TO PROCEED

RECOMMENDATION

Staff recommends that the City Council:

1. Relieve the bid submitted by Elecnor Belco Electric, Inc. for the construction of PN 753, North County ITS Expansion Project per Public Contract Code Chapter 5, Relief of Bidders; and,
2. Approve Construction Agreement No. A-8657 to Baker Electric & Renewables LLC for PN 753, North County ITS Expansion Project, Phase V, in the amount not to exceed \$7,095,123 which includes a contract amount of \$6,450,112 and a 10% contingency amount of \$645,012; and,
3. Authorize the City Manager or her designee to execute Agreement No. A-8657 with Baker Electric & Renewables LLC, including minimal and/or non-substantial changes; and,
4. Authorize the transfer of \$2,699,207 of unappropriated Prop A (203) funds into Account S0044203-724525, North County ITS Expansion Phase V.

BACKGROUND

Project No. 753 will be the fifth and final phase in the series of North County ITS projects to construct fiber optic interconnect, CCTV surveillance, Traffic Operations Center (TOC) upgrades, and new/upgraded signals within the City. This phase will provide fiber optic interconnect on Tierra Subida/Rayburn Drive, Tierra Subida/Avenue S, and at Elizabeth Lake Road and 25th Street West. A new hub will be located at Tierra Subida/Avenue S and used to land and jump new and existing fiber optic cables. The

new fiber will enable a new communication circuit between the Traffic Operations Center and existing traffic signals at Avenue S/The Groves and Avenue S/Parkwood Drive. The extent of the new fiber consists of a total of 8 miles. This project will also include replacing an existing 4-way stop sign and flashing beacon assembly with a new traffic signal at Avenue N/60th Street West.

DISCUSSION

On January 4, 2024, the project was advertised electronically through Planet Bids. A total of twenty-five (25) prospective bidders downloaded the bid documents. On February 6, 2024, six (6) bids for this project were received, summarized, and listed below:

Bidder	Location	Amount
1. Elecnor Belco Electric, Inc.	Chino, CA	\$5,844,888.00
2. Baker Electric & Renewables LLC	Escondido, CA	\$6,450,112.39
3. Ferreira Construction Co, Inc.	Rancho Cucamonga, CA	\$6,703,999.04
4. Taft Electric Company	Ventura, CA	\$7,653,228.30
5. Comet Electric, Inc.	Chatsworth, CA	\$7,832,563.08
6. Crosstown Electrical & Data, Inc.	Irwindale, CA	\$7,998,987.00

On February 7, 2024, the lowest bidder Elecnor Belco Electric, Inc. submitted a formal letter requesting to withdraw their bid for PN 753, North County ITS Expansion Project, Phase V. The letter, Exhibit A, was received within five working days after the opening of the bids. Per the Public Contract Code Chapter 5, Relief of Bidders [5101-5110], a bidder shall not be relieved of the bid unless by consent of the awarding authority, and if the awarding authority consents to relieve a bidder of a bid because of mistake, the authority shall prepare a report in writing to document the facts establishing the existence of each element required by Section 5103. Per Section 5103, the bidder shall establish to the satisfaction of the court that:

- a) A mistake was made.
- b) Bidder gave the public entity written notice of the mistake within five working days, excluding Saturdays, Sundays, and state holidays, after the opening of the bids, specifying in the notice in detail how the mistake occurred.
- c) The mistake made the bid materially different than he or she intended it to be.
- d) The mistake was made in filling out the bid and not due to an error in judgment or carelessness in inspecting the work site or in reading the plans or specifications.

In this case, the low bidder's reason for withdrawal was based on a mistake and clerical error in entering the proposal amount in the bid forms, which was significantly different

from the calculated and intended proposal. Per Elecnor Belco Electric, Inc., the error made in completing the bid proposal was not in any way due to an error to the inaccuracy and oversight of reading the plans, specifications, and addenda nor the lapse of judgment assessing the project site during the pre-bid conference.

The City Council can consent to the withdrawal of Elecnor Belco Electric, Inc.'s bid and relieve the contractor of their bid. If the City Council consents to relieve the low bidder, Elecnor Belco Electric, Inc., the project would be awarded to the second lowest bidder, Baker Electric & Renewables LLC. References for Baker Electric & Renewable LLC have been checked, and staff recommends that the City Council award PN 753 to the second lowest bidder, Baker Electric & Renewables LLC, for \$6,450,112.

FISCAL IMPACT

\$7,121,500; The project is budgeted in accounts S0044203-724525 and S0044204-724525-3023, with a total available balance of \$4,421,993. As there are sufficient funds in the Prop A account to cover the shortfall, it is recommended to authorize the transfer of \$2,699,607 of unappropriated Prop A (203) funds into Account S0044203-724525, North County ITS Expansion Phase V.

The fiscal impact can be seen in the following table:

Scope of Work			Cost
Agreement No. A-8618			\$6,450,112
Construction Contingency (10%)			\$645,012
Administration, Permit Fees, and Inspection			\$10,500
Labor Compliance			\$15,876
Total Cost:			\$7,121,500
Account Number	Available Balance	Shortfall	Total Project Costs
S0044203-724525	\$358,369	\$2,699,607	\$3,057,976
S0044204-724525-3023	\$4,063,624	\$-0-	\$4,063,524
Total	\$4,421,993	\$2,699,607	\$7,121,500

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Lynn Glidden, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager

Report to Mayor and City Council
Re: Award of PN 753, Agreement No A-8657
March 20, 2024
Page 4

Approved as to form:

William P. Curley, III, City Attorney

ATTACHMENTS

Agrmt No. A-8657 with Baker Electric & Renewables LLC
Exh A Withdrawal Letter from Elecnor Belco Electric, Inc.
Atch 1 Site Map
Atch 2 Site Photo

AGREEMENT NO. A- 8657
CONSTRUCTION CONTRACT
BETWEEN THE CITY OF PALMDALE AND BAKER ELECTRIC & RENEWABLES
LLC

THIS CONTRACT ("Contract") is made and entered into by and between City of Palmdale, a public entity ("City"), and BAKER ELECTRIC & RENEWABLES LLC, a Contractor ("Contractor"). Contractor and City are collectively referred to herein as the "parties." This Contract shall become effective on the date of the last signatory.

1 Scope of Work

Contractor shall complete the Project in accordance with this Contract. Contractor shall furnish all materials and perform all work required for the completion of the following Project:

This project will be the fifth phase in the series of North County ITS projects to construct fiber optic interconnect, CCTV surveillance, Traffic Operations Center (TOC) upgrades, and new/upgraded signals within the City.

The North County ITS Phase V Project will provide a fiber optic interconnect on Tierra Subida/Rayburn Drive, Tierra Subida/Avenue S, and at Elizabeth Lake Road and 25th Street West.

A new hub will be located at Tierra Subida/Avenue S and used to land and jumper new and existing fiber optic cables.

The existing cable on Avenue S will be re-routed into the new hub.

The new fiber will enable a new communications circuit between the Traffic Operations Center and existing traffic signals at Avenue S/The Groves and Avenue S/Parkwood Drive; and provide splice points and slack in the cable for tie-in of future traffic signal locations and other interties.

In addition to the fiber optic infrastructure, the project will include replacing an existing 4-way stop sign and flashing beacon assembly with construction of a new traffic signal at Avenue N/60th Street West.

The work at this intersection will include fully improved curb returns on the Northwest and Southwest corners placed as far back as existing right-of-way will allow (in order to place conduits and pull boxes in their ultimate location); transition from the new curb returns back to existing pavement; implementation of an Eastbound left-turn lane and transitions, temporary traffic control plan development; temporary traffic control implementation and maintenance; public notification and convenience; construction surveying and staking; erosion control plan / SWPPP preparation and implementation; earthwork; street demolition; street improvements including mill and overlay, leveling courses, and street widening; street drainage

improvement, and furnishment and installation of all appurtenances; utility coordination; utility adjustments and improvements; and signing and striping improvements.

Finally, the project will evaluate 4 traffic signals for additional CCTV cameras, including analysis to determine the optimum location for the cameras.

2 Standard Specifications

Standard Specifications for City projects are those contained in the 2021 Greenbook edition of the "Standard Specifications for Public Works Construction" (the "Greenbook"). Except as otherwise expressly provided herein, the Standard Specifications shall control the general provisions, construction materials, and construction methods for this Contract (except as amended by the Plans for the Project), the General Specifications for the Project, the Special Provisions for the Project, any technical specifications for the Project, and any other contract documents.

3 Compensation

City shall pay Contractor the total, all-inclusive, NOT-TO-EXCEED amount of Six million four hundred fifty thousand one hundred twelve and thirty-nine hundredths Dollars (\$6450112.39) for the construction of the Project. This amount shall cover all expenses for labor, materials, and any and all other costs incurred by Contractor to satisfactorily construct the Project. Unless otherwise provided in the bid documents or agreed upon by the parties, Contractor shall submit detailed, monthly invoices for work actually performed.

4 Completion Date

The construction of the Project shall commence upon Contractor being given a written notice to proceed, and shall be completed within 220 working days of said notice.

5 Payment and Performance Bonds; Guaranty

Unless otherwise expressly provided in the bid documents, prior to commencing work, Contractor shall provide a payment bond and performance bond, each in an amount equal to 100% of the Contract price. The bond forms required to be executed are attached hereto and incorporated by reference herein. Pursuant to the bid documents for this Project, the Contractor is required to provide a written guaranty of Contractor's work. In furtherance thereof, Contractor shall execute the written form of Guaranty attached hereto and incorporated by reference herein.

6 Licenses

At all times during the term of this Contract, Contractor shall possess a valid and current Class A Contractor's License **[or Specialty Contractor License consisting of Class A license]** to perform the required work ("Work"). Contractor's DIR registration number is 1000000466. Contractor hereby certifies that it holds the required license(s).

7 Subcontracting

Subject to any self-performance requirements herein, Contractor may subcontract any portion of the work required by this Contract to other persons or firms, and Contractor submitted with its bid a list of those subcontractors who will perform work in an amount in excess of one-half of one percent (1%) of the Contractor's total bid, in compliance with the Subletting and Subcontracting Fair Practices Act, California Public Contract Code § 4100, et seq. Only such listed subcontractors may perform on this Project.

8 Non-Assignability

Neither this Contract nor any rights, title, interest, duties or obligations under this Contract may be assigned, transferred, conveyed or otherwise disposed of by Contractor without the prior written consent of City.

9 Administration

This Contract will be administered by the Public Works Department of the City. The Director of Public Work or his or her designee shall be considered the Project Administrator and shall have the authority to act for the City under this Contract.

10 Indemnification

To the maximum extent permitted by law, Contractor shall indemnify, protect, defend and hold harmless the City, its Board of Director, the City's officers, employees, agents, volunteers, and representatives ("Indemnitees") with respect to any and all claims, suits, actions, stop notices, liabilities and/or damages, including related expenses, attorney's fees and costs, based on, arising out of, or in any way related to the work undertaken by Contractor pursuant to this Contract, and in connection with the Project.

11 Liability Insurance

11.1 Without limiting Contractor's indemnification of City, as described in paragraph 10, and unless modified by City, Contractor shall obtain, provide and maintain, at its own expense, during the term of this Contract, a policy or policies of insurance,

satisfactory to the City, from insurance carriers admitted to do business in the State of California and rated in A.M. Best's Insurance Guide with a rating of A:VII or better, which contain the coverage described below.

11.1.1 Commercial General Liability

- \$5,000,000.00 limit on a per occurrence basis
- \$10,000,000.00 general aggregate limit

11.1.2 Commercial Automobile Liability

- \$5,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.1.3 Workers' Compensation and Employer's Liability

- Workers' Compensation -- coverage as required by the State of California
- Employer's Liability --
 - \$1,000,000.00 each accident
 - \$1,000,000.00 policy limit bodily injury
 - \$1,000,000.00 each employee bodily injury by disease

11.1.4 Pollution/Environmental Liability*

- \$5,000,000.00 limit on a per occurrence basis

11.1.5 Professional Liability (Errors & Omissions)*

- \$2,000,000.00 limit on a per occurrence basis

11.2 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" Clause.

11.3 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.4 Said Certificates of Insurance shall provide that thirty (30) days' prior written notice of cancellation shall be given to the City in the event of cancellation and/or reduction in coverage of any nature.

11.5 The required policies of insurance shall be endorsed to waive all rights of subrogation. Contractors waives all rights of subrogation.

11.6 Acceptable Proof of Insurance:

A. ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

B. Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

C. *When pollution/environmental liability and/or professional (E&O) liability coverage is provided on a "claims made basis", CONTRACTOR will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONTRACTOR, or its officers, employees, or agents during the time this Agreement was in effect.

11.7 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR's liabilities and obligations under this Contract.

11.8 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors

working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 State Labor Code

12.1 This Contract calls for work to be performed constituting public works. Contractor and all subcontractors shall pay the general prevailing rate of per diem wages as determined and as published by the State Director of the Department of Industrial Relations pursuant to Article 2 of Chapter 1 of Part 7, of Division 2 of the State Labor Code, including, but not limited to, Sections 1770, 1771, 1773, 1773.2 and 1774.

12.2 This is a public work and requires the payment of prevailing wages for the work or craft in which the worker is employed for any public work done under the contract by Contractor or by any subcontractor pursuant to Section 1771 of the Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute this contract from the Director of the Department of Industrial Relations. These rates are on file with the City or may be obtained at <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>.

Contractor shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of Sections 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Contractor shall forfeit to the City, as a penalty, not more than \$200.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated prevailing rates for any work done under this Contract, by him or by any subcontractor under him, in violation of the provisions of this Agreement.

12.3 Contractors and subcontractors who are ineligible to bid for work on, or be awarded, a public works project pursuant to Labor Code Sections 1777.1 and 1777.7 are prohibited from bidding on, being awarded, or performing work as a subcontractor, on this Project pursuant to Public Contract Code Section 6109.

12.4 Contractor's attention is directed to the provisions in Sections 1774, 1775, 1776, 1777.5 and 1777.6 of the Labor Code. Contractor shall comply with the provisions in these Sections. The statutory provisions for penalties for failure to comply with the State's wage and hours laws will be enforced. Pursuant to Section 1775 of the Labor Code, the Contractor and any subcontractors, shall, as a penalty to

the City forfeit the prescribed amounts per calendar day, or portion thereof, for each worker paid less than the prevailing wage rates.

12.5 Pursuant to Labor Code Section 1771.4, the Project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

12.6 Each Contractor and subcontractor shall furnish the records specified in Labor Code Section 1776 directly to the State Labor Commissioner at least monthly in the format prescribed by the State Labor Commissioner.

12.7 Sections 1774 and 1775 require the Contractor and all subcontractors to pay not less than the prevailing wage rates to all workmen employed in the execution of the Contract and specify forfeitures and penalties for failure to do so. The minimum wages to be paid are those determined by the State Director of the Department of Industrial Relations. Section 1776 requires the Contractor and all subcontractors to keep accurate payroll records, specifies the contents thereof, their inspection and duplication procedures and certain notices required of the Contractor pertaining to their location.

12.8 Section 1777.5 of the Labor Code requires Contractor or subcontractor employing workers in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project, which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the Contract. The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeable trade and if other contractors on the public works site are making such contributions. Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards. Section 1777.6 of the Labor Code provides that it shall be unlawful to refuse to accept otherwise qualified employees as registered apprentices solely on the grounds of race, religious creed, color, national origin, ancestry, sex, or age.

12.9 Eight hours labor constitutes a legal day's work, as set forth in Labor Code

Section 1810. The statutory provisions for penalties for failure to comply with the State's wage and hour laws will be enforced as set forth in Labor Code Section 1813.

13 Antitrust Claims

In entering into this Agreement, Contractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2

(commencing with Section 16700) of Part 2 of Division 7 of the California Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Agreement. This assignment shall be made and become effective at the time the City tenders final payment to Contractor without further acknowledgment by the parties.

14 Trenching and Excavations

Pursuant to Public Contract Code Section 7104, if the Project involves trenching more than four (4) feet deep, Contractor shall promptly and before the following conditions are disturbed notify the City in writing of any:

14.1 Material that Contractor believes may be material that is hazardous waste, as defined in California Health and Safety Code Section 25117, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; and/or

14.2 Subsurface or latent physical conditions at the site differing from those indicated; and/or

14.3 Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

14.4 As required by Labor Code Section 6705 and in addition thereto, whenever work under the Contract that involves an estimated expenditure in excess of twenty-five thousand dollars (\$25,000) for the excavation of any trench or trenches five (5) feet or more in depth, Contractor shall submit for acceptance by City in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation, of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety, the plan shall be prepared by a registered civil or structural engineer employed by Contractor, and all costs therefor shall be included in the price of the Contract. Nothing in this provision shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this provision shall be construed to impose tort liability on the City or on any City officer, agent, consultant, representative, or employee. All plans, processing and shoring costs are Contractor's responsibility and must be included in Contractor's bid.

15 Location of Existing Elements

Pursuant to Government Code Sections 4216 to 4216.9, the methods used and costs involved to locate existing elements, points of connection and all construction methods are Contractor's sole responsibility. Accuracy of information furnished, as to

existing conditions, is not guaranteed. Contractor, at its sole expense, must make all investigations necessary to determine locations of existing elements, which may include, without limitation, contacting U.S.A. alert and other private underground locating firm(s), and/or utilizing potholes, specialized locating equipment and/or hand trenching.

16 Third Party Claims

Pursuant to Public Contract Code Section 9201, the City has full authority to compromise or otherwise settle any claim relating to this Contract at any time. The City shall timely notify Contractor of the receipt of any third-party claim relating to the Contract. The City shall be entitled to recover its reasonable costs incurred in providing the notification required by Public Contract Code Section 9201(b).

17 Non-Collusion

Contractor hereby certifies that this bid is genuine and not a sham or collusive, or made in the interest or on behalf of any person or business not herein named. Contractor further certifies that Contractor has not directly or indirectly induced or solicited any other bidder to furnish a sham bid, or any other person or business to refrain from bidding, and Contractor has not in any manner sought by collusion to secure itself an advantage over any other bidder. Contractor also affirms that it has signed and submitted with its bid to the City a Non-collusion Declaration as required by Public Contract Code Section 7106.

18 Conflicts of Interest

Contractor agrees not to accept any employment or representation during the term of this Contract or within twelve (12) months after completion of the work under this Contract which is or may likely make Contractor "financially interested," as provided in Government Code Section 1090 and 87100, in any decisions made by City on any matter in connection with which Contractor has been retained pursuant to this Contract.

19 Audit

The City or its representative shall have the option of inspecting and/or auditing all records and other written materials used by Contractor in preparing its billings to the City as a condition precedent to any payment to Contractor. Contractor will promptly furnish documents requested by the City. Additionally, pursuant to Government Code Section 8546.7, if this Contract involves the expenditure of public funds in excess of ten thousand dollars (\$10,000), Contractor shall be subject to State Auditor examination and audit at the request of the City or as part of any audit of the City, for a period of three (3) years after final payment under this Contract.

20 Substitute Security

Pursuant to Public Contract Code Section 22300, the substitution of securities for any moneys withheld by the City to ensure performance under a contract is permitted, except where financing will be provided by the Farmers Home Administration of the United States Department of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. Sec. 1921 *et seq.*) or where federal regulations or policies, or both, do not allow the substitution of securities. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in the State of California as the escrow agent, that shall then pay those moneys to Contractor. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor.

Alternatively, Contractor may request and the City shall make payment of retentions earned directly to the escrow agent at the expense of Contractor. At the expense of Contractor, Contractor may direct the investment of the payments into securities, and Contractor shall receive the interest earned on the investments upon the same terms provided for securities deposited by Contractor. Upon satisfactory completion of the Contract, Contractor shall receive from the escrow agent all securities, interest, and payments received by the escrow agent from the City, pursuant to the terms of this section.

Securities eligible for investment shall include those listed in California Government Code Section 16430, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, standby letters of credit, or any other security to which Contractor and the City agree in writing. Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

If Contractor elects to receive interest on moneys withheld in retention by the City, it shall, at the request of any subcontractor performing more than five percent (5%) of Contractor's total bid, make that option available to the subcontractor regarding any moneys withheld in retention by Contractor from the subcontractor. If Contractor elects to receive interest on any moneys withheld in retention by the City, then the subcontractor shall receive the identical rate of interest received by Contractor on any retention moneys withheld from the subcontractor by Contractor, less any actual pro rata costs associated with administering and calculating that interest. In the event that the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If Contractor elects to substitute securities in lieu of retention, then, by mutual consent of Contractor and its subcontractor, the subcontractor may substitute securities in exchange for the release of moneys held in retention by Contractor. No Contractor shall require any subcontractor to waive any provision of this paragraph.

The escrow agreement for security deposits in lieu of retention shall be substantially similar to the form provided in Public Contract Code Section 22300(f).

21 Claims Dispute Resolution

In the event of any dispute or controversy with the City over any matter whatsoever, the Contractor shall not cause any delay or cessation in or of Work, but shall proceed with the performance of the Work in dispute. The Contractor shall retain any and all rights provided that pertain to the resolution of disputes and protests between the parties. The Disputed Work will be categorized as an “unresolved dispute” and payment, if any, shall be as later determined by mutual agreement or a court of law. The Contractor shall keep accurate, detailed records of all Disputed Work, claims and other disputed matters.

All claims arising out of or related to the Contract documents or this Project, and the consideration and payment of such claims, are subject to the Government Claims Act (Government Code Section 810 et seq.) with regard to filing claims. All such claims are also subject to Public Contract Code Section 9204 and Public Contract Code Section 20104 et seq. (Article 1.5), where applicable. This Contract hereby incorporates those provisions as though fully set forth herein. Thus, the Contractor or any Subcontractor must file a claim in accordance with the Government Claims Act as a prerequisite to filing a construction claim in compliance with Section 9204 and Article 1.5 (if applicable), and must then adhere to Section 9204 and Article 1.5 (as applicable), pursuant to the definition of “claim” as individually defined therein.

22 Non-discrimination and Equal Employment Opportunity

22.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

22.2 The provisions of subsection 16.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONTRACTOR for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONTRACTOR and its subcontractors for purposes of determining

compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

23 Integration

This Contract supersedes any and all agreements, either oral or written, between the parties hereto with respect to the construction of the Project by Contractor for City and contains all of the covenants and agreements between the parties with respect to the construction of the Project. Each party to this Contract acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made with regard to the construction of the Project by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise regarding work not contained in this Contract shall be valid or binding. Any modification or amendment of this Contract will be effective only if it is in writing and signed by the parties to this Contract. Any changes to the work required by this Contract will be by change order signed by the parties.

24 Governing Law

This Contract will be governed by and construed in accordance with the laws of the State of California without reference to change of venue laws. Any legal action in which enforcement of the terms and conditions of this Contract is requested, or in which it is alleged that a breach of this Contract has taken place, shall be filed and prosecuted in the County of Los Angeles, California.

25 Successors and Assigns

The terms and conditions of this Contract shall be binding on the successors and assigns of the parties to this Contract.

26 Exhibits

The exhibits and attachments referenced in this Contract are attached hereto and incorporated herein by this reference as though set forth in full in the Contract.

27 Authority to Sign

The person or persons executing this Contract on behalf of the Contractor warrant and represent that they have the authority to execute this Contract on behalf of the Contractor and have the authority to bind Contractor to the construction of the Project.

28 Time is of the Essence

Time is of the essence in every provision of this Agreement in which time to perform is a factor.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE

BAKER ELECTRIC & RENEWABLES
LLC

SIGNATURE AREA

SIGNATURE AREA

Ronda Perez Date
City Manager

Theodore Neville Baker Date
CEO

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38300 Sierra Hwy, Suite A
Palmdale, CA 93550

ADDRESS FOR NOTICE:
BAKER ELECTRIC & RENEWABLES
LLC
1298 Pacific Oaks Place
Escondido, CA 92029

APPROVE AS TO FORM:

SIGNATURE AREA

William P. Curley, III
City Attorney

ATTEST:

ATTEST: If Corporation

SIGNATURE AREA

SIGNATURE AREA

Roxanne Faber
Acting City Clerk

Secretary

[Signatures of contractor on bond(s) must be notarized. Obtain two corporate signatures if contractor is a corporation.]

----- INTERNAL USE ONLY -----

- ☐ Certificate(s) and Endorsement(s) attached
- ☐ Confirmed business name on contract with certificate(s)
- ☐ Attached notarized bond(s), Worker's Compensation Certificate, and Guaranty
- ☐ Attached Agreement Checklist and met all requirements



February 7, 2024

City of Palmdale
C.I.P. Division
38250 Sierra Highway
Palmdale, CA 93550

Attention: Ms. Lynn Glidden, Director of Public Works

Reference: North County ITS Expansion Project, Phase V
City of Palmdale PN 753
Bid Date February 6, 2024

Subject: Request to Withdraw Bid Proposal

Dear Ms. Glidden:

Please consider this as Elecnor Belco Electric's Request to Withdraw Bid Proposal for the above referenced project as a result of an inadvertent clerical error in our bid proposal. The clerical error has subjected our bid proposal to be materially different than what our firm intended it to be. The error made in completing our bid proposal is not due to an error in judgement or carelessness in inspecting the work site or in reading the plans or specifications.

An internal review of our bid submission discovered an error that occurred which resulted in a bid amount that our firm would not be able to support. During the entry of our bid unit prices on the City's online bidding platform, Planetbids, our bid coordinator incorrectly entered a unit price of \$30,000.00 for Bid Item No. 3 (Utility Coordination including All Necessary Potholing). The correct bid unit price should have been \$530,000.00 which would have provided a total of \$6,344,888.00 instead of the \$5,844,888.00 base bid submitted. This inadvertent clerical error was discovered shortly after the bid opening.

To move forward with our submitted bid will subject our firm in performing the work at additional costs. Elecnor Belco Electric respectfully requests that our bid proposal be withdrawn from any consideration. Please accept our sincere apologies for any inconvenience this may have caused and appreciate your understanding in this important matter.



We think about a better world
www.elecnorbelco.com

14320 Albers Way
Chino, CA 91710
(909) 993-5470 Office
(909) 993-5476 Fax
CA License 738518



Should you have any questions or concerns, please do not hesitate to contact me at (909) 993-5470 ext. 254 or via email at jwong@elecnor.com.

Respectfully submitted by,
Elecnor Belco Electric, Inc.

A handwritten signature in blue ink that reads "John L. Wong". The signature is fluid and cursive, with the first name "John" and last name "Wong" clearly legible.

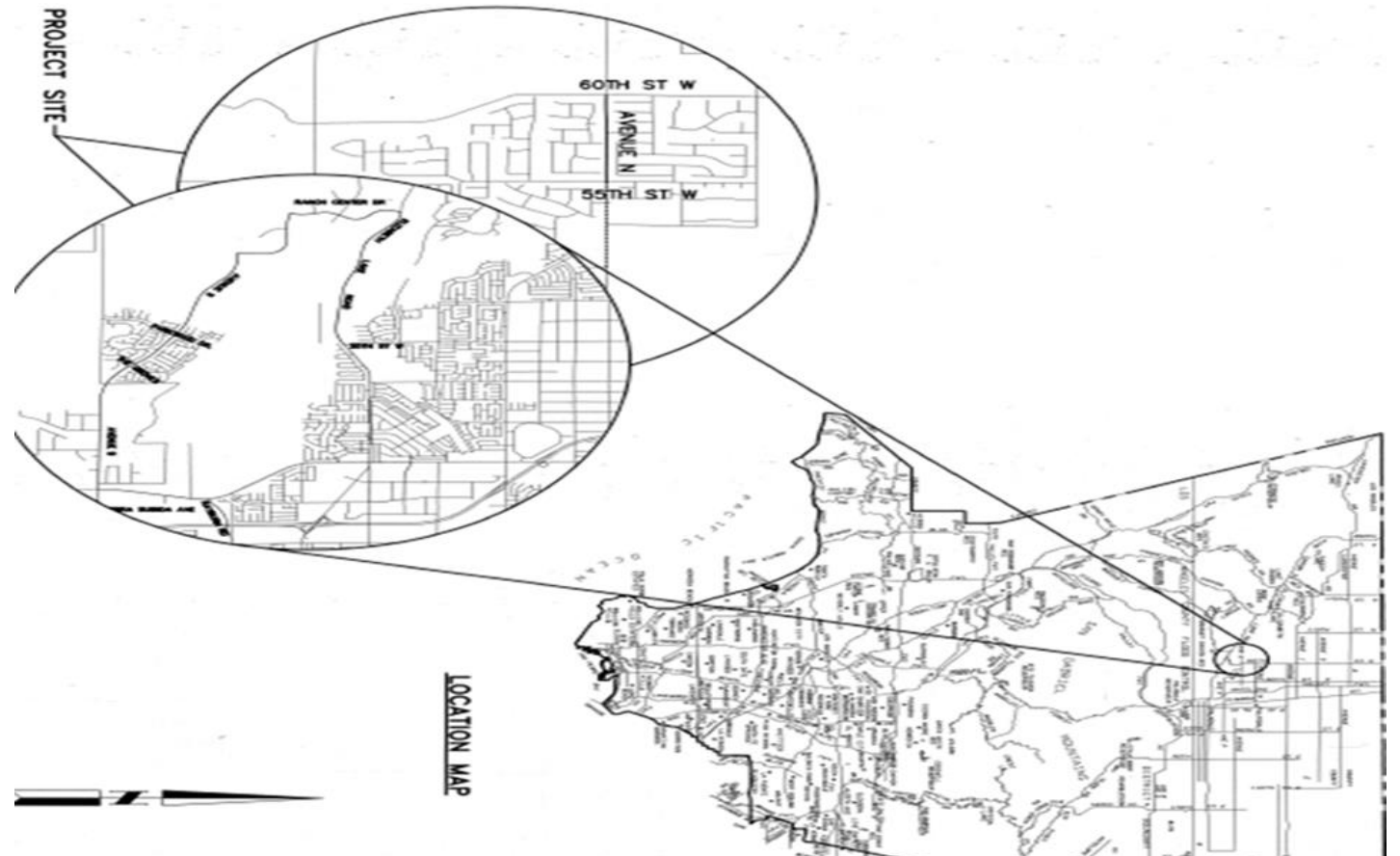
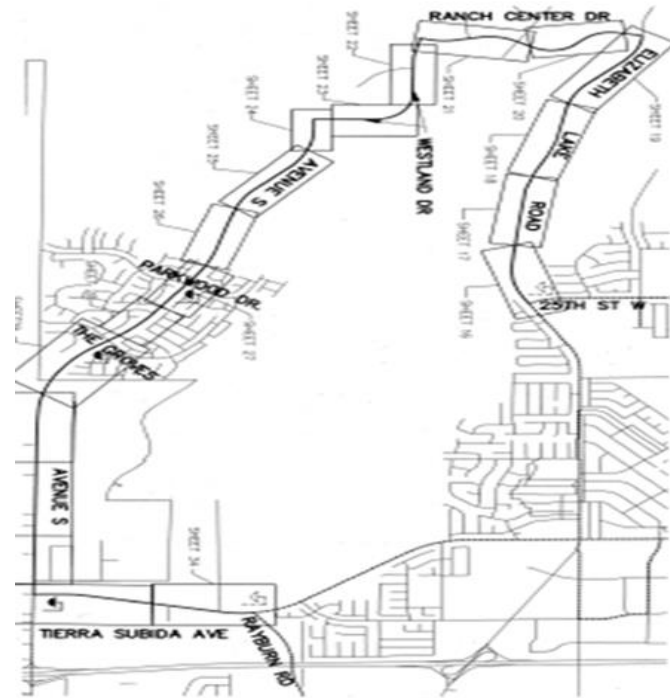
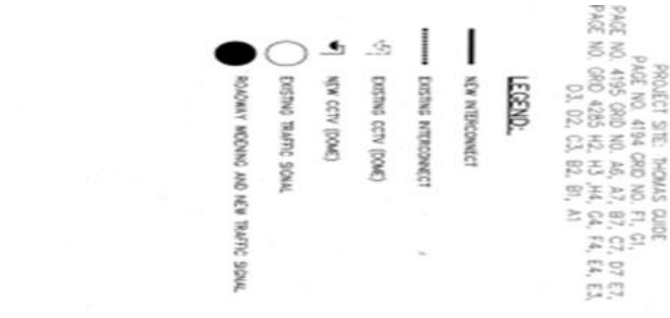
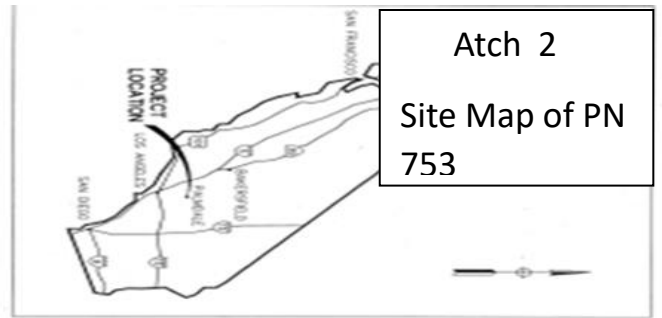
John L. Wong
Vice President



We think about a better world
www.elecnorbelco.com

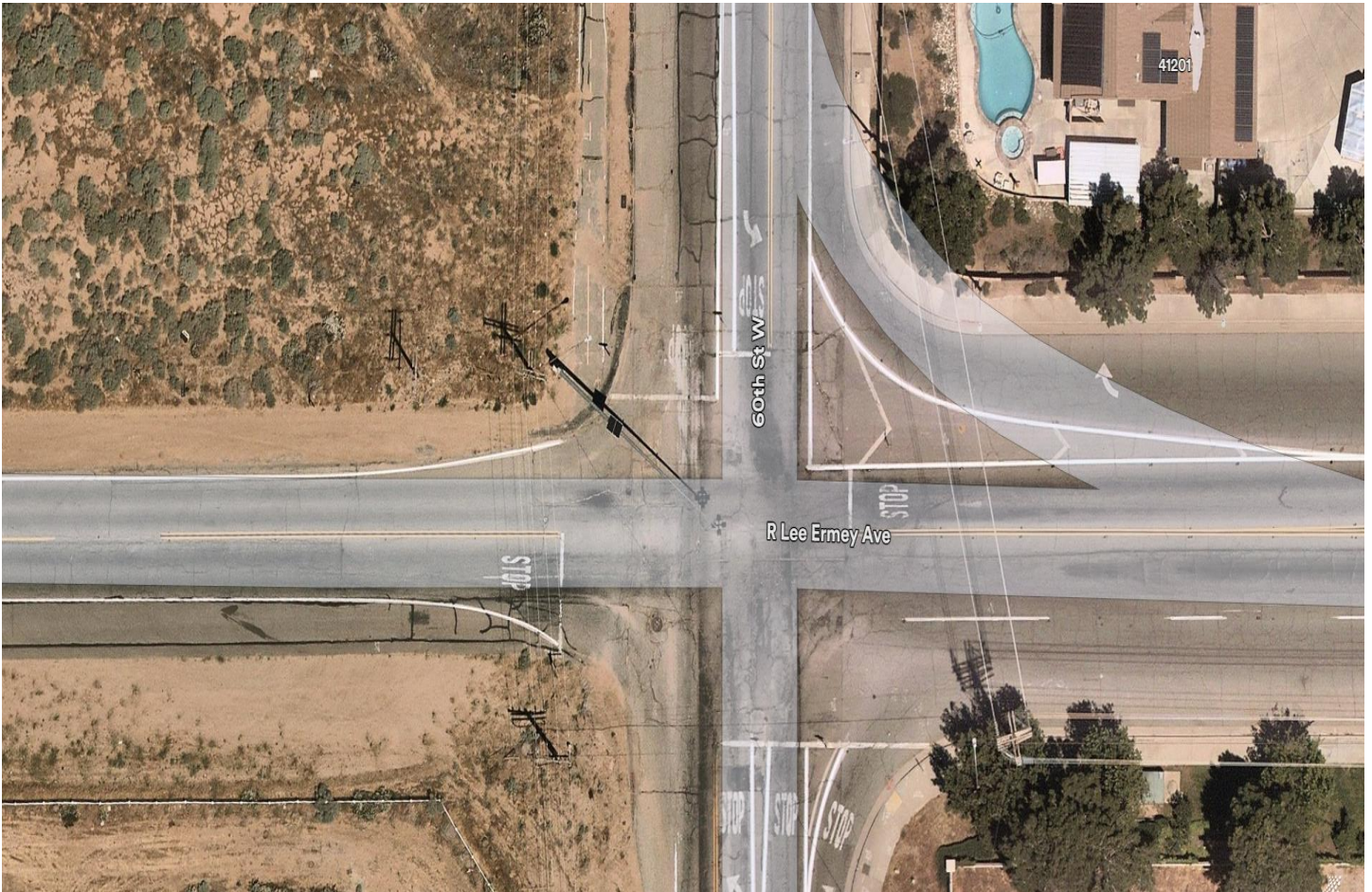
14320 Albers Way
Chino, CA 91710
(909) 993-5470 Office
(909) 993-5476 Fax
CA License 738518

Atch 2
Site Map of PN
753



EHX B

Intersection of Ave N & 60th St
West





City Council Staff Report

DATE: MARCH 20, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: PUBLIC WORKS DEPARTMENT
CAPITAL IMPROVEMENT PROGRAM DIVISION

DISTRICT: 3

SUBJECT: AWARD CONSTRUCTION AGREEMENT WITH CALIFORNIA COMMERCIAL POOLS FOR PN 886, DRY TOWN WATER PARK LAZY RIVER DECK REPLACEMENT PROJECT, FOR \$135,000 FOR A TERM OF 20 WORKING DAYS FROM THE DATE OF THE NOTICE TO PROCEED

RECOMMENDATION

Staff recommends that the City Council:

1. Approve Construction Agreement No. A-8748 with California Commercial Pools for PN 886, Dry Town Lazy River Deck Replacement Project, for \$135,000; and,
2. Authorize the City Manager or her designee to execute Agreement No. A-8748 with California Commercial Pools, including minimal and/or non-substantive changes.

BACKGROUND

Project No. 886 involves removing and replacing a portion of the perimeter overflow deck at Dry Town Lazy River. The work will include demolishing and replacing concrete and installing a new access hatch cover, depth markers, tiles, and a float valve inside the surge chamber.

DISCUSSION

On February 1, 2024, the project was advertised electronically through PlanetBids. A total of four prospective bidders downloaded the bid documents.

On February 21, 2024, one bid for this project was received and is summarized below:

Bidder	Location	Amount
1. California Commercial Pools	Glendora, CA	\$135,000

Upon reviewing the bid and checking references, staff recommends awarding PN 886 to California Commercial Pools for \$135,000. California Commercial Pools repaired another similar area at Dry Town last year. The construction timeline will take approximately three weeks from the Notice to Proceed date.

FISCAL IMPACT

\$157,000; The project is budgeted in Account No. P0027250-724525 with a total available balance of \$370,128. The fiscal impact and remaining account balance can be seen in the following table:

Scope of Work			Cost
Agreement No. A-8748			\$135,000
Construction Contingency (5%)			\$6,750
Construction Inspection			\$5,000
Material Testing			\$1,750
Labor Compliance			\$3,500
Administrative Cost (project management)			\$5,000
Total Cost:			\$157,000
Account Number	Starting Balance	Total Project Costs	Remaining Balance
P0027250	\$370,128	\$157,000	\$213,128

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

- D. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active funding for everyone.

Prepared by:	Lynn Glidden, P.E., Director of Public Works
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Agrmt No. A-8748 with California Commercial Pools
Atch 1 Site Map

AGREEMENT NO. A- 8748
CONSTRUCTION CONTRACT
BETWEEN THE CITY OF PALMDALE AND CALIFORNIA COMMERCIAL POOLS

THIS CONTRACT ("Contract") is made and entered into by and between City of Palmdale, a public entity ("City"), and CALIFORNIA COMMERCIAL POOLS, a California Corporation ("Contractor"). Contractor and City are collectively referred to herein as the "parties." This Contract shall become effective on the date of the last signatory.

1 Scope of Work

Contractor shall complete the Project in accordance with this Contract. Contractor shall furnish all materials and perform all work required for the completion of the following Project:

PN 886 - DryTown Water Park Lazy River Deck Repairs.

The work will include demolition and replacement of concrete, and installation of a new access hatch cover, depth markers, tiles, and float valve inside surge chamber.

2 Standard Specifications

Standard Specifications for City projects are those contained in the 2021 Greenbook edition of the "Standard Specifications for Public Works Construction" (the "Greenbook"). Except as otherwise expressly provided herein, the Standard Specifications shall control the general provisions, construction materials, and construction methods for this Contract (except as amended by the Plans for the Project), the General Specifications for the Project, the Special Provisions for the Project, any technical specifications for the Project, and any other contract documents.

3 Compensation

City shall pay Contractor the total, all-inclusive, NOT-TO-EXCEED amount of One Hundred Thirty-Five Thousand Dollars (\$135000) for the construction of the Project. This amount shall cover all expenses for labor, materials, and any and all other costs incurred by Contractor to satisfactorily construct the Project. Unless otherwise provided in the bid documents or agreed upon by the parties, Contractor shall submit detailed, monthly invoices for work actually performed.

4 Completion Date

The construction of the Project shall commence upon Contractor being given a written notice to proceed, and shall be completed within 20 Working calendar days

of said notice.

5 Payment and Performance Bonds; Guaranty

Unless otherwise expressly provided in the bid documents, prior to commencing work, Contractor shall provide a payment bond and performance bond, each in an amount equal to 100% of the Contract price. The bond forms required to be executed are attached hereto and incorporated by reference herein. Pursuant to the bid documents for this Project, the Contractor is required to provide a written guaranty of Contractor's work. In furtherance thereof, Contractor shall execute the written form of Guaranty attached hereto and incorporated by reference herein.

6 Licenses

At all times during the term of this Contract, Contractor shall possess a valid and current Class B Contractor's License **[or Specialty Contractor License consisting of Class C-53 license]** to perform the required work ("Work"). Contractor's DIR registration number is 1000001406. Contractor hereby certifies that it holds the required license(s).

7 Subcontracting

Subject to any self-performance requirements herein, Contractor may subcontract any portion of the work required by this Contract to other persons or firms, and Contractor submitted with its bid a list of those subcontractors who will perform work in an amount in excess of one-half of one percent (1%) of the Contractor's total bid, in compliance with the Subletting and Subcontracting Fair Practices Act, California Public Contract Code § 4100, et seq. Only such listed subcontractors may perform on this Project.

8 Non-Assignability

Neither this Contract nor any rights, title, interest, duties or obligations under this Contract may be assigned, transferred, conveyed or otherwise disposed of by Contractor without the prior written consent of City.

9 Administration

This Contract will be administered by the Public Works Department of the City. The Director of Public Works or his or her designee shall be considered the Project Administrator and shall have the authority to act for the City under this Contract.

10 Indemnification

To the maximum extent permitted by law, Contractor shall indemnify, protect, defend and hold harmless the City, its Board of Director, the City's officers, employees, agents, volunteers, and representatives ("Indemnitees") with respect to any and all claims, suits, actions, stop notices, liabilities and/or damages, including related expenses, attorney's fees and costs, based on, arising out of, or in any way related to the work undertaken by Contractor pursuant to this Contract, and in connection with the Project.

11 Liability Insurance

11.1 Without limiting Contractor's indemnification of City, as described in paragraph 10, and unless modified by City, Contractor shall obtain, provide and maintain, at its own expense, during the term of this Contract, a policy or policies of insurance, satisfactory to the City, from insurance carriers admitted to do business in the State of California and rated in A.M. Best's Insurance Guide with a rating of A:VII or better, which contain the coverage described below.

11.1.1 Commercial General Liability

- ⌘ \$2,000,000.00 limit on a per occurrence basis
- ⌘ \$5,000,000.00 general aggregate limit

11.1.2 Commercial Automobile Liability

- ⌘ \$2,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.1.3 Workers' Compensation and Employer's Liability

- ⌘ Workers' Compensation -- coverage as required by the State of California
- ⌘ Employer's Liability -- \$1,000,000.00 each accident
 - \$1,000,000.00 policy limit bodily injury
 - \$1,000,000.00 each employee bodily injury by disease

11.1.4 Pollution/Environmental Liability*

- ⌘ \$2,000,000.00 limit on a per occurrence basis

11.2 Policies providing for bodily injury and property damage coverage shall contain the following:

- A. An endorsement extending coverage to the City as an additional insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificates shall state: "The City of Palmdale, Successor Agency to the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Housing Authority, Industrial Development Authority, Airport Authority, their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" Clause.

11.3 Promptly upon execution of this Contract, and prior to commencement of any work, CONTRACTOR shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONTRACTOR has the required coverage and showing the required named insured. Within five (5) days of written request from CITY, CONTRACTOR shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.4 Said Certificates of Insurance shall provide that thirty (30) days' prior written notice of cancellation shall be given to the City in the event of cancellation and/or reduction in coverage of any nature.

11.5 The required policies of insurance shall be endorsed to waive all rights of subrogation. Contractors waives all rights of subrogation.

11.6 Acceptable Proof of Insurance:

A. ACORD Certificate of Insurance listing all coverage, limits, deductibles and insured; and endorsements for all applicable coverage if agent has authority to issue it; or additional insured Form CG20100704 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

B. Binders of insurance for all coverage. Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements and a corresponding Certificate of Insurance listing all insurers and coverage must be submitted to the City Attorney.

C. *When pollution/environmental liability coverage is provided on a "claims made basis", CONTRACTOR will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONTRACTOR, or its officers, employees, or agents during the time this Agreement was in effect.

11.7 The requirements as to the types and limits of insurance to be maintained by CONTRACTOR are not intended to and shall not in any manner limit or qualify CONTRACTOR's liabilities and obligations under this Contract.

11.8 Any policy or policies of insurance that CONTRACTOR elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONTRACTOR fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONTRACTOR shall require any and all subcontractors working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONTRACTOR shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONTRACTOR's sole risk. CONTRACTOR's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 State Labor Code

12.1 This Contract calls for work to be performed constituting public works. Contractor and all subcontractors shall pay the general prevailing rate of per diem wages as determined and as published by the State Director of the Department of Industrial Relations pursuant to Article 2 of Chapter 1 of Part 7, of Division 2 of the State Labor Code, including, but not limited to, Sections 1770, 1771, 1773, 1773.2 and 1774.

12.2 This is a public work and requires the payment of prevailing wages for the work or craft in which the worker is employed for any public work done under the contract by Contractor or by any subcontractor pursuant to Section 1771 of the Labor Code. Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute this contract from the Director of the Department of Industrial Relations. These rates are on file with the City or may be obtained at <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>.

Contractor shall post a copy of such wage rates at the job site and shall pay the adopted prevailing wage rates as a minimum. Contractor shall comply with the provisions of Sections 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Contractor shall forfeit to the City, as a penalty, not more than \$200.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated prevailing rates for any work done under this Contract, by him or by any subcontractor under him, in violation of the provisions of this Agreement.

12.3 Contractors and subcontractors who are ineligible to bid for work on, or be awarded, a public works project pursuant to Labor Code Sections 1777.1 and 1777.7

are prohibited from bidding on, being awarded, or performing work as a subcontractor, on this Project pursuant to Public Contract Code Section 6109.

12.4 Contractor's attention is directed to the provisions in Sections 1774, 1775, 1776, 1777.5 and 1777.6 of the Labor Code. Contractor shall comply with the provisions in these Sections. The statutory provisions for penalties for failure to comply with the State's wage and hours laws will be enforced. Pursuant to Section 1775 of the Labor Code, the Contractor and any subcontractors, shall, as a penalty to the City forfeit the prescribed amounts per calendar day, or portion thereof, for each worker paid less than the prevailing wage rates.

12.5 Pursuant to Labor Code Section 1771.4, the Project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

12.6 Each Contractor and subcontractor shall furnish the records specified in Labor Code Section 1776 directly to the State Labor Commissioner at least monthly in the format prescribed by the State Labor Commissioner.

12.7 Sections 1774 and 1775 require the Contractor and all subcontractors to pay not less than the prevailing wage rates to all workmen employed in the execution of the Contract and specify forfeitures and penalties for failure to do so. The minimum wages to be paid are those determined by the State Director of the Department of Industrial Relations. Section 1776 requires the Contractor and all subcontractors to keep accurate payroll records, specifies the contents thereof, their inspection and duplication procedures and certain notices required of the Contractor pertaining to their location.

12.8 Section 1777.5 of the Labor Code requires Contractor or subcontractor employing workers in any apprenticeable occupation to apply to the Joint Apprenticeship Committee nearest the site of the public works project, which administers the apprenticeship program in that trade for a certificate of approval. The certificate will also fix the ratio of apprentices to journeymen to be used in the performance of the Contract. The Contractor is required to make contributions to funds established for the administration of apprenticeship programs if he employs registered apprentices or journeymen in any apprenticeable trade and if other contractors on the public works site are making such contributions. Information relative to apprenticeship standards, contributions, wage schedules and other requirements may be obtained from the State Director of Industrial Relations or from the Division of Apprenticeship Standards. Section 1777.6 of the Labor Code provides that it shall be unlawful to refuse to accept otherwise qualified employees as registered apprentices solely on the grounds of race, religious creed, color, national origin, ancestry, sex, or age.

12.9 Eight hours labor constitutes a legal day's work, as set forth in Labor Code

Section 1810. The statutory provisions for penalties for failure to comply with the State's wage and hour laws will be enforced as set forth in Labor Code Section 1813.

13 Antitrust Claims

In entering into this Agreement, Contractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the California Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Agreement. This assignment shall be made and become effective at the time the City tenders final payment to Contractor without further acknowledgment by the parties.

14 Trenching and Excavations

Pursuant to Public Contract Code Section 7104, if the Project involves trenching more than four (4) feet deep, Contractor shall promptly and before the following conditions are disturbed notify the City in writing of any:

14.1 Material that Contractor believes may be material that is hazardous waste, as defined in California Health and Safety Code Section 25117, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; and/or

14.2 Subsurface or latent physical conditions at the site differing from those indicated; and/or

14.3 Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

14.4 As required by Labor Code Section 6705 and in addition thereto, whenever work under the Contract that involves an estimated expenditure in excess of twenty-five thousand dollars (\$25,000) for the excavation of any trench or trenches five (5) feet or more in depth, Contractor shall submit for acceptance by City in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation, of such trench or trenches. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety, the plan shall be prepared by a registered civil or structural engineer employed by Contractor, and all costs therefor shall be included in the price of the Contract. Nothing in this provision shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this provision shall be construed to impose tort liability on the City or on any City officer, agent, consultant, representative, or

employee. All plans, processing and shoring costs are Contractor's responsibility and must be included in Contractor's bid.

15 Location of Existing Elements

Pursuant to Government Code Sections 4216 to 4216.9, the methods used and costs involved to locate existing elements, points of connection and all construction methods are Contractor's sole responsibility. Accuracy of information furnished, as to existing conditions, is not guaranteed. Contractor, at its sole expense, must make all investigations necessary to determine locations of existing elements, which may include, without limitation, contacting U.S.A. alert and other private underground locating firm(s), and/or utilizing potholes, specialized locating equipment and/or hand trenching.

16 Third Party Claims

Pursuant to Public Contract Code Section 9201, the City has full authority to compromise or otherwise settle any claim relating to this Contract at any time. The City shall timely notify Contractor of the receipt of any third-party claim relating to the Contract. The City shall be entitled to recover its reasonable costs incurred in providing the notification required by Public Contract Code Section 9201(b).

17 Non-Collusion

Contractor hereby certifies that this bid is genuine and not a sham or collusive, or made in the interest or on behalf of any person or business not herein named. Contractor further certifies that Contractor has not directly or indirectly induced or solicited any other bidder to furnish a sham bid, or any other person or business to refrain from bidding, and Contractor has not in any manner sought by collusion to secure itself an advantage over any other bidder. Contractor also affirms that it has signed and submitted with its bid to the City a Non-collusion Declaration as required by Public Contract Code Section 7106.

18 Conflicts of Interest

Contractor agrees not to accept any employment or representation during the term of this Contract or within twelve (12) months after completion of the work under this Contract which is or may likely make Contractor "financially interested," as provided in Government Code Section 1090 and 87100, in any decisions made by City on any matter in connection with which Contractor has been retained pursuant to this Contract.

19 Audit

The City or its representative shall have the option of inspecting and/or auditing all records and other written materials used by Contractor in preparing its billings to the City as a condition precedent to any payment to Contractor. Contractor will promptly

furnish documents requested by the City. Additionally, pursuant to Government Code Section 8546.7, if this Contract involves the expenditure of public funds in excess of ten thousand dollars (\$10,000), Contractor shall be subject to State Auditor examination and audit at the request of the City or as part of any audit of the City, for a period of three (3) years after final payment under this Contract.

20 Substitute Security

Pursuant to Public Contract Code Section 22300, the substitution of securities for any moneys withheld by the City to ensure performance under a contract is permitted, except where financing will be provided by the Farmers Home Administration of the United States Department of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. Sec. 1921 *et seq.*) or where federal regulations or policies, or both, do not allow the substitution of securities. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with the City, or with a state or federally chartered bank in the State of California as the escrow agent, that shall then pay those moneys to Contractor. Upon satisfactory completion of the Contract, the securities shall be returned to Contractor.

Alternatively, Contractor may request and the City shall make payment of retentions earned directly to the escrow agent at the expense of Contractor. At the expense of Contractor, Contractor may direct the investment of the payments into securities, and Contractor shall receive the interest earned on the investments upon the same terms provided for securities deposited by Contractor. Upon satisfactory completion of the Contract, Contractor shall receive from the escrow agent all securities, interest, and payments received by the escrow agent from the City, pursuant to the terms of this section.

Securities eligible for investment shall include those listed in California Government Code Section 16430, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, standby letters of credit, or any other security to which Contractor and the City agree in writing. Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

If Contractor elects to receive interest on moneys withheld in retention by the City, it shall, at the request of any subcontractor performing more than five percent (5%) of Contractor's total bid, make that option available to the subcontractor regarding any moneys withheld in retention by Contractor from the subcontractor. If Contractor elects to receive interest on any moneys withheld in retention by the City, then the subcontractor shall receive the identical rate of interest received by Contractor on any retention moneys withheld from the subcontractor by Contractor, less any actual pro rata costs associated with administering and calculating that interest. In the event that the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If Contractor elects to substitute securities in lieu of

retention, then, by mutual consent of Contractor and its subcontractor, the subcontractor may substitute securities in exchange for the release of moneys held in retention by Contractor. No Contractor shall require any subcontractor to waive any provision of this paragraph.

The escrow agreement for security deposits in lieu of retention shall be substantially similar to the form provided in Public Contract Code Section 22300(f).

21 Claims Dispute Resolution

In the event of any dispute or controversy with the City over any matter whatsoever, the Contractor shall not cause any delay or cessation in or of Work, but shall proceed with the performance of the Work in dispute. The Contractor shall retain any and all rights provided that pertain to the resolution of disputes and protests between the parties. The Disputed Work will be categorized as an “unresolved dispute” and payment, if any, shall be as later determined by mutual agreement or a court of law. The Contractor shall keep accurate, detailed records of all Disputed Work, claims and other disputed matters.

All claims arising out of or related to the Contract documents or this Project, and the consideration and payment of such claims, are subject to the Government Claims Act (Government Code Section 810 et seq.) with regard to filing claims. All such claims are also subject to Public Contract Code Section 9204 and Public Contract Code Section 20104 et seq. (Article 1.5), where applicable. This Contract hereby incorporates those provisions as though fully set forth herein. Thus, the Contractor or any Subcontractor must file a claim in accordance with the Government Claims Act as a prerequisite to filing a construction claim in compliance with Section 9204 and Article 1.5 (if applicable), and must then adhere to Section 9204 and Article 1.5 (as applicable), pursuant to the definition of “claim” as individually defined therein.

22 Non-discrimination and Equal Employment Opportunity

22.1 In performance of this Contract, CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status.

CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sexual orientation, age, gender, gender identity, gender expression, genetic information, or military and veteran status. Affirmative action relating to employment shall include, but not be limited to the following:

employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

22.2 The provisions of subsection 16.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONTRACTOR for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONTRACTOR and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

23 Integration

This Contract supersedes any and all agreements, either oral or written, between the parties hereto with respect to the construction of the Project by Contractor for City and contains all of the covenants and agreements between the parties with respect to the construction of the Project. Each party to this Contract acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made with regard to the construction of the Project by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise regarding work not contained in this Contract shall be valid or binding. Any modification or amendment of this Contract will be effective only if it is in writing and signed by the parties to this Contract. Any changes to the work required by this Contract will be by change order signed by the parties.

24 Governing Law

This Contract will be governed by and construed in accordance with the laws of the State of California without reference to change of venue laws. Any legal action in which enforcement of the terms and conditions of this Contract is requested, or in which it is alleged that a breach of this Contract has taken place, shall be filed and prosecuted in the County of Los Angeles, California.

25 Successors and Assigns

The terms and conditions of this Contract shall be binding on the successors and assigns of the parties to this Contract.

26 Exhibits

The exhibits and attachments referenced in this Contract are attached hereto and incorporated herein by this reference as though set forth in full in the Contract.

27 Authority to Sign

The person or persons executing this Contract on behalf of the Contractor warrant and represent that they have the authority to execute this Contract on behalf of the Contractor and have the authority to bind Contractor to the construction of the Project.

28 Time is of the Essence

Time is of the essence in every provision of this Agreement in which time to perform is a factor.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE

CALIFORNIA COMMERCIAL POOLS

SIGNATURE AREA

SIGNATURE AREA

Ronda Perez Date
City Manager

Brett Smith Date
Vice President

SIGNATURE AREA

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38250 Sierra Highway
Palmdale, CA 93550

ADDRESS FOR NOTICE:
CALIFORNIA COMMERCIAL POOLS
2255 East Auto Centre Drive
Glendora, CA 91740

APPROVE AS TO FORM:

SIGNATURE AREA

William P. Curley, III
City Attorney

ATTEST:

ATTEST: If Corporation

SIGNATURE AREA

SIGNATURE AREA

Roxanne Faber
Acting City Clerk

Secretary

[Signatures of contractor on bond(s) must be notarized. Obtain two corporate signatures if contractor is a corporation.]

----- INTERNAL USE ONLY -----

- ☐ Certificate(s) and Endorsement(s) attached
- ☐ Confirmed business name on contract with certificate(s)
- ☐ Attached notarized bond(s), Worker's Compensation Certificate, and Guaranty
- ☐ Attached Agreement Checklist and met all requirements



Atch 1
PN 866 Dry Town Water Park
Lazy River Deck Replacement

**MINUTES
CITY COUNCIL/SA
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
MARCH 6, 2024**

www.cityofpalmdale.org

1) CALL MEETING TO ORDER

Mayor Bishop called the meeting to order at 5:00 pm.

Note: All City Council memberships are reflected in their City Council titles.

**2) ROLL CALL MAYOR BISHOP, MAYOR PRO TEM LOA, COUNCILMEMBERS
OHLSEN, BETTENCOURT, ALARCÓN**

PRESENT: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

ABSENT: None.

3) PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

Mayor Pro Tem Loa led the pledge of allegiance.

4) PRESENTATIONS

4.1) Declaring Women's History Month.

Mayor Bishop declared Women's History Month. Councilmember Bettencourt spoke regarding the roles women fill in society.

4.2) Declaring Employee Appreciation Day.

Mayor Bishop declared Employee Appreciation Day, and expressed his sincere gratitude and appreciation to the City employees.

Council thanked staff.

4.3) Wellbeing Lab Certificate in Applied Positive Psychology Program Update.

Deputy City Manager Lopez and Louis Alloro, Director of The Wellbeing Lab, provided a PowerPoint presentation. Mr. Alloro shared information about the program tools, and strategies.

The following program participants spoke regarding their experience and impact projects: Jessica, Patty, and Tanisha.

5) PUBLIC COMMENTS:
CONSENT CALENDAR, APPOINTMENT(S), NEW BUSINESS, AND CLOSED SESSION:

The following individuals provided public input: David Harris spoke in favor of Item 6.8, The Wellbeing Lab; and Eugene Hernandez spoke regarding Women's History Month and recognized Chicana leaders.

Councilmember Alarcón thanked Mr. Hernandez for acknowledging her aunt, Eve Alarcón, who was the Co-Chair of the Cesar Chavez holiday committee and the reason why the State of California now recognizes the Cesar Chavez holiday.

Councilmember Bettencourt commented Women's History Month is not just for women involved in political office but for every single woman and all their struggles and successes.

Councilmember Alarcón pulled Item 6.5.

Motion: Approve the items as listed on the Consent Calendar except 6.5. Moved by Eric Ohlsen, seconded by Andrea Alarcón.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

6) CONSENT CALENDAR

6.1) Waive full reading of the Resolution(s) and/or Ordinance(s) to be considered and voted on at this meeting. (This allows for reading the title only in lieu of reciting the entire text).

6.2) Receive and file the Monthly Investment Activity Report for January 2024.

6.3) Adopt Resolution No. CC 2024-020, a Resolution of the City Council of the City of Palmdale adopting the joint resolution of the Board of Supervisors of the County of Los Angeles, acting on behalf of the Los Angeles County General Fund and the Los Angeles County Consolidated Fire Protection District, the Board of Directors of County Sanitation District No. 20 of Los Angeles County, and the governing bodies of the Antelope Valley Cemetery District, the Antelope Valley Mosquito and Vector Control District, the Antelope Valley Resource Conservation District, the City of Palmdale, and the Palmdale Water District - Zone E, approving and accepting the negotiated exchange of property tax revenues resulting from Annexation 20-104 to County Sanitation District No. 20.

6.4) Adopt Resolution No. CC 2024-021, a Resolution of the City Council adopting the Joint Resolution of the Board of Supervisors of the County of Los Angeles, acting on behalf of the Los Angeles County General Fund and the Los Angeles County Consolidated Fire Protection District, the Board of Directors of County Sanitation District No. 14 of Los Angeles County, and the Governing Bodies of the Antelope Valley Cemetery District, the Antelope Valley Mosquito and Vector Control District, the City of Palmdale, and the Antelope Valley - East

Kern Water Agency, approving and accepting the negotiated exchange of property tax revenues resulting from Annexation 14-451 to County Sanitation District No. 14.

- 6.5) Award Landscape Maintenance Services Agreement with Parkwood Landscape Maintenance, Inc., in an amount not to exceed \$16,120,000 for the remaining three months of fiscal year 2023-2024, and the subsequent four fiscal years for a total contract term of 51 months.

Director of Public Works Glidden presented an overview of the staff report.

Mayor Bishop asked if being local increases the bidder's score. Director of Public Works Glidden stated it does not increase the score. City Manager Perez clarified the City has a local preference in the Request for Proposal (RFP) process.

Councilmember Ohlsen asked how many jobs were local, and Director of Public Works Glidden said thirty-nine (39) full-time local staff.

Councilmember Alarcón thanked City staff and discussed negotiations with the contractor, the scope of work, and the Request for Proposal (RFP). Landscape Superintendent Wood provided clarification on the allowance that was made for the contractor to bring on a Traffic Control contractor to prepare the plans.

Councilmember Alarcón discussed and shared the drafted language that she prepared. She provided the revised language to City Attorney Curley and City Manager Perez. Councilmember Alarcón made a motion to approve the contract with the proposed revisions.

Mayor Pro Tem Loa made a substitute motion to approve the item as presented by staff. The motion died for lack of a second.

Councilmember Ohlsen clarified the proposed amendment and confirmed that Landscape Superintendent Wood and the union preferred the amendment. Councilmember Ohlsen seconded the motion presented by Councilmember Alarcón.

Councilmember Bettencourt asked for clarification regarding the need for another type of subcontractor, being limited, and general versus specific language. Mayor Pro Tem Loa asked City Attorney Curley how the added language affected things in the long term in terms of restricting the particular item being proposed. City Attorney Curley stated it narrows it down and limits future flexibility. Councilmember Bettencourt discussed training those being released from incarceration to reduce recidivism and asked whether or not they would be considered subcontractors if they were brought on, and City Manager Perez responded not if they were hired and put on payroll. There was further discussion among the Council and staff regarding the proposed amendment.

Motion: Award Landscape Maintenance Services Agreement with Parkwood Landscape Maintenance, Inc., in an amount not to exceed \$16,120,000 for the remaining three months of fiscal year 2023-2024, and the subsequent four fiscal years for a total contract term of 51 months with the proposed revisions. Moved by Andrea Alarcón, seconded by Eric Ohlsen.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

- 6.6) Award Contract Services Agreement with ROMTEC, Inc. for PN 887, Marie Kerr Park Best of the West Concession Stand Project, in the amount of \$239,557.
- 6.7) Approve the Second Amendment to the Legal Services Agreement with Civica Law Group, APC, to increase the agreement amount by \$420,000, for a total not to exceed amount of \$1,020,000 for a contract term through March 6, 2025.
- 6.8) Approve Agreement with The Wellbeing Lab dba Louis Alloro, LLC, to provide a Certificate in Applied Positive Psychology Program in an amount not to exceed \$275,000 for a term of one year.
- 6.9) Approve the minutes from the previous meetings.

CC/SA/IDA/PAA/PCA/PFA - February 21, 2024

7) PUBLIC HEARING

- 7.1) Adopt Resolution No. CC 2024-017, a Resolution of the City Council of the City of Palmdale; Denying Appeal 24-0002 and upholding Planning Commission Resolution No. PC-2024-001 to deny General Plan Amendment 23-0001, Zone Change 23-0002, and Specific Plan Amendment 22-001.

Mayor Bishop read the title of Resolution No. CC 2024-017 and requested a motion and second to continue the item.

Motion: Approve continuance of Item 7.1 - Adopt Resolution No. CC 2024-017, a Resolution of the City Council of the City of Palmdale; Denying Appeal 24-0002 and upholding Planning Commission Resolution No. PC-2024-001 to deny General Plan Amendment 23-0001, Zone Change 23-0002, and Specific Plan Amendment 22-001. Moved by Richard J. Loa, seconded by Laura Bettencourt.

Vote: Motion carried (5-0)

Yes: Austin Bishop, Richard J. Loa, Eric Ohlsen, Laura Bettencourt, Andrea Alarcón.

8) COUNCIL REPORTS, ANNOUNCEMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

8.1) Council reports, announcements, and requests for future agenda items.

Councilmember Alarcón reported on the following: Together California groundbreaking and requested adding two future Closed Session items to the agenda regarding: 1) Clinkunbroomer and 2) Car accident that took place in December.

Councilmember Ohlsen reported on the following: Met with U.S. Representative Garcia's Office and Congresswoman Chu to discuss reopening the Little Rock Creek dam; and Together California groundbreaking; attended Coffee 4 Vets and Coffee with a Cop; and he stated Supervisor Barger gave \$500K towards the Center of Transportation Excellence.

Mayor Pro Tem Loa reported on the following: SCAG Transportation Committee meeting; Palmdale School District Gala; Spanish Talk Radio; Together California groundbreaking; Palmdale Sheriff's Booster meeting; Swearing in of Palmdale Water District Board of Directors; Main Street Coalition meeting; AVAQMD Board of Directors meeting; Executive Committee of Regional Homeless Alignment meeting; met with Supervisor Barger and a representative of Palmdale Regional Medical Center to address the issue of mental health in a regional way; AVTA Board of Directors meeting; Desert Sands playground ribbon cutting; and AV Edge luncheon.

Councilmember Bettencourt reported on the following: Attended LA County Sanitation District 14 & 20 meetings; Skechers grand opening; Association Sister Cities fundraiser at Firehouse Subs; Love Rocks craft at Domenic Massari; met with constituents; donated to the Pony League to help replace stolen goods; desert clean up event; Season of Service; Books and Barks; Desert Sands playground ribbon cutting; and briefing on animal feasibility study.

Mayor Bishop reported on the following: attended the unveiling of the first low rider wall mural project painted in the Antelope Valley on Andy's Auto Parts; and Desert Sands playground ribbon cutting.

Mayor Bishop requested that City Manager Perez poll the Council offline for items requested for Closed Session.

City Attorney Curley provided the process for discussing Closed Session items. There was further discussion.

9) CITY MANAGER'S REPORT

City Manager Perez reported on the following: Disaster Preparedness Expo held at Legacy Commons; upcoming Women's Symposium on March 9 at Legacy Commons; Season of Services on March 16; in partnership with AV BOGA hosting a Welcome Home Vietnam Veterans event on March 16; provided an update on the Chimbole Cultural Center, Library, and north end of the 38300 building; digital park signs for advertisement; Yellen Park; Ghetto Film School will use the film stage March 25 - 29; and three additional bodies were approved in the budget for graffiti clean-up.

10) NON-AGENDA PUBLIC COMMENTS:

The following individuals provided public input: Eugene Hernandez spoke regarding the public comment code of conduct, parking spaces at the City library, and City Attorney contract; Michael Ross applauded Council for the work they do, spoke regarding town hall meetings in each district, in support of City Attorney Curley, and in opposition to the Human Rights Advisory Committee; Vivian commented on being stalked and the Sheriff's Department; Antelope Valley Chambers of Commerce, Vicky Ventura, announced and invited Council to a Women's History month event on March 13 at the Hellenic Center; and Marsha Furman spoke regarding the public comment rules and the opportunity for the public to speak.

11) PRESENTATION BY CITY ATTORNEY

City Attorney Curley confirmed the agenda items.

11.1) PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Attorney

Name: William P. Curley, III

11.2) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Shanae Smith, Patricia Nevarez and Michael "Mike" Behen vs. City of Palmdale, et al.

Los Angeles County Superior Court

Case No. 22STCV18219

This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d)(1).

11.3) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Leona Valley Town Council vs. City of Palmdale, et al.

Los Angeles County Superior Court Case No. 22STCP01932

This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d)(1)

11.4) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Donald Ross D'Angelo v. City of Palmdale, et al.

Los Angeles County Superior Court

Case No. 21AVCV00441

This closed session is being held pursuant to the authority of California Government Code Section 54956.9(d)(1).

11.5) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

U-Haul v. City of Palmdale

Case No. 22AVCV00439

This closed session is being held pursuant to the authority of California Government Code Section 54956.9.

11.6) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION
CV Communities, LLC et al. v. Antelope Valley East Kern Water Agency et al.
Los Angeles County Superior Court Case Nos. BC661107 and 20STCV10953
This closed session is being held pursuant to the authority of California
Government Code Section 54956.9(d)(1).

12) ANNOUNCEMENT BY CITY ATTORNEY

Closed Session was held from 6:33 pm - 7:49 pm.

City Attorney Curley announced the following: 11.1 Direction was given, and there was no reportable action; and 11.2 through 11.6 Council was updated, and there were no reportable actions.

13) ADJOURN

Mayor Bishop adjourned the meeting at 7:51 pm to March 20, 2024, at 5:00 p.m. in the City Hall Council Chamber located at 38300 Sierra Highway, Suite B, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 20th day of March 2024.

Austin Bishop, Mayor

ATTEST:

Rochelle Scott, Acting City Clerk



City Council Staff Report

DATE: MARCH 20, 2024

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: OPERATIONS DEPARTMENT
FINANCE DIVISION

DISTRICT: ALL

SUBJECT: ADOPT RESOLUTION NO. CC 2024-022, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE CALLING SPECIAL ELECTION REGARDING ALTERATION OF THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR THE CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES); RESOLUTION NO. CC 2024-023, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING RESULTS OF SPECIAL ELECTION IN THE CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES), DETERMINING THAT ALTERATION OF THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR THE DISTRICT IS LAWFULLY AUTHORIZED, AND DIRECTING RECORDING OF AMENDED AND RESTATED NOTICE OF SPECIAL TAX LIEN; AND RESOLUTION NO. CC 2024-028, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE AUTHORIZING EXECUTION OF AGREEMENTS RELATING TO THE ISSUANCE OF SPECIAL TAX BONDS FOR THE CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES)

RECOMMENDATION

Staff recommends that the City Council:

1. Conduct the public hearing to accept public testimony on the proposed alteration of the Rate and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) pursuant to City Council Resolution No. CC 2024-019.
2. Adopt Resolution No. CC 2024-022, A Resolution of the City Council of the City of Palmdale calling special election regarding alteration of the Rate and Method

of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities).

3. Conduct special alteration election.
4. Adopt Resolution No. CC 2024-023, A Resolution of the City Council of the City of Palmdale declaring results of special election in the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) determining that alteration of the Rate and Method of Apportionment of Special Taxes for the District is lawfully authorized, and directing recording of Amended and Restated Notice of Special Tax Lien.
5. Adopt Resolution No. CC 2024-028, A Resolution of the City Council of the City of Palmdale authorizing execution of agreements relating to the issuance of Special Tax Bonds for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities).

BACKGROUND

In September 2022, RdR Development Holdings, LLC (RdR), the property owner of the Ritter Ranch property (Project), requested that the City form a new community facilities district for the Phase 1 property portion of the Project to fund public infrastructure and improvements necessary for the development of that first phase. The first phase of the Project (Phase 1) is expected to include up to 1,180 residential units. The City formed Community Facilities District No. 2022-3 ("CFD 2022-3") in late 2022.

RdR has requested that the City proceed with the approval of the first series of Special Tax Bonds ("Bonds") for CFD 2022-3. Specific actions are required by the City Council before the issuance of the Bonds, including an amendment to the Rate and Method of Apportionment of Special Taxes (RMA) for CFD 2022-3 and execution of agreements for bond services.

RdR is currently expected to be the "Master Developer" of the property within CFD 2022-3.

DISCUSSION

Amendment of the RMA

During the CFD 2022-3 formation process, special tax rates were established pursuant to the RMA, which is the document that governs how special taxes will be levied on property within CFD 2022-3 going forward. The special tax rates for CFD 2022-3 to pay for Bonds issued to fund public facilities were designed so that the total property tax burden on each dwelling unit will not exceed 2% of the projected/assumed assessed

value of such property. This tax burden incorporates all ad valorem taxes - the 1% general levy and any school, college or AVEK general obligation bond tax levy – as well as any special assessments or fees included on the property tax bill. These additional special assessments also include the special taxes for the City's Community Facilities District No. 2022-2, which is contiguous with the property in CFD 2022-3 and was formed to pay certain ongoing municipal services for the Phase 1 property.

The 2022 RMA required that a new Price Point Study be completed before the issuance of the Bonds in case home prices had declined and the original special tax rates approved in 2022 caused the overall effective tax rate to exceed 2% of the current estimated home price when the Bonds are to be sold. In addition, since 2022, the Master Developer has filed Tentative Tract Maps and has a better idea of the lot sizes in Phase 1.

To calculate any adjustments to the maximum CFD 2022-3 special tax rates, the City commissioned a new Price Point Study ("2023 PPS") to determine a reasonable sales price for each unit type proposed for Phase 1. As a result of the prices shown in the 2023 PPS, as well as adjustments needed resulting from better lot size information, special tax rates need to be reduced and lot size adjustments need to be made in the RMA. The City's Special Tax Consultant prepared an Amended and Restated Rate and Method of Apportionment of Special Taxes ("Amended and Restated RMA") that incorporates the special tax rate adjustments.

The special tax rates in CFD 2022-3 are being reduced in the Amended and Restated RMA by approximately 15%-18% for smaller homes and approximately 9% to 12% for larger homes. In addition, the Master Developer requested an additional special tax reduction to be applied to the first three tracts they expect to sell to merchant builders to help spur development of the initial tracts.

With the 2023 PPS and the Amended and Restated RMA, the City Council was able to adopt a resolution of consideration to amend the RMA for CFD 2022-3 to reduce the special tax rates in anticipation of the sale of Bonds. The process to alter the RMA for CFD 2022-3 began with the City Council adoption of Resolution No. CC 2024-019 on February 21, 2024. That resolution set March 20, 2024, as the date for a public hearing on the Amended and Restated RMA.

It is now time to conclude the RMA alteration proceedings. This process requires that the City Council hold the public hearing regarding the alteration of the RMA, approve the resolution of alteration, hold a special alteration election (submitted to the Master Developer as the sole owner of the property within CFD 2022-3), and approve a resolution declaring the results of the election.

Alteration of RMA

Staff recommends that the City Council hold the public hearing to accept public testimony on the proposed alteration of the RMA. After conducting the public hearing, staff recommends that the City Council adopt Resolution No. CC 2024-022, which:

- alters the RMA, and
- submits the alteration of the RMA to the qualified elector of the territory within CFD 2022-3.

After adoption of the resolution, the Acting City Clerk will conduct the special election and open the ballot submitted by RdR Development Holdings, LLC, who is the qualified landowner elector.

Once the affirmative ballot is cast, staff recommends that the City Council adopt Resolution No. CC 2024-023, which:

- declares the results of the special alteration election,
- determines the validity of the prior proceedings, and
- directs recording of an Amended and Restated Notice of Special Tax Lien.

After the adoption of this resolution, the RMA alteration proceedings will be complete.

Bond Issuance Services

The Phase 1 development is expected to contain 1,180 residential units and will be built over time. RdR currently wishes to issue a first series of Bonds, anticipated to be supported by the Special Taxes on all of the planned 688 detached single-family homes in Phase 1. A future series of Bonds is proposed for 2026, subject to future City Council consideration and approval. That second series is expected to be secured (together with the 2024 Series) by the special taxes from the detached homes and by the additional special taxes of the remaining 492 planned attached townhomes in Phase 1B.

The City's Bond Counsel is Quint & Thimmig LLP. They have served the City for over 27 years, and attorney Paul Thimmig has been working on various agreements resulting from Ritter Ranch land and bond ownership changes over these many years, as well as the formation of the new CFD 2022-3. Initially RdR requested the Bonds be issued in March 2024. This resulted in a significant amount of work on the required documents to meet that deadline. For the proposed first series of Bonds for CFD 2022-3, Mr. Thimmig prepared drafts of all legal documents as are necessary for the issuance. This included a Fiscal Agent Agreement, a preliminary limited offering memorandum, and closing documents.

The preliminary limited offering memorandum describes CFD 2022-3, the Bonds, the Master Developer, the proposed development, and the Bond transfer restrictions and was drafted by Mr. Thimmig in his role as the City's Disclosure Counsel.

The Bonds are now expected to be issued later in the year. To date, Mr. Thimmig has completed a substantial portion of the required bond documents that the City Council will be asked to approve for issuance of the Bonds. However, Mr. Thimmig is retiring on March 31, 2024, and as of that date, will no longer serve in the roles of Bond Counsel and Disclosure Counsel for the Bonds. Going forward, Mr. Thimmig and staff recommend that these roles be taken on by Ms. Kim Byrens of Best Best & Krieger. Ms. Byrens is an experienced bond counsel and disclosure counsel with significant knowledge of CFD financing. Ms. Byrens has been serving as the underwriter's counsel for the Bonds and is the attorney considered most familiar with the transaction and able to step into Mr. Thimmig's roles upon his retirement.

The City's Municipal Advisor, Harrell & Company, has also been working diligently alongside the City staff and its finance team toward the issuance of the Bonds.

As the City approaches the issuance of the Bonds, it is appropriate at this time to approve an agreement with Quint & Thimmig providing for a termination payment for a portion of the fees that would have been paid if the Bonds had been issued prior to March 31, 2024, as compensation for work to date. In addition, it is also necessary for the City Council to approve agreements with Best Best & Krieger to carry on with the Bond Counsel and Disclosure Counsel work needed for Bond issuance and for Harrell & Company's municipal advisory services in connection with the Bonds.

The City Council resolution authorizes the City Manager to enter into the following contracts for Bond Counsel, Disclosure Counsel, and Municipal Advisor Services:

- Agreement for Bond Counsel and Disclosure Counsel Services - Quint & Thimmig LLP (A-8588)
- Agreement for Bond Counsel and Disclosure Counsel Services - Best Best & Krieger LLP (A-8765)
- Agreement for Municipal Advisor Services - Harrell & Company Advisors, LLC (A-8589)

FISCAL IMPACT

The termination fee payable to Quint & Thimmig on March 31, 2024 will be paid from amounts deposited with the City by RdR for payment of costs associated with the prior Ritter Ranch CFD 93-1, the formation of CFD 2022-3 and CFD 2022-3 pre-issuance expenses. Fees of Best Best & Krieger and Harrell & Company will be paid from proceeds of the CFD 2022-3 Bonds, when issued.

The special taxes to pay for the Bonds will be levied only on property in CFD 2022-3, and the issuance of the Bonds will have no fiscal impact on the City's general fund. A resolution authorizing the issuance of the Bonds will be placed on a later City Council agenda for approval before the Bonds can be issued.

STRATEGIC PLAN

Goal III: Invest in infrastructure to improve community livability.

- A. Seek innovative, cost-effective, customer-focused methods of service delivery.
- C. Plan and maintain safe and attractive neighborhoods, streets, facilities, and public spaces with exciting programming that promotes active fun for everyone.

Prepared by:	Janelle Samson, Director of Operations
Certified as to availability of Funds:	Janelle Samson, Director of Operations
Approved by:	Ronda Perez, City Manager
Approved as to form:	William P. Curley, III, City Attorney

ATTACHMENTS

Reso. No. CC 2024-022
Reso. No. CC 2024-023
Reso. No. CC 2024-028
Agrmt. A-8588 for Bond Counsel and Disclosure Counsel Services
Agrmt. A-8765 for Bond Counsel and Disclosure Counsel Services
Agrmt. A-8589 for Municipal Advisor Services

CITY OF PALMDALE
COUNTY OF LOS ANGELES, CALIFORNIA
RESOLUTION NO. CC 2024-022

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE CALLING SPECIAL ELECTION REGARDING ALTERATION OF THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR THE CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES)

WHEREAS, on February 21, 2024, this City Council adopted Resolution No. CC 2024-019 entitled “A Resolution of the City Council of the City of Palmdale of Consideration to Alter the Rate and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities)” (the “Resolution of Consideration”), proposing to alter the rate and method of apportionment of the special taxes (the “Original Rate and Method”) for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) (the “District”), all pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the “Act”); and

WHEREAS, the Resolution of Consideration, which makes reference to the map of the boundaries of the District, and which contains a proposed amended and restated rate and method of apportionment for the District (the “Amended Rate and Method”), is on file with the City Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and

WHEREAS, on the date hereof, the City Council held a noticed public hearing as required by the Act and the Resolution of Consideration relative to the proposed Amended Rate and Method; and

WHEREAS, at said hearing all property owners and any other interested persons with respect to the District desiring to be heard on all matters pertaining to the proposed Amended Rate and Method were heard and a full and fair hearing was held; and

WHEREAS, written protests with respect to the proposed Amended Rate and Method have not been filed with the City Clerk by fifty percent (50%) or more of any registered voters residing within the territory of the District or property owners of one-half (1/2) or more of the area of land within the District and not exempt from the levy of the special tax; and

WHEREAS, the proposition of the approval of the Amended Rate and Method shall be submitted to the qualified elector of the District as required by the Act.

NOW, THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The proposed Amended Rate and Method of the special tax to be levied within the District has not been precluded by majority protest pursuant to Section 53337 of the Act.

SECTION 3. All prior proceedings taken by the City Council in connection with the proposed alteration of the Original Rate and Method for the District, as set forth in the Resolution of Consideration, have been duly considered and are hereby found and determined to be valid and in conformity with the requirements of the Act.

SECTION 4. Subject to the approval of the qualified elector of the District at the special election referred to below, the Original Rate and Method is hereby altered from the Rate and Method of Apportionment of Special Taxes specified in the Resolution No. CC 2022-100 of the City Council adopted September 21, 2022, and shall be the Amended Rate and Method set forth in Exhibit A attached to the Resolution of Consideration with the heading for Table 2 of Section C.1.a. changed to be "Assigned Special Tax For Developed Property Final Subdivision Map For All Other Tracts Fiscal Year 2023/24."

SECTION 5. Pursuant to Sections 53338(a) and 53326 of the Act, the issue of the alteration of the Original Rate and Method shall be submitted to the qualified elector of the District at an election called therefor as provided below.

SECTION 6. The ballot measure shall be in the form attached hereto as Exhibit A and by this reference incorporated herein, and said form of ballot is hereby approved.

SECTION 7. The City Council hereby finds that fewer than 12 persons have been registered to vote within the territory of the District for each of the ninety (90) days preceding the close of the public hearing heretofore conducted and concluded by the City Council for the purposes of these proceedings. Accordingly, and pursuant to Section 53326 of the Act, the City Council finds that for purposes of these proceedings the sole qualified elector for the District is the sole owner of the land within the District and that the vote shall be by said landowner, having one vote for each acre or portion of an acre such landowner owns in the District as of the close of the public hearing.

SECTION 8. The City Council hereby calls a special election to consider the measure described in Section 6 above, which election shall be held immediately following adoption of this Resolution in the City Council Chambers. The Acting City Clerk is hereby designated as the official to conduct said election. It is hereby acknowledged that the City Clerk has on file a copy of this Resolution, a map of the boundaries of the District,

and a sufficient description to allow the City Clerk to determine the boundaries of the District.

SECTION 9. The voted ballot shall be returned to the City Clerk immediately following adoption of this Resolution, and when the sole qualified elector has voted, the election shall be closed.

SECTION 10. Pursuant to Sections 53326(b) and 53327 of the Act, the election shall be conducted by mail ballot pursuant to applicable provisions of the Act and of the California Elections Code.

SECTION 11. The City Council acknowledges that the City Clerk has caused to be delivered to the sole qualified elector of the District a ballot in the form set forth in Exhibit "A" hereto.

The ballot was accompanied by all supplies and written instructions necessary to the use and return of the ballot. The envelope to be used to return the ballot was enclosed with the ballot, had the return postage prepaid, and contained the following: (a) the name and address of the landowner, (b) a declaration, under penalty of perjury, stating that the voter is owner of record or authorized representative of the landowner entitled to vote and is the person whose name appears on the envelope, (c) the printed name, signature and address of the voter, (d) the date of signing and place of execution of the declaration pursuant to clause (b) above, and (e) a notice that the envelope contains an official ballot and is to be opened only by the canvassing board.

Analysis and arguments with respect to the ballot measure have been waived by the landowner voter, by means of the waiver contained in its voted ballot, all as permitted by Section 53327(b) of the Act. The City Council hereby concurs in said waiver.

SECTION 12. The City Clerk shall accept the ballot of the qualified elector in the City Council Chambers upon and prior to the adoption of this Resolution, whether said ballot be personally delivered or received by mail. The City Clerk shall have available a ballot which may be marked at said location on the election day by said qualified elector.

SECTION 13. The City Council hereby further finds that the provision of Section 53326 of the Act requiring a minimum of 90 days following the adoption of the resolution of calling the election to elapse before the special election is for the protection of the qualified elector of the District. The voted ballot of the sole qualified elector of the District contains a waiver of the time for said special election. Accordingly, this City Council finds and determines that if the qualified elector submits its voted ballot in the election, the qualified elector will have agreed to the shortened time for the election and will thereby have been fully protected in these proceedings. This City Council also finds and determines that the City Clerk has concurred in the shortened time for the election.

SECTION 14. This Resolution shall take effect upon its adoption.

PASSED, APPROVED and ADOPTED this 20th day of March, 2024.

Austin Bishop,
Mayor

ATTEST:

Rochelle Scott,
Acting City Clerk

Approved as to form:

William P. Curley III,
City Attorney

Resolution No. CC 2024-022

March 20, 2024

Page 5 of 6

I, Rochelle Scott, Acting City Clerk of Palmdale, California, do hereby certify that the foregoing Resolution No. CC 2024-022 was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 20th day of March, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, Acting City Clerk

EXHIBIT A

OFFICIAL BALLOT

SPECIAL ELECTION

CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3
(RITTER RANCH PHASE 1 PUBLIC FACILITIES)

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the City Clerk of the City of Palmdale no later than immediately after adoption of the resolution of the City Council of the City calling said election, currently scheduled for March 20, 2024, either by mail or in person. The City Clerk's office is located at 38300 Sierra Highway, Suite A, Palmdale, California, 93550.

To vote, mark a cross (X) in the voting square after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Palmdale and obtain another.

BALLOT MEASURE: Shall the rate and method of apportionment of the special taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) be altered as described in Resolution No. CC 2024-019 of the City Council of the City of Palmdale adopted February 21, 2024, entitled "A Resolution of the City Council of the City of Palmdale of Consideration to Alter the Rate and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities)"?

Yes _____

No _____

By execution in the space provided below, you also indicate your desire to have this election occur as soon as practicable and, accordingly, your waiver of any requirement for notice of or any time limit pertaining to the conduct of the election, and your waiver of any requirement for analysis and arguments with respect to the ballot measure.

Number of Votes: 236

Property Owner: RdR Development Holdings, LLC,
a Delaware limited liability company

By: PHCC LLC (d/b/a Preston Hollow Community
Capital),
its sole member

By: _____

Name: _____

Title: _____

CITY OF PALMDALE
COUNTY OF LOS ANGELES, CALIFORNIA
RESOLUTION NO. CC 2024-023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE DECLARING RESULTS OF SPECIAL ELECTION IN THE CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES), DETERMINING THAT ALTERATION OF THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR THE DISTRICT IS LAWFULLY AUTHORIZED, AND DIRECTING RECORDING OF AMENDED AND RESTATED NOTICE OF SPECIAL TAX LIEN

WHEREAS, in proceedings heretofore conducted by this City Council pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), on this date this City Council adopted a resolution entitled "A Resolution of the City Council of the City of Palmdale Calling Special Election Regarding Alteration of the Rate and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities)" (the "Resolution Calling Election"), calling for a special election of the qualified elector within the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) (the "District"); and

WHEREAS, pursuant to the terms of the Resolution Calling Election, which are by this reference incorporated herein, the special election was held on this date, and the City Clerk has on file a Canvass and Statement of Results of Election, a copy of which is attached hereto as Attachment A; and

WHEREAS, this City Council has reviewed said Canvass and hereby approves it.

NOW, THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The issue presented at said special election was the alteration of the rate and method of apportionment of the special taxes to be levied within the District, as described in the Resolution Calling Election.

SECTION 2. The results of the special election are as set forth in said Canvass on file with the City Clerk, and attached to this Resolution as Attachment A, which is incorporated herein by this reference. Pursuant to said Canvass on file with the City Clerk, the issue presented at the special election was approved by the sole qualified elector of the District.

SECTION 3. The City Council hereby determines that the alteration of the rate and method of apportionment of the special taxes for the District, as described in the Resolution Calling Election, is lawfully authorized.

SECTION 4. The City Clerk is hereby directed to execute and cause to be recorded in the office of the County Recorder of the County of Los Angeles an amended and restated notice of special tax lien with respect to the District, in substantially the form attached hereto as Attachment B, said recording to occur no later than fifteen days following adoption by this City Council of this Resolution.

SECTION 5. It is hereby found that all prior proceedings and actions taken by the City Council with respect to the District and the alteration of the rate and method of apportionment of special taxes for the District, were valid and in conformity with the Act.

SECTION 6. This Resolution shall take effect upon its adoption.

PASSED, APPROVED and ADOPTED this 20th day of March, 2024.

Austin Bishop,
Mayor

ATTEST:

Rochelle Scott,
Acting City Clerk

Approved as to form:

William P. Curley III,
City Attorney

I, Rochelle Scott, Acting City Clerk of Palmdale, California, do hereby certify that the foregoing Resolution No. CC 2024-023 was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 20th day of March, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, Acting City Clerk

ATTACHMENT A

CANVASS OF RETURNS AND STATEMENT OF RESULT OF SPECIAL ELECTION

City of Palmdale Community Facilities District No. 2022-3
(Ritter Ranch Phase 1 Public Facilities)

I hereby certify that on March 20, 2024, I canvassed the returns of the election held on March 20, 2024 in the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities), and that the total number of ballots cast in said election and the total number of votes cast for and against the measure are as follows, and that the totals as shown for and against the measure are full, true and correct:

	Qualified Eligible <u>Voters</u>	Votes <u>Cast</u>	<u>YES</u>	<u>NO</u>
City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) Special Election, March 20, 2024.	236	_____	_____	_____

BALLOT MEASURE: Shall the rate and method of apportionment of the special taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) be altered as described in Resolution No. CC 2024-019 of the City Council of the City of Palmdale adopted February 21, 2024, entitled "A Resolution of the City Council of the City of Palmdale of Consideration to Alter the Rate and Method of Apportionment of Special Taxes for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities)"?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 20th day of March, 2024.

By: _____
City Clerk, City of Palmdale

ATTACHMENT B

RECORDING REQUESTED BY:

THE CITY OF PALMDALE

WHEN RECORDED MAIL TO:

CITY OF PALMDALE
OFFICE OF THE CITY CLERK
38300 SIERRA HIGHWAY, SUITE C
PALMDALE, CALIFORNIA 93550

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

TITLE(S)

**AMENDED AND RESTATED NOTICE
OF SPECIAL TAX LIEN**

ATTACHED IS THE FOLLOWING DOCUMENTATION FOR RECORDATION:

- AMENDED AND RESTATED NOTICE OF SPECIAL TAX LIEN CITY OF PALMDALE FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES)

Resolution No. CC 2024-023

March 20, 2024

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RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:

City Clerk
City of Palmdale
38300 Sierra Highway, Suite C
Palmdale, California 93550

AMENDED AND RESTATED
NOTICE OF SPECIAL TAX LIEN

CITY OF PALMDALE
COMMUNITY FACILITIES DISTRICT NO. 2022-3
(RITTER RANCH PHASE 1 PUBLIC FACILITIES)

AMENDED AND RESTATED NOTICE OF SPECIAL TAX LIEN

CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3
(RITTER RANCH PHASE 1 PUBLIC FACILITIES)

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code and the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"), a Notice of Special Tax Lien (the "Notice") with respect to City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) (the "District") was recorded in the Office of the County Recorder of the County of Los Angeles on November 2, 2022, as Document No. 20221039610. This Amended and Restated Notice of Special Tax Lien amends and restates the Notice in full.

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code and the Act, the undersigned City Clerk of the City of Palmdale (the "City"), County of Los Angeles, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed in the District by the City Council of the City, County of Los Angeles, State of California. The special tax secured by this lien is authorized to be levied for the purpose of paying principal and interest on bonds, the proceeds of which are being used to finance the acquisition and construction of all or a portion of the public facilities described in Exhibit A attached hereto and by this reference made a part hereof.

The special tax is authorized to be levied within the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities), which has now been officially formed and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with the Act.

Pursuant to proceedings conducted in accordance with the Act, the rate and method of apportionment of the special taxes to be levied within the District has been altered so as to be the Amended and Restated Rate and Method of Apportionment for the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) a copy of which is set forth in Exhibit B attached hereto and by this reference made a part hereof. Pursuant to the requirements of Section 3117.5 of the California Streets and Highways Code, the undersigned City Clerk of the City of Palmdale, County of Los Angeles, State of California, hereby gives notice of such change.

Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as set forth in said Exhibit B.

Notice is further given that upon the recording of the Notice in the office of the County Recorder of the County of Los Angeles, the obligation to pay the special tax levy became a lien upon all nonexempt real property within the District, in accordance with Section 3115.5 of the California Streets and Highways Code.

The names of the owners and the assessor's tax parcel numbers of the real property included within the District and not exempt from the special tax as of the date of recording of the Notice and as of the date of alteration of the rate and method of apportionment of the special tax for the District, are as set forth in Exhibit C attached hereto and by this reference made a part hereof.

Reference is made to the boundary map of the District recorded on September 26, 2022 in Book 196 of Maps of Assessment and Community Facilities Districts at Page 37 (Instrument No. 20220937555), in the office of the County Recorder for the County of Los Angeles, State of California, which map is the final boundary map of the District.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Director of Operations of the City of Palmdale, 38300 Sierra Highway, Suite D, Palmdale, California 93550, telephone number (661) 267-5440.

Dated: _____, 2024

By: _____
City Clerk of the City of Palmdale

EXHIBIT A

CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH PHASE 1 PUBLIC FACILITIES)

DESCRIPTION OF FACILITIES ELIGIBLE TO BE FINANCED BY THE DISTRICT

FACILITIES

The District shall be eligible to finance all or a portion of the costs of the following:

- Domestic water facilities, including but not limited to construction and installation of water distribution, treatment and storage facilities, pumpstations, irrigation lines and related appurtenances.
- Street improvements, including but not limited to construction and installation of streets, curbs, gutters, medians, traffic signals, street signs, street lights, entry monuments and appurtenances.
- Sanitary sewer facilities, including but not limited to construction and installation of sewer lines, sewer lift stations and related appurtenances.
- Storm control facilities, including but not limited to pipes, basins and treatment facilities.
- Installation of landscaping and related irrigation improvements in public rights of way, construction and development of parks, parkways and trails and installation of walls and fencing in public rights of way and related appurtenances.
- Recreational facilities, including fixtures and equipment.
- Water system improvements to be designated by the Los Angeles County Waterworks District No. 40 and the Antelope Valley – East Kern Water Agency otherwise to be financed with annexation and capital facilities fees and connection charges related to improvements to be constructed in the Ritter Ranch development.
- Flood control facilities related to the downstream flood control project identified as the Amargosa Recharge Facility that otherwise would be financed with capital facilities fees, connection charges or other permit fees.
- Fire control and suppression facilities, including buildings and related facilities that otherwise would be financed with capital facilities fees, connection charges or other permit fees.
- Sanitation district facilities, including sewer treatment, collection, transmission and reclamation facilities, sewer collection lines, wastewater treatment facilities, reclaimed water facilities, treated wastewater facilities and related and appurtenant facilities, and land, rights-of-way and easements necessary for any of such facilities, which facilities otherwise would be financed with capital facilities fees, connection charges or other permit fees.

The facilities eligible to be financed shall include the costs of design, engineering and planning, the costs of any environmental or other studies, surveys or reports, the cost of any required environmental mitigation, erosion control, grading, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision, City of Palmdale staff and consultant costs, and any other costs or appurtenances related to any of the public improvements to be financed or any of the foregoing.

OTHER

The District may also finance any of the following:

1. Bond related expenses, including underwriters discount, appraisal and absorption study costs, reserve fund, capitalized interest, financial advisor, special tax consultant, bond counsel and underwriters' counsel fees and expenses, landowner counsel fees and expenses, official statement printing, and all other incidental expenses.
2. Administrative fees of the City and the Bond trustee or fiscal agent related to the District and the Bonds.
3. Reimbursement of costs related to the formation of the District advanced by the City, any landowner in the District, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, any landowner in the District or any party related to any of the foregoing, for facilities or other purposes or costs of the District.

EXHIBIT B

**AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES
FOR CITY OF PALMDALE
COMMUNITY FACILITIES DISTRICT NO. 2022-3
(RITTER RANCH PHASE 1 PUBLIC FACILITIES)**

A Special Tax, as hereinafter defined, shall be levied and collected in the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) ("CFD No. 2022-3") each Fiscal Year commencing in Fiscal Year 2023/24, in an amount determined by the application of the procedures below. All Taxable Property, as hereinafter defined, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meaning:

"Accessory Dwelling Unit" or "ADU" means all Assessor's Parcels of Residential Property for which a building permit(s) has been issued for an "Accessory Dwelling Unit" as defined in California Government Code Section 65852.2(j)(1), as may be amended from time to time, that is accessory to a primary Unit. The ADU may be located on the same Assessor's Parcel as the primary Unit that is the primary Unit or on a separate Assessor's Parcel. For purposes of clarification, where an ADU and primary Unit are on the same Assessor's Parcel, the ADU located on such Assessor's Parcel is considered a separate Unit from the primary Unit on such Assessor's Parcel for purposes of the Special Tax. Should an Assessor's Parcel contain only an ADU, such Assessor's Parcel will be taxed as an ADU Unit only.

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map. In the event that the Assessor's Parcel Map shows no acreage, the Acreage for any Assessor's Parcel may be determined by the CFD Administrator based upon, in the CFD Administrator's discretion, the applicable condominium plan, final map, parcel map, Assessor's Data or by using available spatial data and GIS.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1, Division 2 of Title 5 of the Government Code of the State.

"Administrative Expenses" means the actual or reasonably estimated costs directly related to the administration of CFD No. 2022-3 including, but not limited to, the following: the costs of any paying agents/fiscal agents/trustees related to CFD No. 2022-3 Bond payments (including the fees and expenses of related counsel); the costs of computing the Annual Special Tax Requirement, the Special Taxes and of preparing the collection schedules for the Special Taxes; the costs of collecting the Special Taxes, including any charges levied by the County Auditor's Office, County Tax Collector's Office or County Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements associated with applicable federal and state securities laws, or otherwise related to CFD No. 2022-3 or CFD No. 2022-3 Bonds; the City's annual administration fees and third party expenses; costs of responding to public inquiries regarding the Special Taxes; the costs of the City or designee related to an appeal of the Special Tax or interpretation of this Rate and Method of Apportionment of Special Taxes; amounts needed to pay any required arbitrage rebate to the federal government related to CFD No. 2022-3 Bonds; the costs associated with the release of funds from any escrow account; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in CFD No. 2022-3.

Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2022-3 for any other administrative purposes of CFD No. 2022-3.

"Annual Special Tax Requirement" means that amount required in any Fiscal Year for CFD No. 2022-3 to (1) pay Debt Service on all Outstanding CFD No. 2022-3 Bonds due in the Debt Year that commences in such Fiscal Year; (2) pay debt service on bonds expected to be issued by CFD No. 2022-3 due in the Debt Year that commences in such Fiscal Year; (3) Administrative Expenses; (4) provide any amount required to establish or replenish a reserve fund in connection with any CFD No. 2022-3 Bonds; (5) provide an amount equal to reasonably anticipated Special Tax delinquencies based on the delinquency rate for Special Taxes levied in the previous Fiscal Year as determined by the CFD Administrator, as limited by the Act, and without duplicating any amounts described in clauses (3) or (4). The amounts referred to in clauses (1) through (5) of the preceding sentence may be reduced in any Fiscal Year (in the City's sole discretion) by (i) surplus balances in funds and accounts for CFD No. 2022-3 Bonds to the extent that such balances are available to apply against Debt Service pursuant to the Indenture, (ii) proceeds from the collection of penalties associated with delinquent Special Tax, and (iii) any other revenues available to pay Debt Service on the Outstanding CFD No. 2022-3 Bonds or other indebtedness as determined by the CFD Administrator.

"Assessor's Data" means the property characteristic data compiled and maintained by the County Assessor for each Assessor's Parcel, including, but not limited to, Assessor's Parcel Number, Acreage, Building Square Footage, Lot Square Footage and Units.

"Assessor's Parcel" or "Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" or "APN" means, with respect to an Assessor's Parcel, that number assigned to such Assessor's Parcel by the County for purposes of identification.

"Assigned Special Tax" means the Assigned Special Tax determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Backup Special Tax" means the Backup Special Tax applicable to each Assessor's Parcel of Developed Property, as determined in accordance with the applicable subsection of Section C below.

"Building Permit" means a permit issued by the City for new construction of a residential or non-residential building on an Assessor's Parcel.

"Building Square Feet" or "BSF" means all of the square footage of living area within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The determination of Building Square Feet shall be made by reference to the building permit(s) issued for such residential dwelling unit. In the event that the building permit does not show Building Square Feet, other records of the City or Assessor's Data shall be used as determined by the CFD Administrator.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Annual Special Tax Requirement, and otherwise providing for the levy and collection of the Special Taxes.

"CFD No. 2022-3" means City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities), established by the City Council pursuant to the Act.

“CFD No. 2022-3 Bonds” means bonds or other Debt (as defined in section 53317 of the Act), whether in one or more series, issued or assumed by or on behalf of the City for CFD No. 2022-3 under the Act, and secured by pledge of the Special Taxes.

“City” means the City of Palmdale, California.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 2022-3.

“County” means the County of Los Angeles, California.

“Debt Service” means for each Debt Year, the total amount of principal and interest due on any Outstanding CFD No. 2022-3 Bonds.

“Debt Year” means the twelve (12) month period ending on the second debt service payment date of each calendar year.

“Developed Property” means, in any Fiscal Year, all Taxable Property in CFD No. 2022-3 for which a Building Permit for new construction was issued by the City prior to March 1 of the preceding Fiscal Year.

“Exempt Property” means all property located within the boundaries of CFD No. 2022-3 which is exempt from the Special Tax pursuant to Section E below.

“Final Map Property” means, in any Fiscal Year, all Taxable Property, exclusive of Developed Property, Taxable Property Owner Association Property, and Taxable Public Property, for which a Final Subdivision Map has recorded prior to January 1 of the preceding Fiscal Year.

“Final Subdivision Map” means a final subdivision map, parcel map or lot line adjustment, approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) or recordation of a condominium plan pursuant to California Civil Code 4285, that creates individual lots for which Building Permits may be issued without further subdivision of such property.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“GIS” or “Geographic Information System” means a system designed to capture, store, manipulate, analyze, manage, and present spatial or geographic data.

“Indenture” means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which CFD No. 2022-3 Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use Class” means any of the classes listed in Table 1 or Table 2.

“Lot Square Feet” or “LSF” means, for any Assessor’s Parcel, the Acreage divided by 43,560.

“Maximum Special Tax” means the Maximum Special Tax, determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

“Non-Residential Property” means, in any Fiscal Year all Assessor’s Parcels of Developed Property for which a building permit(s) was issued for a structure intended for non-residential use.

“Open Space Property” means property within the boundaries of CFD No. 2022-3 which (i) has been designated with specific boundaries and Acreage on a final subdivision map as open space, (ii) has been irrevocably offered for dedication as open space to the federal government, the State, the County, the City, or any other public agency, or (iii) is encumbered by an easement or other restriction required by the City limiting the use of such property to open space.

“Outstanding CFD No. 2022-3 Bonds” means all CFD No. 2022-3 Bonds which are outstanding under and in accordance with the provisions of the Indenture.

“Property Owner’s Association” or “POA” means any duly constituted property owner’s association. As used in this definition, a Property Owner’s Association includes any home-owner’s association, condominium owner’s association, master or sub-association or non-residential owner’s association.

“Property Owner’s Association Property” means any property within the boundaries of CFD No. 2022-3 which is (a) owned by a Property Owner’s Association or (b) designated with specific boundaries and acreage on a final subdivision map as Property Owner Association Property.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax or the Backup Special Tax is equal. For Final Map Property, “Proportionately” means that the ratio of the actual Special Tax Levy to the Assigned Special Tax or the Backup Special Tax is equal. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is equal.

“Public Property” means any property within the boundaries of CFD No. 2022-3 which (i) is owned by a public agency, (ii) has been irrevocably offered for dedication to a public agency, or (iii) is designated with specific boundaries and Acreage on a final subdivision map as property which will be owned by a public agency. For purposes of this definition, a public agency includes the federal government, the State, the County, the City, school districts, or any other governmental agency.

“Rate and Method of Apportionment” means this Rate and Method of Apportionment of Special Taxes for CFD No. 2022-3.

“Residential Property” means all Assessor’s Parcels of Developed Property for which a Building Permit has been issued for purposes of constructing one or more residential Units.

“Ritter Ranch Specific Plan” means Specific Plan 89-02 approved by the City on March 3, 1992 by Ordinance No. 964, as amended on October 11, 1995 by Ordinance No. 1076 (Specific Plan Amendment 95-1-RR).

“Single Family Residential Attached Property” means all Assessor’s Parcels of Residential Property for which a building permit(s) has been issued for (i) an attached residential structure or (ii) property with a single family attached designation according to the Ritter Ranch Specific Plan including detached and paired townhomes.

“Single Family Residential Detached Property” means all Assessor’s Parcels of Residential Property for which a building permit(s) has been issued for a detached residential structure intended as a single primary Unit.

“Special Tax(es)” means the special tax or special taxes to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 2022-3 to fund the Annual Special Tax Requirement.

“State” means the State of California.

“Taxable Property” means all the Assessor’s Parcels within the boundaries of CFD No. 2022-3 that are not exempt from the Special Tax pursuant to law or Section E below.

“Taxable Property Owner Association Property” means all Assessors Parcels of Property Owner Association Property that are not exempt pursuant to Section E herein.

“Taxable Public Property” means all Assessors Parcels of Public Property that are not exempt pursuant to Section E herein.

"Trustee" means the trustee or fiscal agent or paying agent acting as such under the applicable Indenture.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Final Map Property, Taxable Property Owner Association Property, or Taxable Public Property.

"Unit" means (i) for Single Family Residential Attached Property, an individual single family attached residential unit or property with a single family attached designation according to the Ritter Ranch Specific Plan, (ii) for Single Family Residential Detached Property, an individual single family detached residential unit. The number of Units assigned to each Assessor's Parcel may be determined by (i) referencing Assessor's Data, (ii) site surveys and physical unit counts, and/or (iii) other research by the CFD Administrator.

"Welfare Exempt Property" means, in any Fiscal Year, all Parcels within the boundaries of CFD No. 2022-3 that (a) have been granted a welfare exemption by the County under subdivision (g) of Section 214 of the Revenue and Taxation Code indicated in the Assessor's Data finalized as of January 1 of the previous Fiscal Year, and (b) are exempt from the Special Tax pursuant to Section 53340(c) of the Act. Pursuant to Section 53340(c) of the Act, after the issuance of the first series of CFD No. 2022-3 Bonds, as applicable, any Assessor's Parcels that received a welfare exemption under subdivision (g) of Section 214 of the Revenue and Taxation Code shall not be classified as Welfare Exempt Property and will be subject to the Special Tax.

B. ASSIGNMENT TO LAND USE CATEGORIES

Each Fiscal Year, the CFD Administrator shall determine the Assessor's Parcel Numbers for all Taxable Property within CFD No. 2022-3 for the then-current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated, or otherwise reconfigured, the Maximum Special Tax shall be assigned to the new Assessor's Parcels Numbers pursuant to Section C. The CFD Administrator shall also determine: (i) which Parcels are Developed Property, Final Map Property, Undeveloped Property, Taxable Property Owner Association Property and Taxable Public Property; (ii) the number of Units or Acreage each Parcel contains; (iii) the property type, i.e., Single Family Residential Attached Property, Single Family Residential Detached Property, Accessory Dwelling Unit, Non-Residential Property, etc.; and (iv) the Annual Special Tax Requirement for the Fiscal Year. The Assigned Special Tax for Single Family Residential Attached Property shall be based on the number of Units on such Assessor's Parcel and the Building Square Feet of the Units located on such Assessor's Parcel. The Assigned Special Tax for Single Family Detached Property shall be based on the number of Units on such Assessor's Parcel, the Building Square Feet of the Units located on such Assessor's Parcel, and the Lot Square Feet of such Assessor's Parcel. The Assigned Special Tax for Non-Residential Property, Taxable Property Owner Association Property and Taxable Public Property shall be based on the Acreage of the Assessor's Parcel.

C. MAXIMUM SPECIAL TAX RATES

1. Developed Property

The Maximum Special Tax for each Assessor's Parcel of Developed Property shall be the greater of (i) the amount derived by application of the Assigned Special Tax or (ii) the amount derived by application of the Backup Special Tax.

a. Assigned Special Tax

The Assigned Special Tax for each Assessor's Parcel of Developed Property is shown in Tables 1 and 2.

TABLE 1
ASSIGNED SPECIAL TAX FOR DEVELOPED PROPERTY
FINAL SUBDIVISION MAP FOR TRACTS: 51604, 51605, 51606
FISCAL YEAR 2023/24

Land Use Class	Description	Building Square Feet	Lot Square Feet	Assigned Special Tax
1-A	Single Family Attached Property	$\geq 1,900$ BSF	N/A	\$2,112 per Unit
2-A	Single Family Attached Property	$< 1,900$ BSF	N/A	\$1,644 per Unit
1-B	Single Family Detached Property	$\geq 2,600$ BSF	$\leq 5,999$ LSF	\$3,025 per Unit
2-B	Single Family Detached Property	$=2,300 - < 2,600$ BSF	$\leq 5,999$ LSF	\$2,708 per Unit
3-B	Single Family Detached Property	$< 2,300$ BSF	$\leq 5,999$ LSF	\$2,580 per Unit
1-C	Single Family Detached Property	$\geq 3,300$ BSF	$> 5,999 - = 6,999$ LSF	\$3,215 per Unit
2-C	Single Family Detached Property	$=3,000 - < 3,300$ BSF	$> 5,999 - = 6,999$ LSF	\$2,950 per Unit
3-C	Single Family Detached Property	$< 3,000$ BSF	$> 5,999 - = 6,999$ LSF	\$2,813 per Unit
1-D	Single Family Detached Property	$\geq 3,300$ BSF	$> 6,999$ LSF	\$3,332 per Unit
2-D	Single Family Detached Property	$< 3,300$ BSF	$> 6,999$ LSF	\$3,190 per Unit
1-E	Accessory Dwelling Unit	N/A	N/A	See below
2-E	Non-Residential Property	N/A	N/A	\$22,531 per Acre

The Assigned Special Tax for an Accessory Dwelling Unit shall be calculated as a percentage of the Assigned Special Tax for the primary Unit the ADU is accessory to, based on Building Square Footage. For example, if a primary Unit in Land Use Class 1-A of 2,000 BSF has an ADU of 800 BSF, the Assigned Special Tax for the ADU shall be calculated by the following steps:

1. $800 \text{ BSF} / 2,000 \text{ BSF} = 0.40$ or 40%
2. $\$2,112 \text{ Special Tax per Unit} \times 40\% = \844.80 Assigned Special Tax for such ADU

TABLE 2
ASSIGNED SPECIAL TAX FOR DEVELOPED PROPERTY
FINAL SUBDIVISION MAP FOR ALL OTHER TRACTS
FISCAL YEAR 2023/24

Land Use Class	Description	Building Square Feet	Lot Square Feet	Assigned Special Tax
1-A	Single Family Attached Property	>= 1,900 BSF	N/A	\$2,588 per Unit
2-A	Single Family Attached Property	< 1,900 BSF	N/A	\$2,057 per Unit
1-B	Single Family Detached Property	>= 2,600 BSF	<= 5,999 LSF	\$3,383 per Unit
2-B	Single Family Detached Property	=2,300 - < 2,600 BSF	<= 5,999 LSF	\$3,049 per Unit
3-B	Single Family Detached Property	< 2,300 BSF	<= 5,999 LSF	\$2,651 per Unit
1-C	Single Family Detached Property	>= 3,300 BSF	> 5,999 - = 6,999 LSF	\$4,088 per Unit
2-C	Single Family Detached Property	=3,000 - < 3,300 BSF	> 5,999 - = 6,999 LSF	\$3,823 per Unit
3-C	Single Family Detached Property	< 3,000 BSF	> 5,999 - = 6,999 LSF	\$3,425 per Unit
1-D	Single Family Detached Property	>= 3,300 BSF	> 6,999 LSF	\$3,419 per Unit
2-D	Single Family Detached Property	< 3,300 BSF	> 6,999 LSF	\$3,881 per Unit
1-E	Accessory Dwelling Unit	N/A	N/A	See below
2-E	Non-Residential Property	N/A	N/A	\$22,531 per Acre

The Assigned Special Tax for an Accessory Dwelling Unit shall be calculated as a percentage of the Assigned Special Tax for the primary Unit the ADU is accessory to, based on Building Square Footage. For example, if a primary Unit in Land Use Class 1-A of 2,000 BSF has an ADU of 800 BSF, the Assigned Special Tax for the ADU shall be calculated by the following steps:

1. $800 \text{ BSF} / 2,000 \text{ BSF} = 0.40$ or 40%
 $\$2,588 \text{ Assigned Special Tax per Unit} \times 40\% = \$1,035.20 \text{ Assigned Special Tax for such ADU}$

b. Backup Special Tax

The Fiscal Year 2023/24 aggregate Backup Special Tax attributable to property within a Final Subdivision Map will equal \$22,531 multiplied by the Acreage of all Taxable Property located within such Final Subdivision Map, excluding Acreage associated with current or expected Taxable Public Property and Taxable Property Owner Association Property.

The Backup Special Tax for each Assessor's Parcel of Residential Property in a Final Subdivision Map shall be computed by dividing the aggregate Backup Special Tax attributable to all Assessor's Parcels of Taxable Property for which building permits for residential construction have or may be issued, as determined in the preceding paragraph, by the number of such Assessor's Parcels (i.e., the number of residential lots).

Notwithstanding the foregoing, if all or any portion of a Final Subdivision Map is subsequently changed or modified, then the Backup Special Tax for each Assessor's Parcel of Residential Property in such Final Subdivision Map, or the portion thereof that is changed or modified, shall be a rate per Acre calculated as follows:

1. Determine the total Backup Special Taxes anticipated to apply to the changed or modified portion of the Final Subdivision Map prior to the change or modification.
2. Divide the amount determined pursuant to paragraph 1 above by the total Acreage of Residential Property excluding Taxable Public Property and Taxable Property Owner Association Property which is ultimately expected to exist in such changed or modified Final Subdivision Map area, as reasonably determined by the CFD Administrator.

The result is the Backup Special Tax per Acre which shall be applicable to all Assessor's Parcels of Residential Property in such changed or modified Final Subdivision Map.

c. Increase in the Assigned Special Tax and Backup Special Tax

On each July 1, commencing on July 1, 2024 and ending on 2038/39, the Assigned Special Tax and the Backup Special Tax for Developed Property and Final Map Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

d. Multiple Land Use Classes

In some instances, an Assessor's Parcel of Developed Property may contain more than one Land Use Class. The Special Tax levied on an Assessor's Parcel shall be the sum of the Special Tax for all Land Use Classes located on that Assessor's Parcel.

2. Final Map Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property

a. Maximum Special Tax

The Maximum Special Tax for each Assessor's Parcel of Final Map Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be \$22,531 per Acre in Fiscal Year 2023/24.

b. Increase in the Maximum Special Tax

On each July 1, commencing on July 1, 2024 and ending on 2038/39, the Maximum Special Tax for Final Map Property, Undeveloped Property, Taxable Property Owner Association Property, and Taxable Public Property shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

D. METHOD OF APPORTIONMENT OF THE SPECIAL TAXES

Commencing with Fiscal Year 2023/24 and for each following Fiscal Year, the CFD Administrator shall determine the Annual Special Tax Requirement and shall levy the Special Tax until the amount of the Special Tax levied equals the Annual Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at a rate up to 100% of the applicable Assigned Special Tax to satisfy the Annual Special Tax Requirement.

Second: If additional monies are needed to satisfy the Annual Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Final Map Property at a rate up to 100% of the Maximum Special Tax for Final Map Property to satisfy the Annual Special Tax Requirement.

Third: If additional monies are needed to satisfy the Annual Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at a rate up to 100% of the Maximum Special Tax for Undeveloped Property to satisfy the Annual Special Tax Requirement.

Fourth: If additional monies are needed to satisfy the Annual Special Tax Requirement after the first three steps have been completed, then the levy of the Special Tax on each Assessor's Parcel of Developed Property whose Maximum Special Tax is determined through the application of the Backup Special Tax shall be increased in equal percentages from the applicable Assigned Special Tax up to 100% of the Maximum Special Tax for each such Assessor's Parcel to satisfy the Annual Special Tax Requirement.

Fifth: If additional monies are needed to satisfy the Annual Special Tax Requirement after the first four steps have been completed, the Special Tax shall be levied on each Assessor's Parcel of Taxable Property Owner Association Property at a rate up to 100% of the Maximum Special Tax for Taxable Property Owner Association Property to satisfy the Annual Special Tax Requirement.

Sixth: If additional monies are needed to satisfy the Annual Special Tax Requirement after the first five steps have been completed, then the Special Tax shall be levied Proportionately on all Taxable Public Property at a rate up to 100% of the Maximum Special Tax for Taxable Public Property to satisfy the Annual Special Tax Requirement.

E. EXEMPTIONS

1. No Special Tax shall be levied on up to 35.20 Acres of Property Owner Association Property, and up to 120.70 Acres of Public Property. Tax-exempt status will be assigned by the CFD Administrator in the chronological order in which property becomes Property Owner Association Property, or Public Property.
2. Property Owner Association Property, that is not exempt from the Special Tax under this section, or pursuant to the Act, shall be classified as Taxable Property Owner Association Property. Taxable Property Owner Association Property shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the fifth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Property Owner Association Property.
3. Public Property, that is not exempt from the Special Tax under this section, or pursuant to the Act, shall be classified as Taxable Public Property. Taxable Public Property shall be subject to the levy of the Special Tax and shall be taxed Proportionately as part of the sixth step in Section D above, at up to 100% of the applicable Maximum Special Tax for Taxable Public Property.
4. No Special Tax shall be levied on any Assessor's Parcel in any Fiscal Year in which such Assessor's Parcel is classified as Welfare Exempt Property.

F. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct with respect to one or more specific Assessor's Parcels. The appeal must be filed not later than one calendar year after having paid the Special Tax that is disputed, and the appellant must be current in all payments of the Special Taxes theretofore levied on the Assessor's Parcel(s). In addition, during the term of the appeal process, all Special Tax levied must be paid for the subject Assessor's Parcel(s) prior to delinquency.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the City requires the Special Tax to be modified or changed in favor of the property owner, then an adjustment shall be made to credit future Special Taxes.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

G. INTERPRETATION OF RATE AND METHOD OF APPORTIONMENT

The City may, by resolution or ordinance, interpret, clarify and/or revise this Rate and Method of Apportionment to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Taxes, method of apportionment, classification of Assessor's Parcels, or any definition used herein, as long as once CFD No. 2022-3 Bonds have been issued such correction does not materially adversely affect the levy and collection of Special Taxes on any Assessor's Parcel needed to repay the CFD No. 2022-3 Bonds. In addition, the interpretation and application of any section of this document shall be at the CFD Administrator's discretion.

H. MANNER OF COLLECTION

The Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, that the CFD Administrator may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if needed to meet the financial obligations of CFD No. 2022-3. The City may covenant to foreclose and may actually foreclose or cause an action for foreclosure to be prosecuted in respect of Assessor's Parcels of Taxable Property that are delinquent in the payment of the Special Tax.

I. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section I:

"Authorized Facilities" means the public facilities authorized to be financed, in whole or in part, by CFD No. 2022-3.

"Buildout" means the state of maximum development of CFD No. 2022-3 and any property annexed thereto, based on plans and anticipated development.

"CFD Public Facilities Cost" means \$66.1 million for CFD No. 2022-3, expressed in 2022 dollars, which shall increase by the annual percentage change in the Construction Inflation Index on July 1, 2023 and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 2022-3 under the authorized bonding program for CFD No. 2022-3, or (ii) shall be determined by the City Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

"Construction Inflation Index" means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the calendar year which ends in the previous Fiscal Year, but not less than zero percent. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the City that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

"Future Facilities Costs" means, as of the date of prepayment, the CFD Public Facilities Costs minus the proceeds of any Previously Issued CFD No. 2022-3 Bonds which were, at the time of issuance, available to the City for Authorized Facilities.

"Previously Issued CFD No. 2022-3 Bonds" means all Outstanding CFD No. 2022-3 Bonds that have been issued by CFD No. 2022-3 prior to the date of prepayment.

1. **Prepayment in Full**

The Special Tax obligation of an Assessor's Parcel of Developed Property, Taxable Public Property, Final Map Property, or Undeveloped Property for which a Building Permit has been issued, may be prepaid and permanently satisfied as described herein; provided that there are no delinquent installments of the Special Tax with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 45 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. Prepayment must be made not less than 75 days prior to the next occurring date that notice of redemption of Outstanding CFD No. 2022-3 Bonds, if any. Proceeds of such prepayment may be given to the Trustee pursuant to the Indenture. If a prepayment is made prior to the issuance of CFD No. 2022-3 Bonds, the Redemption Premium, Interest Amount, Reserve Fund Credit and Capitalized Interest Credit as calculated below, shall be zero. The CFD Administrator may charge the property owner requesting a prepayment calculation a fee for providing this service.

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
Plus	Future Facilities Amount
plus	Redemption Premium
plus	Interest Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
<u>less</u>	<u>Capitalized Interest Credit</u>
Total: equals	Special Tax Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

Step Number:

1. Confirm that no Special Tax delinquency apply to such Assessor's Parcel, and if delinquencies are applicable compute all amounts due, including interest and penalties.

2. For Assessor's Parcels of Developed Property and Taxable Public Property compute the Assigned Special Tax and Backup Special Tax. For Assessor's Parcels of Final Map Property, and Undeveloped Property to be prepaid, compute the Assigned Special Tax and Backup Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permits issued for that Assessor's Parcel.
3.
 - a. Divide the Assigned Special Tax computed pursuant to Step 2 by the total estimated Assigned Special Tax for CFD No. 2022-3 based on the Developed Property Special Tax which could be charged in the current Fiscal Year on all expected development through Buildout of CFD No. 2022-
 - b. Divide the Backup Special Tax computed pursuant to Step 2 by the total estimated Backup Special Tax for CFD No. 2022-3 based on the Developed Property Special Tax which could be charged in the current Fiscal Year on all expected development through Buildout of CFD No. 2022-
 - c. Determine which quotient computed pursuant to Step 3.a or 3.b is larger (the "Maximum Special Tax Percentage").
4. Multiply the Maximum Special Tax Percentage by the Outstanding CFD No. 2022-3 Bonds to compute the principal amount of Outstanding CFD No. 2022-3 Bonds to be redeemed (the "*Bond Redemption Amount*").
5. Compute the Future Facilities Costs.
6. Multiply the Maximum Special Tax Percentage by the total Future Facilities Costs to compute the Future Facilities amount to be prepaid (the "*Future Facilities Amount*").
7. Multiply the Bond Redemption Amount computed pursuant to Step 4 by the applicable redemption premium, if any, on the Outstanding CFD No. 2022-3 Bonds to be redeemed (the "*Redemption Premium*") determined by reference to the Indenture.
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding CFD No. 2022-3 Bonds (the "*Interest Amount*").
9. Verify the administrative fees and expenses, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming the Outstanding CFD No. 2022-3 Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "*Administrative Fees and Expenses*").
10. If reserve funds for the Outstanding CFD No. 2022-3 Bonds held under the Indenture, if any, are at or above 100% of the then reserve requirement (as required by the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve requirement for the Outstanding CFD No. 2022-3 Bonds to be redeemed pursuant to the prepayment (the "*Reserve Fund Credit*"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the applicable reserve requirement on the prepayment date or if the Reserve Fund is satisfied by a credit instrument rather than cash funded.
11. If any capitalized interest for the Outstanding CFD No. 2022-3 Bonds will not have been expended at the time of the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the Maximum Special Tax Percentage by the expected balance in the capitalized interest fund after such first interest and/or principal payment (the "*Capitalized Interest Credit*").

12. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 4, 6, 7, 8 and 9 less the amount computed pursuant to Steps 10 and 11 (the "Prepayment Amount").
13. From the Prepayment Amount, the amounts computed pursuant to Step 6 shall be used by the City to pay for Future Facilities Costs. The amounts computed pursuant to Steps 4, 6, 7 and 8 shall be deposited into the appropriate fund as established under the Indenture and be used to redeem Outstanding CFD No. 2022-3 Bonds or make Debt Service payments. The amount computed pursuant to Step 9 shall be retained by the City for the payment of Administrative Fees and Expenses.

The Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of Outstanding CFD No. 2022-3 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of Outstanding CFD No. 2022-3 Bonds or to make Debt Service payments.

Current year Special Taxes that are not yet paid will remain outstanding and will be collected in the manner billed. With respect to any Assessor's Parcel that is prepaid, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act to indicate the prepayment of the Special Tax and the obligation of such Assessor's Parcel satisfied.

Notwithstanding the foregoing, no prepayment will be allowed unless the Maximum Special Tax that may be levied on Taxable Property both prior to and after the proposed prepayment is at least 1.1 times the maximum annual Debt Service on all Outstanding CFD No. 2022-3 Bonds plus annual Administrative Expenses, as reasonably estimated by the CFD Administrator.

2. Prepayment in Part

The Special Tax may be partially prepaid, provided that a partial prepayment may be made only after all authorized CFD No. 2022-3 Bonds have been issued and only for Assessor's Parcels of Developed Property, Final Map Property, Taxable Public Property and Undeveloped Property for which a Building Permit has been issued and only if there are no delinquent Annual Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. The amount of the prepayment shall be calculated as in Section I.1; except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = P_E \times F.$$

These terms have the following meaning:

PP = the partial prepayment
P_E = the Special Tax Prepayment Amount calculated according to Section I.1
F = the Maximum Special Tax Percentage

The Special Tax partial prepayment amount must be sufficient to redeem at least a \$5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such partial prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of

the Special Tax for an Assessor's Parcel within 45 days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the

prepayment funds remitted according to Section I.1, and (ii) indicate in the records of CFD No. 2022-3 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

J. SPECIAL TAX REDUCTION

The following definitions apply to this Section J:

"Issuance Date" means the date a bond purchase contract related to the sale of the CFD No. 2022-3 Bonds is entered into between the purchaser of the CFD No. 2022-3 Bonds and CFD No. 2022-3.

"Plan Type" means a discrete residential plan type (generally consisting of residential dwelling units that share a common product type (e.g., detached, condominium) and that have nearly identical amounts of living area) that is constructed or expected to be constructed within CFD No. 2022-3 as identified in the Price Point Study.

"Price Point Consultant" means any consultant or firm of such consultants selected by the City that (a) has substantial experience in performing price point studies for residential units within community facilities districts or otherwise estimating or confirming pricing for residential units in community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential units in community facilities districts, (c) is in fact independent and not under the control of CFD No. 2022-3 or the City, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD 2022-3, (ii) the City, (iii) any owner of real property in CFD No. 2022-3, or (iv) any real property in CFD No. 2022-3, and (e) is not connected with CFD No. 2022-3 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 2022-3 or the City.

"Price Point Study" means a price point study or a letter updating a previous price point study prepared by the Price Point Consultant which (a) sets forth the Plan Types constructed or expected to be constructed within CFD No. 2022-3, (b) sets forth the estimated number of constructed and expected residential dwelling units for each Plan Type, (c) sets forth such Price Point Consultant's estimate of the Price Point for each Plan Type and (d) uses a date for establishing such Price Points that is no earlier than 30 days and no later than 180 days prior to the date the Price Point Study is delivered to the CFD Administrator pursuant to Section C herein.

"Total Effective Tax Rate" means, for a Plan Type, the quotient of (a) the Total Tax Burden for such Plan Type divided by (b) the Price Point for such Plan Type, converted to a percentage.

"Total Tax Burden" means, for any Unit of Single Family Residential Property, the sum of the Assigned Special Tax, together with ad valorem property taxes, special assessments, special taxes for any overlapping community facilities district, and any other taxes, fees and charges, and excluding services charges such as sewer and trash, which are collected by the County via property tax bills and which are payable from and secured by the property, assuming such Unit of Single Family Residential Property has been completed, sold and subject to such levies and impositions.

Special Tax Reduction Calculation

Prior to the issuance of the first series of CFD No. 2022-3 Bonds, the following steps shall be taken for each Land Use Class of Residential Property in CFD No. 2022-3:

1. At least 30 days prior to the expected Issuance Date of the first series of CFD No. 2022-3 Bonds, CFD No. 2022-3 shall cause a Price Point Study to be delivered to the CFD Administrator.
2. As soon as practicable after receipt of the Price Point Study, the CFD Administrator shall calculate the Total Tax Burden and Total Effective Tax Rate for each Plan Type.
3. Separately, for each Land Use Class of Residential Property, the CFD Administrator shall determine whether or not the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00%.
 - a. If the Total Effective Tax Rate for all Plan Types in a Land Use Class is less than or equal to 2.00%, then there shall be no change in the Assigned Special Tax for such Land Use Class.
 - b. If the Total Effective Tax Rate for any Plan Type in a Land Use Class is greater than 2.00%, the CFD Administrator shall calculate a revised Assigned Special Tax for such Land Use Class which revised Assigned Special Tax shall be the highest amount (rounded to the nearest whole dollar) that will not cause the Total Effective Tax Rate for any Plan Type in such Land Use Class to exceed 2.00%.
 - c. For each Land Use Class group (i.e., A, B, C or D) as shown in Table 1 or Table 2, if the revised Assigned Special Tax amounts result in a situation in which the Assigned Special Tax for a particular Land Use Class of Residential Property would be less than the Assigned Special Tax for the numerical Land Use Class of Residential Property directly above it for such Land Use Class (e.g., the Assigned Special Tax for Land Use Class 1-B is less than the Assigned Special Tax for Land Use Class 2-B), then the Assigned Special Tax for the higher numbered Land Use Class shall be revised to be equal to the Assigned Special Tax for the lower numbered Land Use Class (i.e., the Assigned Special Tax for Land Use Class 2-B shall be revised to be equal to the updated Assigned Special Tax for Land Use Class 1-B).
4. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. or 3.c. above, the CFD Administrator shall calculate a revised Backup Special Tax for all property. The revised Backup Special Tax per Acre shall be an amount (rounded to the nearest whole dollar) equal to the Backup Special Tax per Acre as set forth in Section C above, reduced by a percentage equal to the weighted average percentage reduction in the Assigned Special Taxes for all Land Use Classes of Residential Property resulting from the calculations in steps 3.a. through 3.c. above. The weighted average percentage will be calculated by taking the sum of the products of the number of units constructed or expected to be constructed in each Land Use Class multiplied by the percentage change in the Assigned Special Tax (pursuant to step 3.b. or 3.c. above) for each Land Use Class (or 0 for Land Use Classes that are not changing). This amount is then divided by the total number of units constructed or expected to be constructed and converted to a percentage.
5. If the Assigned Special Tax for any Land Use Class is revised pursuant to step 3.b. or 3.c. above, the CFD Administrator shall prepare and execute a Certificate of Reduction in Special Taxes substantially in the form of Attachment A hereto and shall deliver such Certificate of Reduction in Special Taxes to CFD No. 2022-3. The Certificate of Reduction in Special Taxes shall be completed for all Land Use Classes and shall set forth, as applicable, either (i) the reduced Assigned Special Tax for a Land Use Class as calculated

pursuant to step 3.b. or 3.c., or (ii) the Assigned Special Tax as identified in Table 1 or Table 2 in Section C for a Land Use Class that was not revised as determined pursuant to step 3.a.; as well as either (i) the revised Backup Special Tax as calculated pursuant to step 4, or (ii) the Backup Special Tax as identified in in Section C.1.(b) that was not revised as determined pursuant to step 4.

6. If the Issuance Date of the first series of CFD No. 2022-3 Bonds is within 120 days of the date of receipt of the Price Point Study by the CFD Administrator, CFD No. 2022-3 shall execute the acknowledgement on such Certificate of Reduction in Special Taxes, dated as of the closing date of such Bonds, and upon the closing of such first series of Bonds, the Assigned Special Tax for each Land Use Class and the Backup Special Tax shall be, for all purposes, as set forth in such Certificate of Reduction in Special Taxes. If the Issuance Date of the first series of Bonds is not within 120 days of the date of receipt of the Price Point Study by the CFD Administrator, such Certificate of Reduction in Special Taxes shall not be acknowledged by CFD No. 2022-3 and shall, as of such date, be void and of no further force and effect. In such case, if subsequently a first series of CFD No. 2022-3 Bonds is expected to be issued, at least 30 days prior to the expected Issuance Date of such first series of CFD No. 2022-3 Bonds, the CFD Administrator shall cause a new Price Point Study to be delivered to the CFD Administrator and, following such delivery, steps 2 through 5 of this section shall be performed based on such new Price Point Study.
7. As soon as practicable after the execution by CFD No. 2022-3 of the acknowledgement on the Certificate of Reduction in Special Taxes, CFD No. 2022-3 shall cause to be recorded in the records of the County Recorder an Amended Notice of Special Tax Lien for CFD No. 2022-3 reflecting the Assigned Special Taxes and the Backup Special Tax set forth in such Certificate of Reduction in Special Taxes.
8. If the Assigned Special Tax is not required to be changed for any Land Use Class based on the calculations performed under step 3 above, there shall be no reduction in the Maximum Special Tax, and no Certificate of Reduction in Special Taxes shall be required. However, the CFD Administrator shall prepare and deliver to CFD No. 2022-3 a Certificate of No Reduction in Special Taxes substantially in the form of Attachment B hereto dated as of the closing date of the first series of Bonds that states that the calculations required pursuant to this Section J have been made and that no changes to the Maximum Special Tax are necessary.

CFD No. 2022-3 and the CFD Administrator shall take no further actions under this Section J upon the earlier to occur of the following: (i) the execution of the acknowledgement by CFD No. 2022-3 on a Certificate of Reduction in Special Taxes pursuant to step 6; or (ii) the delivery by the CFD Administrator of a Certificate of No Reduction in Special Taxes pursuant to step 8.

K. TERM

The Special Tax shall be levied and collected as needed to fund the Annual Special Tax Requirement for up to 60 years from the initial levy of the Special Tax. In any event no Special Tax shall be levied for CFD. No. 2022-3 after the 2083/84 Fiscal Year.

ATTACHMENT A

CERTIFICATE OF REDUCTION IN SPECIAL TAXES

COMMUNITY FACILITIES DISTRICT NO. 2022-3

1. Pursuant to Section J of the Rate and Method of Apportionment of Special Taxes attached to the Notice of Special Tax Lien recorded in the Official Records of the County of Los Angeles as Document No. _____ on the ____ day of ____, 20__, the CFD Administrator hereby reduces the Maximum Special Tax for Developed Property for [certain or all] Land Use Classes within CFD No. 2022-3.
2. The calculations made pursuant to Section J were based upon a Price Point Study that was received by the CFD Administrator on _____.
3. Table A-1 and A-2 below shows the Assigned Special Tax for each Land Use Class after such reduction:

Table A-1

Reduced Assigned Special Taxes for Developed Property

Fiscal Year _____

Land Use Class	Description	Building Square Feet	Lot Square Feet	Assigned Special Tax
1-A	Single Family Attached Property	>= 1,900 BSF	N/A	\$____ per unit
2-A	Single Family Attached Property	< 1,900 BSF	N/A	\$____ per unit
1-B	Single Family Detached Property	>= 2,600 BSF	<= 5,999 LSF	\$____ per unit
2-B	Single Family Detached Property	=2,300 - < 2,600 BSF	<= 5,999 LSF	\$____ per unit
3-B	Single Family Detached Property	< 2,300 BSF	<= 5,999 LSF	\$____ per unit
1-C	Single Family Detached Property	>= 3,300 BSF	> 5,999 - = 6,999 LSF	\$____ per unit
2-C	Single Family Detached Property	=3,000 - < 3,300 BSF	> 5,999 - = 6,999 LSF	\$____ per unit
3-C	Single Family Detached Property	< 3,000 BSF	> 5,999 - = 6,999 LSF	\$____ per unit
1-D	Single Family Detached Property	>= 3,300 BSF	> 6,999 LSF	\$____ per unit
2-D	Single Family Detached Property	< 3,300 BSF	> 6,999 LSF	\$____ per unit
1-E	Accessory Dwelling Unit	N/A	N/A	See Below
2-E	Non-Residential Property	N/A	N/A	\$____ per Acre

The Assigned Special Tax for an Accessory Dwelling Unit shall be calculated as a percentage of the Assigned Special Tax for the primary Unit the ADU is accessory to, based on Building Square Footage. For example, if a primary Unit in Land Use Class 1-A of 2,000 BSF has an ADU of 800 BSF, the Assigned Special Tax for the ADU shall be calculated by the following steps:

- a. $800 \text{ BSF} / 2,000 \text{ BSF} = 0.40$ or 40%
- b. \$_____ Assigned Special Tax per Unit x 40% = \$_____ Assigned Special Tax for such ADU

Table A-2
Reduced Assigned Special Taxes for Developed Property

Fiscal Year _____

Land Use Class	Description	Building Square Feet	Lot Square Feet	Assigned Special Tax
1-A	Single Family Attached Property	$\geq 1,900 \text{ BSF}$	N/A	\$_____ per unit
2-A	Single Family Attached Property	$< 1,900 \text{ BSF}$	N/A	\$_____ per unit
1-B	Single Family Detached Property	$\geq 2,600 \text{ BSF}$	$\leq 5,999 \text{ LSF}$	\$_____ per unit
2-B	Single Family Detached Property	$=2,300 - < 2,600 \text{ BSF}$	$\leq 5,999 \text{ LSF}$	\$_____ per unit
3-B	Single Family Detached Property	$< 2,300 \text{ BSF}$	$\leq 5,999 \text{ LSF}$	\$_____ per unit
1-C	Single Family Detached Property	$\geq 3,300 \text{ BSF}$	$> 5,999 - = 6,999 \text{ LSF}$	\$_____ per unit
2-C	Single Family Detached Property	$=3,000 - < 3,300 \text{ BSF}$	$> 5,999 - = 6,999 \text{ LSF}$	\$_____ per unit
3-C	Single Family Detached Property	$< 3,000 \text{ BSF}$	$> 5,999 - = 6,999 \text{ LSF}$	\$_____ per unit
1-D	Single Family Detached Property	$\geq 3,300 \text{ BSF}$	$> 6,999 \text{ LSF}$	\$_____ per unit
2-D	Single Family Detached Property	$< 3,300 \text{ BSF}$	$> 6,999 \text{ LSF}$	\$_____ per unit
1-E	Accessory Dwelling Unit	N/A	N/A	See Below
2-E	Non-Residential Property	N/A	N/A	\$_____ per Acre

The Assigned Special Tax for an Accessory Dwelling Unit shall be calculated as a percentage of the Assigned Special Tax for the primary Unit the ADU is accessory to, based on Building Square Footage. For example, if a primary Unit in Land Use Class 1-A of 2,000 BSF has an ADU of 800 BSF, the Assigned Special Tax for the ADU shall be calculated by the following steps:

- a. $800 \text{ BSF} / 2,000 \text{ BSF} = 0.40$ or 40%
- b. \$_____ Assigned Special Tax per Unit x 40% = \$_____ Assigned Special Tax for such ADU

4. The Backup Special Tax for each Assessor's Parcel of Developed Property in CFD No. 2022-3 shall be equal to \$_____ after such reduction.
5. The Maximum Special Tax for each Assessor's Parcel of Final Map Property and Undeveloped Property in CFD No. 2022-3 shall be \$_____ per Acre.
6. Upon execution of the certificate by the City, the CFD Administrator shall cause an amended notice of special tax lien for CFD No. 2022-3 to be recorded reflecting the modifications set forth herein.
7. By execution hereof, the undersigned acknowledges, on behalf of the City and CFD No. 2022-3, receipt of this certificate and modification of the Rate and Method of Apportionment of Special Taxes as set forth in this certificate.

Submitted

CFD ADMINISTRATOR

By: _____

Date: _____

Community Facilities District No. 2022-3 of the City of Palmdale

By: _____

Date as of: _____
[closing date of Bonds]

ATTACHMENT B

CERTIFICATE OF NO REDUCTION IN SPECIAL TAXES

COMMUNITY FACILITIES DISTRICT NO. 2022-3

1. All calculations required pursuant to Section J of the Rate and Method of Apportionment have been made based upon a Price Point Study that was received by the CFD Administrator on _____.
2. Total Effective Tax Rate for all Plan Types in all Land Use Classes in all Zones is less than or equal to 2.00%.
3. The Maximum Special Tax for Developed Property within CFD No. 2022-3, including the Assigned Special Taxes set forth in Sections C.1.(a) and the Backup Special Tax set forth in Section C.1.(b) of the Rate and Method of Apportionment, shall remain in effect and not be reduced.

Submitted

CFD ADMINISTRATOR

By: _____

Date as of: _____
[closing date of Bonds]

EXHIBIT C

PROPERTY OWNER AND ASSESSOR'S PARCEL NUMBERS AS OF RECORDING
OF ORIGINAL NOTICE OF SPECIAL TAX LIEN, AND AS OF DATE OF ALTERATION
OF THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR
CITY OF PALMDALE COMMUNITY FACILITIES DISTRICT NO. 2022-3
(RITTER RANCH PHASE 1 PUBLIC FACILITIES)

<u>Names of Property Owner</u>	<u>Los Angeles County Assessor's Parcel Nos.</u>
RdR Development Holdings, LLC	3206-020-017
1717 Main Street, Suite 3900	3206-026-005
Dallas, Texas 75201	3206-026-007
	3206-027-002
	3206-027-004
	3206-027-005
	3206-027-006
	3206-027-007
	3206-027-008
	3206-027-009
	3206-027-010
	3206-027-012

CITY OF PALMDALE
COUNTY OF LOS ANGELES, CALIFORNIA
RESOLUTION NO. CC 2024-028

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE
AUTHORIZING THE EXECUTION OF AGREEMENTS RELATING TO THE
ISSUANCE OF SPECIAL TAX BONDS FOR THE CITY OF PALMDALE
COMMUNITY FACILITIES DISTRICT NO. 2022-3 (RITTER RANCH
PHASE 1 PUBLIC FACILITIES)

WHEREAS, the City Council of the City of Palmdale (the “City”) has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”), to form the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) (the “District”), to authorize the levy of special taxes upon the land within the District, and to issue bonds secured by said special taxes to finance public facilities authorized to be funded by the District (the “Facilities”); and

WHEREAS, the City now desires to engage consultants needed to assist the City in the production of the documents needed for the issuance of a series of special tax bonds for the District (the “2024 Bonds”) to provide financing for the Facilities; and

WHEREAS, there have been submitted to this City Council agreements for legal and municipal advisor services related to the issuance of the 2024 Bonds and the use of the proceeds of the 2024 Bonds to finance the Facilities, and this City Council now desires to approve the execution of the agreements, so that documents can be submitted to the City Council at a later Council meeting providing for the issuance of the 2024 Bonds.

NOW THEREFORE, BE IT RESOLVED, THE CITY COUNCIL OF THE CITY OF PALMDALE DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. Engagement of Consultants. The firm of Harrell & Company Advisors, LLC is hereby designated as Municipal Advisor for the 2024 Bonds, the firm of Quint & Thimmig LLP is hereby designated as initial Bond Counsel and Disclosure Counsel for the 2024 Bonds, and the firm of Best Best & Krieger LLP is hereby designated as successor Bond Counsel and Disclosure Counsel for the 2024 Bonds. The City Manager is hereby authorized and directed to execute an agreement no. A-8589 with Harrell & Company Advisors, LLC, an agreement no. A-8588 with Quint & Thimmig LLP and an agreement no. A-8765 with Best Best & Krieger LLP for their services in connection with the 2024 Bonds, in the respective forms on file with the City Clerk.

SECTION 2. No Obligation to Issue the 2024 Bonds. Adopting this Resolution shall not obligate the City to issue the 2024 Bonds. The issuance of the 2024 Bonds shall be subject to the adoption by the City Council of a resolution authorizing the issuance of the 2024 Bonds at a later City Council meeting.

SECTION 3. This Resolution shall take effect upon its adoption.

PASSED, APPROVED and ADOPTED this 20th day of March, 2024.

Austin Bishop,
Mayor

Approved as to form:

ATTEST:

William P. Curley III,
City Attorney

Rochelle Scott,
Acting City Clerk

Resolution No. CC 2024-028

March 20, 2024

Page 3 of 3

I, Rochelle Scott, Acting City Clerk of Palmdale, California, do hereby certify that the foregoing Resolution No. CC 2024-028 was duly passed, approved, and adopted by the City Council of the City of Palmdale at a regular meeting of said Council held on the 20th day of March, 2024 by the following roll call vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

Date: _____

Rochelle Scott, Acting City Clerk

**AGREEMENT FOR LEGAL SERVICES
(A-8588)**

BY AND BETWEEN THE
CITY OF PALMDALE
AND QUINT & THIMMIG LLP, FOR LEGAL SERVICES IN
CONNECTION WITH COMMUNITY FACILITIES DISTRICT
BOND PROCEEDINGS – CFD 2022-3

THIS AGREEMENT FOR LEGAL SERVICES (A-8588) is entered into this 20th day of March, 2024, by and between the CITY OF PALMDALE, CALIFORNIA (the "City") and QUINT & THIMMIG LLP, Larkspur, California ("Attorneys").

RECITALS:

WHEREAS, the City Council has formed the City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") to finance public facilities eligible to be financed by the District; and

WHEREAS, the City is considering the issuance of bonds (the "Bonds") by the City for the District under the provisions of the Act; and

WHEREAS, in connection with the issuance of the Bonds the City requires the advice and assistance of bond counsel and disclosure counsel; and

WHEREAS, given the familiarity of Attorneys with the Ritter Ranch project, including Attorneys acting as formation counsel to the City for the formation of the District, the City desires to engage Attorneys as initial bond counsel and disclosure counsel for the Bonds, recognizing that Attorneys will dissolve as a firm on March 31, 2024, and so another law firm will be needed to complete the services needed from bond counsel and disclosure counsel for the issuance of the Bonds.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

Section 1. Duties of Attorneys. (a) *Bond Counsel Services.* Attorneys, in their role as initial Bond Counsel, shall do, carry out and perform all of the following services as are necessary for the issuance of the Bonds:

(i) Provide legal advice to the City with respect to the issuance of the Bonds and, in connection therewith, consult and cooperate with the City Manager and the City's Director of Operations, the City Attorney, and all other officers and employees of the City, and also cooperate with the underwriter, municipal advisor, special tax consultant and other professional firms engaged by the City in the formulation of a coordinated financial and legal financing from the proceeds of the Bonds; and

(ii) Preparation of drafts of the legal proceedings deemed necessary or advisable by Attorneys for the authorization, issuance and delivery of the Bonds, including preparation of (A) documentation required for the issuance of the Bonds by the City, including a fiscal agent agreement and a resolution authorizing the issuance of the Bonds, and documentation required to be executed by the City in connection with the delivery of the Bonds to the purchaser thereof; (B) necessary California Debt and Investment Advisory Commission Report of Proposed Debt Issuance filing; and (C) certificates, receipts and other documents required in connection with the delivery of the Bonds to the original purchaser thereof.

(b) *Disclosure Counsel.* Attorneys, in their role as initial Disclosure Counsel, shall provide legal services in connection with the limited offering memorandum to be used in connection with the offering and sale of the Bonds and a related continuing disclosure agreement. Such services shall include the following:

(i) With assistance from City Staff, the City's Municipal Advisor and the owner of the property in the District, provide a draft of a preliminary limited offering memorandum in connection with the sale of the Bonds;

(ii) Confer and consult with the officers and administrative staff of the City as to matters relating to the draft of the preliminary limited offering memorandum; and

(iii) draft a continuing disclosure agreement for the Bonds.

(c) *Services Not Provided.* Attorneys shall not be responsible for (i) providing any legal opinions or letters of disclosure counsel related to the authorization, issuance or tax-exempt status of the Bonds, (ii) compliance by the City with arbitrage rebate requirements under federal tax law, other than to render advice as to the legal interpretation of such requirements as set forth in the documents relating to the Bonds, (iii) any audit or review of past compliance by the City with continuing disclosure undertakings related to its debt obligations, (iv) the representation of the City in connection with any litigation involving the District or the Bonds, or (v) providing any legal services whatsoever following March 31, 2024. Without limiting the generality of the foregoing, Attorneys shall not be responsible for preparing any calculations or documentation to establish compliance with such rebate requirements or otherwise for computing the amounts required to be rebated, for preparation or review of any continuing disclosure statements

concerning prior debt obligations, or for providing any litigation services related to the Bonds or the District.

Section 2. Compensation. For the services listed in Section 1(a), Attorneys shall be paid a fee equal to eighty percent of a percentage fee, applied to the aggregate principal amount of the Bonds issued, equal to the sum of: (a) two percent (2%) of the first \$1 million principal amount of the Bonds, plus (b) one-half percent (1/2%) of the next \$5 million principal amount of the Bonds, plus (c) one-quarter percent (1/4) of the next \$15 million principal amount of the Bonds, plus (d) one-eighth percent (1/8%) of the remaining principal amount of the Bonds. The City and Attorneys agree that for purposes of this Agreement, it is conclusively assumed that the principal amount of the Bonds will be \$31,150,000, so that eighty percent of the percentages applied to such principal is \$76,150.00. For the services listed in Section 1(b), Attorneys shall be paid a fee of eighty percent of \$35,000, which is \$28,000.00. *Payment of said compensation for Bond Counsel and Disclosure Counsel services in the total amount of \$104,150.00 shall be due and payable at the time of termination of this Agreement on March 31, 2024, and shall be payable solely from funds deposited with the City by PHCC, LLC (d/b/a Preston Hollow Community Capital) pursuant to a Deposit Agreement (A-7107) between said firm and the City dated September 1, 2020.*

Section 3. Responsibilities of City. All costs and expenses incurred incidental to the actual issuance and delivery of the Bonds, including fees and expenses of parties other than Attorneys, and all other expenses incurred in connection with the issuance of the Bonds, shall be paid by the City from the proceeds of the Bonds and shall not be the responsibility of Attorneys.

Section 4. Non-Legal Services. In performing their services as Bond Counsel and Disclosure Counsel pursuant to this Agreement, it is understood and acknowledged by the City that Attorneys will not be providing special tax consulting, municipal advisory, underwriting, investment banking or other similar services. It is expected that the City will engage other consultants to provide any such services with respect to the Annexation Proceedings or the Bonds.

Section 5. Termination of Agreement. This Agreement may be terminated at any time by the City with or without cause upon written notice to Attorneys. Unless earlier terminated by the City, this Agreement shall terminate on March 31, 2024. Such termination shall in no way cancel or terminate the City's obligations under Section 2 above.

Section 6. Amendment or Modification. No amendment, modification, or other alteration of this Agreement shall be valid unless in writing and signed by both of the parties hereto.

Section 7. Entire Agreement. This Agreement contains the entire agreement of the parties hereto. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties hereto.

* * * * *

IN WITNESS WHEREOF, the City and Attorneys have executed this Agreement as of the date first above written.

CITY OF PALMDALE, CALIFORNIA

By: _____

Ronda Perez,
City Manager

Attest:

By: _____

Roxanne Faber,
Acting City Clerk

Approved as to Form:

By: _____

William P. Curley III,
City Attorney

QUINT & THIMMIG LLP

Paul J Thimmig

By: Signed: 3/11/2024 _____

Paul J. Thimmig,
Partner

16007.52:J19255



Kimberly A. Byrens
Partner
(951) 826-8273
kim.byrens@bbklaw.com

March 11, 2024

City Council
City of Palmdale
38300 Sierra Highway
Palmdale, CA 93550

Dear Honorable Mayor and Members of the City Council:

Bond Counsel Services to City of Palmdale regarding City of Palmdale Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities) 2024 Special Tax Bonds
Dear Janelle:

We are pleased to submit this letter to you in connection with our services as bond counsel to the City of Palmdale (the "City") relating to the proposed issuance of Mello-Roos Community Facilities District bonds by the City. The firm of Best Best & Krieger LLP will serve as bond counsel and disclosure counsel on such matters, and proposes to perform the following services on the basis set forth in this letter.

We will confer and consult with the City staff on all matters relating to the financing in this matter including participation in the review and selection of appropriate financing methods. We will assist the City in determining the most appropriate method based upon our experience and we will attend all meetings of the City's staff, consultants and underwriter at which financing methods are to be discussed and analyzed for successful completion of the financing. We are available to engage in these services according to the City's time schedule.

Our services will include the preparation of all materials necessary for the proper legislative approval of the financing as follows:

(a) Bond Counsel Services.

(i) Provide legal advice to the City with respect to the issuance of the Bonds and, in connection therewith, consult and cooperate with the City Manager and the City's Director of Finance, the City Attorney, and all other officers and employees of the City, and also cooperate with the underwriter, municipal advisor, special tax consultant and other professional firms engaged by the City in the formulation of a coordinated financial and legal financing from the proceeds of the Bonds;

(ii) Preparation of all legal proceedings deemed necessary or advisable by us for the authorization, issuance and delivery of the Bonds, including preparation of (A) documentation required for the issuance of the Bonds by the City, including a fiscal agent agreement and a resolution authorizing the issuance of the Bonds, and all documentation

required to be executed by the City in connection with the delivery of the Bonds to the purchaser thereof; (B) necessary California Debt and Investment Advisory Commission filings and other reports and documents required to be filed by the City in connection with the issuance of the Bonds; (C) certificates, requisitions and other documents required in connection with the delivery of the Bonds to the original purchaser thereof; and (D) other proceedings of the City incidental to or in connection with the issuance, sale and delivery of the Bonds;

(iii) Subject to the completion of proceedings to our satisfaction, provide a legal opinion (A) approving the legality of the proceedings of the City for the authorization, issuance and delivery of the Bonds, and (B) stating that interest on the Bonds is excludable from gross income of the owners of the Bonds for federal income tax purposes and is exempt from State of California personal income taxation; and

(iv) We will perform such other and further services as are customarily performed by bond counsel on similar financings.

(b) Disclosure Counsel Services. BBK, in our role as Disclosure Counsel, shall provide legal services in connection with the limited offering memorandum to be used in connection with the offering and sale of the Bonds and a related continuing disclosure agreement. Such services shall include the following:

(i) With assistance from City Staff, the City's Municipal Advisor and the owner of the property in the District, draft the preliminary limited offering memorandum (both preliminary and final) in connection with the offering of the Bonds;

(ii) Confer and consult with the officers and administrative staff of the City as to matters relating to the limited offering memorandum;

(iii) Attend all meetings of the City Council and any administrative meetings at which the limited offering memorandum is to be discussed, deemed necessary by us the proper exercise of their due diligence with respect to the limited offering memorandum, or when specifically requested by the officers of the City to attend;

(iv) draft a continuing disclosure agreement for the Bonds;

(v) Subject to the completion of proceedings to our satisfaction, provide a letter addressed to the City and to the underwriter of the Bonds to the effect that, although we have not undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the limited offering memorandum for the Bonds, in the course of our participation in the preparation of the limited offering memorandum, we have been in contact with representatives of the City and others concerning the contents of the limited offering memorandum and related matters, and based upon the foregoing, nothing has come to our attention to lead us to

believe that the limited offering memorandum (except for any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion included therein, and information relating to The Depository Trust Company and its book-entry system, or information in any appendix to the limited offering memorandum, as to which we need express no view) as of the date of the limited offering memorandum or the date of the closing contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(vi) Such other and further services as are normally performed by disclosure counsel on similar financings.

(c) Amendment Proceedings. Our services will include the preparation of all resolutions and other legislative actions of the City for any amendment to the rate and method of apportionment or other change to the CFD, review of the rate and method of apportionment of special taxes, preparation of election materials and assistance to the City with the conduct of the special election approving the amended special tax. If joint community facility agreements with other public agencies, we will prepare such agreements and work with other agencies and the City to ensure proper approval and delivery. We will also assist the City with the preparation of the documents to approve the levy of the special taxes, as necessary.

Compensation:

Based on our current understanding of the issuance of the CFD Bonds and the involvement of Best Best & Krieger LLP attorneys in drafting documents relating to the issuance of the CFD Bonds, which have been initially prepared by Quint & Thimmig LLP, and delivering our legal opinion, our Bond Counsel fee, including reimbursement for costs, would be based upon the following:

Under \$15 million	\$34,000
\$15 million to \$35 million	\$45,000
\$35 million to \$60 million	\$67,500

Our Disclosure Counsel fee will be an amount of \$32,000 based upon our expected involvement in preparation of the Limited Offering Memorandum, the form of which has been provided by Quint & Thimmig LLP.

If there are substantial changes to the nature of the financing which require material changes to the documents, then Best Best & Krieger LLP may request an amendment to this fee contract.

Our services for any amendment proceeding and the negotiation of agreements with the developer and any other public agencies will be charged on an hourly basis at our published special counsel rates. Such fees will be paid from the deposit to be made by the developer and held by

the City and are in addition to our bond counsel fees. These fees are not expected to exceed \$20,000.

Additionally, we will charge the City for out-of-pocket expenses which would include, the costs of duplicating and mailing, transportation, long distance telephone calls, messenger and courier service and the preparation of transcripts of the financing. This expense is not expected to exceed \$3,000.

Finally, we disclose that we represent Los Angeles County Waterworks District 40 on a groundwater adjudication matter. We are not representing Los Angeles County Waterworks District 40 on a matter against the City of Palmdale at this time. However, as part of this agreement, the City of Palmdale acknowledges that Best Best & Krieger LLP cannot represent the City of Palmdale on any water issues or any matter related to Los Angeles County Waterworks District 40. Furthermore, the City of Palmdale agrees that it will not conflict us or disqualify us from continuing to represent Los Angeles County Waterworks District 40.

If this arrangement is satisfactory to you, please authorize our employment according to the terms of this letter by having this letter executed by you or your agent.

We look forward to working with you and the staff of the City in order to bring this matter to a successful conclusion.



Kimberly A. Byrens
of BEST BEST & KRIEGER LLP

Ronda Perez
City Manager

APPROVED AS TO FORM:

William P. Curley, III

ATTEST:

Roxanne Faber
Acting City Clerk

**AGREEMENT NO. A-8589
CONTRACT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF PALMDALE AND HARRELL AND COMPANY
ADVISORS, LLC.**

THIS CONTRACT FOR CONSULTANT SERVICES ("Contract" herein) is made and entered into by and between the City of Palmdale a public body corporate and politic, (hereinafter called "CITY") and HARRELL AND COMPANY ADVISORS, LLC. (hereinafter called "CONSULTANT"). This Contract shall become effective on the date of the last signatory.

RECITALS

WHEREAS, City desires to engage CONSULTANT to provide certain consultant services; and

WHEREAS, CONSULTANT represents that CONSULTANT has the expertise and is qualified to perform the services described in this Contract. And, if required, is duly registered under the laws of the State of California; and

WHEREAS, CONSULTANT desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 DESCRIPTION OF WORK

1.1 The City hereby engages CONSULTANT, and CONSULTANT accepts such engagement, to provide the following services:

A. Develop and monitor the schedule of activities to assist the City in meeting agenda deadlines and public notice requirements.

B. Negotiate the underwriter's discount with the underwriter.

C. Assist in preparing the budget for administrative costs to be charged to CFD 2022-3 and providing for capitalized fees to pay the costs prior to the fix tax levy and ascertaining Developer updates internal special tax projections to include such amounts.

D. Assist with cost reimbursement from developer deposit of fees paid to consultants and staff costs prior to bond issuance.

E. Assist in negotiations with the Developer on transfer restrictions.

F. Provide preliminary bond sizing based on projected special taxes.

G. Coordinate with the underwriter on the sizing of the Bonds and the projection of

special tax revenues based on proposed lot and home sizes.

H. Coordinate the flow of information between the City finance team and the Developer team.

I. Review and comment on the projection of revenues prepared by the underwriter and special tax consultant.

J. Participate in all video/conference calls with the City's finance team and the Developer.

K. Review and comment on the Limited Offering Memorandum.

L. Review and comment on all legal documents, bond resolutions, and closing documents.

M. Prepare staff reports and presentations and attend Council meetings for the approval of the bond issuance.

N. Assist underwriter in preparation of the settlement instructions.

O. Review arrangements for closing, transfer of funds, and cancellation of the 1995 Bonds.

P. Attend City Bond document signing session as needed.

Q. Provide any post-closing follow-up as required.

R. Provide any other services reasonably requested and not otherwise set forth above.

S. Coordinate with the Price Point Consultant for any required 2024 Price Point Study.

T. Analyze the updated home prices and tax rates resulting from any 2024 Price Point Study and make recommendations based on the findings and lot sizes provided by Developer.

U. Review and comment on the resolutions and documents required for any amendment to the CFD 2022-3 RMA in connection with any proposed reduction in tax rates.

V. Prepare staff reports and presentations and attend 2 Council meetings for any further amendment to the CFD 2022-3 RMA.

Then if a 2024 Price Point Study is required, I would add \$5,000 to the fees for these services, payable from bond proceeds. If not required, then the fee is not paid.

CONSULTANT shall perform and complete all such work and services in a manner satisfactory to CITY.

1.2 Project deliverables shall be reviewed and approved by CITY to determine acceptable completion. CITY shall have the right to review and inspect the work during the course of its performance at such times as may be specified by CITY.

1.3 CONSULTANT shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract change order or amendment and signed by CITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

1.4 CITY shall provide to CONSULTANT, without charge, all data, program information, including reports, records, maps, and other information, now in CITY's possession, which may facilitate the timely performance of the work.

2 CITY PROJECT MANAGER

To provide the services required by this Contract, CONSULTANT shall act under the authority and approval of a Project Manager appointed by CITY. The City Project Manager will oversee the work under this Contract, assist CONSULTANT with any necessary information, audit billings, and approve payments. CONSULTANT shall channel reports, deliverables, and special requests through the City Project Manager.

3 CONSULTANT'S KEY PERSONNEL

CONSULTANT's Team and Key Personnel are as follows:

SUZANNE HARRELL

This Consultant Services Contract has been awarded to CONSULTANT based on its representation that those personnel and subcontractors listed above will perform the portions of the work listed herein. CONSULTANT shall not deviate nor substitute any of these team members without prior written approval by CITY.

4 CONTRACT TERM

The term of this contract is ONE (1) YEAR, commencing on the effective date.

5 TAXES

5.1 CONSULTANT shall pay all sales, consumer, use, and other similar taxes required to be paid by CONSULTANT in accordance with state and local laws.

5.2 CONSULTANT is an independent contractor and shall have no power or authority to incur any debt, obligation, or liability on behalf of CITY. No person employed by CONSULTANT or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of CITY.

5.3 CONSULTANT shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

6 PATENT FEES AND ROYALTIES

CONSULTANT shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product or device is specified by CITY for use in the performance of the work and if, to the actual knowledge of CITY, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by CITY in the contract documents. CONSULTANT shall indemnify and hold harmless CITY and anyone directly or indirectly employed by CITY from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified by CITY, and shall defend all such claims in connection with any alleged infringement of such rights.

7 STANDARDS OF PERFORMANCE

CONSULTANT shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. CONSULTANT shall correct any such deficiencies or errors without additional compensation and without cost to CITY, except to the extent any such deficiency is directly attributable to deficiencies in CITY-furnished information.

8 CONSULTANT'S PERSONNEL

8.1 All services required under this Contract shall be performed by CONSULTANT, or under CONSULTANT'S direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

8.2 CONSULTANT shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by CITY.

8.3 CONSULTANT shall be responsible for payment of all CONSULTANT's employees' and subcontractor's wages and benefits and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

8.4 CONSULTANT shall indemnify and hold harmless CITY, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONSULTANT's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

9 COMPENSATION

9.1 For all of work and services including the various phases of tasks as described in Section 1, CITY shall pay to CONSULTANT an amount not to exceed the sum of EIGHTY THOUSAND dollars (\$80000), payable as follows:

A fixed fee of \$75,000, payment of which shall be contingent upon the successful issuance of the Bonds, and shall be payable solely from the proceeds of the Bonds and from no other funds of the City

For all of work and services including the various phases of tasks as described in Section 1 (S) through (V), CITY shall pay to CONSULTANT an amount not to exceed the sum of FIVE THOUSAND dollars (\$5000), payable as follows:

A fixed fee of \$5,000, payment if and only if such services are required, and payment of which shall be payable solely from the proceeds of the Bonds and from no other funds of the City.

The Contract Price is CONSULTANT'S estimate of its charges for all of the services, including all labor, equipment, material, subcontractor and reimbursable costs, to be provided under this Agreement. Progress payments shall be made on a time and material basis. Final payment shall be made upon completion of all services and City acceptance of all deliverables, not-to-exceed the Contract Price.

9.2 CONSULTANT shall perform no work in excess of the total contract price without prior written approval of CITY. Total contract price includes expenses related to travel to and from CITY to meet with City and to appear, if so required, before City Council or any other board or commission of CITY.

9.3 CONSULTANT shall maintain adequate records and shall permit inspection and audit by CITY of CONSULTANT's charges under this Contract. CONSULTANT shall make such records available to CITY during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to CITY and any specified public agencies. Such records shall be maintained by CONSULTANT for one (1) year following completion of the

work under this Contract unless a longer period of time is required by state or federal law, in which event CONSULTANT shall retain its records for the time required by such laws.

9.4 No payment made hereunder by CITY to CONSULTANT, shall be construed as an acceptance by CITY of any work or materials, nor as evidence of satisfactory performance by CONSULTANT of its obligations under this Contract.

10 INDEMNIFICATION

To the fullest extent permitted by law, CONSULTANT and any contractors or subcontractors working on its behalf agree to indemnify CITY, its officers, employees, agents and elected and appointed boards (hereinafter "Indemnified Parties") for any loss, claim, demand, cause of action, cost, expense, damage, obligation or liability which arises out of or is in any way connected with the performance of any work under this agreement, including any acts or omissions, willful misconduct or negligent conduct, whether active or passive, on the part of CONSULTANT, its contractors or subcontractors, and regardless of any acts, omissions or negligence (whether active or passive) of any person or entity indemnified hereunder. At their own expense, CONSULTANT and, as applicable, any contractors or subcontractors working on its behalf, shall defend any suit, claim or action against the Indemnified Parties founded upon such loss, claim, demand, cause of action, cost, expense, damage, obligation or liability. CONSULTANT shall ensure that the contract of any contractor or subcontractor working under this agreement contain an indemnity agreement, requiring the contractor or subcontractor to indemnify and defend the Indemnified Parties pursuant the terms set forth above. CONSULTANT shall indemnify the Indemnified Parties, and save it harmless from any and all loss, damage, costs, expenses and attorney's fees suffered or incurred on account of any breach of the aforesaid obligations and covenants, and any other provision or covenant of this agreement.

11 INSURANCE

11.1 CONSULTANT, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California.

Proof of Insurance, as identified in Section 11.8, must be reviewed and accepted by the City Attorney.

11.1.1 Workers' Compensation and Employer's Liability

- Workers' Compensation—coverage as required by the State of California
- Employer's Liability:
 - \$1,000,000.00 each accident
 - \$1,000,000.00 policy limit bodily injury
 - \$1,000,000.00 each employee bodily injury by disease

11.1.2 Professional Liability (Errors & Omissions) Insurance*

- \$1,000,000 limit on a per occurrence basis

11.1.3 Commercial General Liability

- \$1,000,000.00 limit on a per occurrence basis
- \$2,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability

- \$1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.2 All of CONSULTANT's policies shall contain an endorsement providing that written notice shall be given to CITY at least thirty- (30) calendar days prior to termination, cancellation or reduction of coverage in the policy.

11.3 Policies providing for bodily injury and property damage coverage shall contain the following:

- A. An endorsement extending coverage to the City as an additional insured, in the same manner as the named insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the City, and any other insurance maintained by the City shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificate and endorsements shall state: "The City of Palmdale, the Successor Agency of the Community Redevelopment Agency of the City of Palmdale, Palmdale Civic Authority, Industrial Development Authority of the City of Palmdale, Palmdale Airport Authority, their officers, agents, employees and volunteers are named as additional insured's."
- B. "Severability of Interest" clause.

11.4 Promptly on execution of this Contract, and prior to commencement of any work, CONSULTANT shall deliver to CITY certificates of insurance and endorsements to all required policies demonstrating that CONSULTANT has the required coverage and showing the required named insureds. Within five (5) days of written request from CITY, CONSULTANT shall deliver to CITY full and complete copies of all insurance policies required by this Contract.

11.5 The requirements as to the types and limits of insurance to be maintained by CONSULTANT are not intended to and shall not in any manner limit or qualify CONSULTANT's liabilities and obligations under this Contract.

11.6 Any policy or policies of insurance that CONSULTANT elects to carry as insurance against loss or damage to its equipment and tools or other personal

property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against CITY.

11.7 All insurance coverage must be maintained throughout the duration of this Contract.

11.8 Acceptable Proof of Insurance:

11.8.1 ACORD Certificate of Insurance listing all coverages, limits, deductibles and insureds; and endorsements for all applicable coverages if agent has authority to issue it; Additional insured Form CG20101185 or CG20100707 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

11.8.2 Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements listing all insurers must be submitted to the City Attorney.

11.8.3 *When professional (E&O) liability coverage is provided on a "claims made basis", CONSULTANT will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONSULTANT, or its officers, employees, or agents during the time this Agreement was in effect.

11.9 Notwithstanding any other provision of this Contract, CITY may immediately terminate this Contract if, at any time CONSULTANT fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

11.10 CONSULTANT shall require any and all subcontractor's working on its behalf to provide insurance coverages and limits that are based on the scope of work and nature of risk being performed by the subcontractor. Any and all subcontractors working on behalf of CONSULTANT shall be subject to all other insurance requirements that are stated herein.

Any deviation in this requirement will be CONSULTANT's sole risk. CONSULTANT's insurance requirements in Section 11 will not be impacted and/or limited by such deviation.

12 TERMINATION WITHOUT CAUSE

CITY reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. CONSULTANT

shall also surrender to CITY all finished or unfinished documents or programs and other materials, which shall be City's property. As compensation in full for services performed to the date of such termination, the CONSULTANT shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

13 TERMINATION FOR CAUSE

13.1 If the City determines that the CONSULTANT has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, the City shall give written notice to the CONSULTANT specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for the City's dissatisfaction and suggest corrective measures. If, after thirty days, the CONSULTANT has failed to implement the corrective measures, the City may elect to terminate this Contract, in whole or in part.

13.2 In the event the City terminates this Contract in whole or in part as provided herein above, the City may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

13.3 If this Contract is terminated as provided above, the City may require the CONSULTANT to provide all finished or unfinished documents, data, studies, software, drawings, maps, photographs, reports, etc., prepared by the CONSULTANT. Upon such termination, the CONSULTANT shall be paid an amount equal to the value of the services provided and work performed as of the date of termination. Such payment by the City may take into consideration the costs associated with hiring another CONSULTANT to complete the services. In the event no new CONSULTANT is employed, the CONSULTANT shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to CITY, and to authorized reimbursement expenses.

The above is in addition to any other remedies available by law or equity to the City.

13.4 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that CONSULTANT was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 12.

14 DISPUTE RESOLUTION

All claims, disputes, and other matters in question between CITY and CONSULTANT arising out of, or relating to this Contract, or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

15 OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, research, field notes, investigations, analysis, and studies which are prepared in the performance of this Contract are to be, and remain the property of CITY. CONSULTANT shall furnish CITY, upon its request, originals or reproducible or electronic copies of reports, studies and of all other documents listed above.

16 SUBCONTRACTING, DELEGATION AND ASSIGNMENT

16.1 CONSULTANT shall not delegate, subcontract or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY; provided, however, that claims for money due or to become due to CONSULTANT from CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Any proposed delegation, assignment or subcontract shall provide a description of the services covered, identification of the proposed assignee, delegates or subcontractor, and an explanation of why and how the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegates or subcontractor shall include the following:

- A. The amount involved, together with CONSULTANT's analysis of such cost or price; and
- B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of CITY.
- C. The requirement to hire only those persons authorized by federal law to work in the United States.

16.2 Any assignment, delegation or subcontract shall be made in the name of CONSULTANT and shall not bind or purport to bind CITY and shall not release CONSULTANT from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONSULTANT under this Contract.

17 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

17.1 In performance of this Contract, CONSULTANT shall not discriminate against any employee, subcontractor, or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, or age. CONSULTANT will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without

regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

17.2 The provisions of subsection 17.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONSULTANT for personnel to perform any services under this Contract. CITY shall have access to all documents, data and records of CONSULTANT and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

18 FINANCIAL INTEREST CERTIFICATION

18.1 CONSULTANT warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the CITY has any interest, financially or otherwise, in CONSULTANT's firm.

18.2 For breach or violation of this warranty, CITY shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

19 CONFLICT OF INTEREST

19.1 CONSULTANT stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONSULTANT to be "financially interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by CITY on any matter.

19.2 CONSULTANT shall not employ any City official or employee to perform any work required pursuant to this Contract.

19.3 If CONSULTANT is a registered professional engineer or licensed land surveyor and the scope of work requires CONSULTANT'S recommendation of the actual formula to spread the costs of an assessment district's improvements, then CONSULTANT shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) CONSULTANT has received income of \$250 or more for

professional services in connection with any parcel included in the benefit assessment district within 12 months prior to the creation of the district; and (2) the district includes other parcels in addition to those parcels for which CONSULTANT received the income. In the event a conflict of interest does arise in that context, City shall select a different CONSULTANT to recommend the actual formula to spread the costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to CONSULTANT.

19.4 To the extent required by the City Manager/designee, CONSULTANT shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments, or business positions.

20 COMPLIANCE WITH LAW

20.1 CONSULTANT shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONSULTANT uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONSULTANT.

20.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

21 NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

22 ENTIRE CONTRACT AND AMENDMENTS

22.1 This Contract is the complete agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

22.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONSULTANT hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

22.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

23 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

CITY OF PALMDALE:

HARRELL AND COMPANY ADVISORS,
LLC.:

RONDA PEREZ
CITY MANAGER

Suzanne Harrell

Signed: 3/7/2024

SUZANNE HARRELL
MANAGING DIRECTOR

ADDRESS FOR NOTICE:
CITY OF PALMDALE
38300 Sierra Highway Suite D
Palmdale, CA 93550

ADDRESS FOR NOTICE:
HARRELL AND COMPANY ADVISORS,
LLC.
13891 Newport Ave, Suite 145
Tustin, CA 92780

APPROVE AS TO FORM:

William P. Curley, III
City Attorney

ATTEST:

Roxanne Faber
Acting City Clerk

----- INTERNAL USE ONLY -----

- Certificate(s) and Endorsement(s) attached
- Confirmed business name on contract with certificate(s)
- Attached Agreement Checklist and met all requirements