City of Santa Paula

City Council

MAYOR LESLIE CORNEJO
VICE MAYOR PEDRO A. CHAVEZ
COUNCILMEMBER JENNY CROSSWHITE
COUNCILMEMBER CARLOS JUAREZ
COUNCILMEMBER ANDY SOBEL

CITY COUNCIL REGULAR MEETING OF THE
SANTA PAULA CITY COUNCIL

WEDNESDAY, NOVEMBER 6, 2024

6:30 PM - City Council Regular Meeting

SANTA PAULA CITY HALL
970 VENTURA STREET
SANTA PAULA, CA 93060

JULIE LATSHAW, CITY CLERK
DAN SINGER, CITY MANAGER
MONICA CASTILLO, CITY ATTORNEY

CITY COUNCIL REGULAR MEETING

You are invited to participate in all Regular City Council meetings. Agendas are posted in the front of Santa Paula City Hall, 970 Ventura Street, Santa Paula, 72 hours in advance of the scheduled meetings. The City Council's regular meetings start at 6:30 p.m. the first and third Wednesday of each month in the City Hall Council Chambers located at 970 Ventura Street in Santa Paula. Special and Closed Sessions vary by date and time.

HOW TO PARTICIPATE IN PERSON DURING THE MEETING: If you wish to speak at a City Council meeting, please fill out a ***Public Comment Form*** noting your name and address and submit the form to the City Clerk. Include the Agenda item number, when appropriate. ***Public comments are limited to 3 minutes.***

1. ***Items Not on the Agenda*:** If you wish to discuss an item which is not scheduled on the Agenda, you may address the City Council during *Public Comment*. Please realize that due to the limitations placed on the City Council by provisions of the *California Government Code*, the City Council ordinarily cannot take action on any item that is not on the agenda. Because of these restrictions, expect that matters that you identify during public comment may be referred to staff or considered on a future agenda.
2. ***Agenda Items:*** Items being considered by the City Council may appear on the Consent Calendar, as an Action Item, or as a Public Hearing. Public comments on each type of item are handled differently, as explained below:
    a. For items appearing on the Consent Calendar, please submit a Public Comment Form before the Council takes action on the Consent Calendar. Items that receive a Public Comment Form may be pulled from the Consent Calendar by the Mayor and discussed separately by the City Council.
    b. For items appearing as an Action Item, the Mayor will announce the Agenda item and request the staff report, the staff member responsible will give a brief summary of the report; the City Council will have an opportunity to ask questions of staff; members of the public will be given an opportunity to comment on the item and ask additional questions (all members of the public should speak directly into the microphone at the speaker's platform); and the City Council will discuss the item and then take appropriate action.
    c. For items on which a Public Hearing is scheduled, the Mayor will open the public hearing and receive the staff report; members of the public will be given an opportunity to comment on the item and ask additional questions (all members of the public should speak directly into the microphone at the speaker's platform); the City Council will discuss the item; and the Mayor will close the public hearing after City Council action.

HOW TO PARTICIPATE BEFORE THE MEETING: Members of the public are encouraged to submit email correspondence on any agenda item by sending an email to cityclerk@spcity.org. All public correspondence received by 3:00 p.m. (PT) on the meeting date will be provided to the legislative body before the meeting. Public Comments received after 3:00 p.m. will be provided to the legislative body the next day.

Your Participation in this meeting is in the public domain; meetings are cablecast; minutes of this meeting will reflect your participation in this meeting and are posted on the city's website.

PLEASE NOTE: *Be advised that if you bring a legal challenge to an action, you may be limited to raising only those issues you or someone else raised at the meeting described in this Agenda, or in written correspondence delivered to the City Council at or before the meeting. Any action is subject to the ninety-day time period set forth in Code of Civil Procedure § 1094.6.*

*In compliance with the **Americans with Disabilities Act**, if you need special assistance to participate in this meeting, please contact the City Clerk at (805) 933-4208. Notification 48 hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35, 102-35.104 ADA Title II). Written materials distributed to the City Council within 72 hours of the City Council meeting are available for public inspection immediately upon distribution in the City Clerk's office.*

HOW TO VIEW ON YOUR TELEVISION, COMPUTER, OR MOBILE DEVICE: Watch from home live on the local Channel 10, or view the live feed on the city website at the following link: https://www.spcity.org/523/Public-Meeting-Agendas
NOTE: Special and Closed Sessions are not recorded and not available on Channel 10 or live feed on the city website.

REGULAR MATTERS - COUNCIL CHAMBERS

1. **CALL TO ORDER**
   REMINDER: in order to minimize distractions during public meetings, all personal communication devices should be turned off or put in a non-audible mode.

2. **INVOCATION**

3. **FLAG SALUTE**

4. **ROLL CALL**

5. **CLOSED SESSION REPORT**

6. **PUBLIC COMMENT**
   At this time, members of the public may comment on any item not appearing on the agenda that is within the subject-matter jurisdiction of the City Council. A Public Comment Form must be submitted to the City Clerk prior to the beginning of the Public Comment period in order to be recognized to speak. Individuals submitting Public Comment Forms after the beginning of the Public Comment period will not be allowed to speak at this time, but may be recognized to speak by the Mayor at the conclusion of the meeting. Individual Councilmembers may briefly respond to Public Comments or ask questions for clarification. The City Council may direct staff to report to the City Council on the item at a later meeting. For items appearing on the Agenda, the public will be invited to make comments at the time the item comes up for City Council consideration. If a member of the public wishes to address a Consent Calendar item, please submit a Public Comment Form for that item. It may then be discussed separately by the Council, and the public will be invited to make comments at that time. At all times, please use the microphone and write your name and address on the Public Comment Form provided.

7. **PRESENTATIONS**

   7.A RECYCLING AWARDS PRESENTATION BY ATHEN SERVICES

   7.B **POLICE DEPARTMENT REPORT**
   RECOMMENDATION:
   1. Receive and file Police Department Report

Prepared by: Don Aguilar, Police Chief

7.C **COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT QUARTERLY REPORT**

RECOMMENDATION:

That the City Council receive and file the report.

Presented by: James Mason, Community & Economic Development Director

8. CITY COUNCIL REPORTS

9. CITY MANAGER REPORTS

10. CONSENT CALENDAR

Background information has been provided to the City Council on all matters listed under the Consent Calendar and these items are considered to be routine by the City Council and are normally approved by one motion. If discussion is requested by a Councilmember on any item, or a member of the public wishes to comment on an item, that item may be removed from the Consent Calendar for separate action.

10.A **APPROVAL OF MINUTES**

- **City Council Special Meeting October 15, 2024**
- **City Council Regular Meeting October 15, 2024**

RECOMMENDATION:

Staff recommends Council approve minutes.

10.B **MEASURE T FUND ALLOCATION AND EXCHANGE: 6TH STREET ROADWAY AND STORM DRAIN DISASTER RELATED REPAIR AND EMERGENCY FUND REIMBURSEMENT**

RECOMMENDATION:

Staff recommends that the City Council:

1. Authorize staff to increase the previously approved amount of reserves to cover costs related to the emergency from $441,323.71 to $487,470.28.
2. Approve a budget adjustment to cover the expenses related to the emergency that were moved from other funds to the General Fund in FY 23/24 as noted in the Fiscal Impacts Section.
3. Approve a budget adjustment to transfer money from the General Fund Reserve to the General Fund in FY 23/24 as noted in the Fiscal Impacts Section.
4. Approve a budget adjustment to transfer $ $26,400.76 of Measure T funds from the Citywide Street Preservation Project to the General Fund in FY 24/25 as part of Year 1 of a potential 5-Year Repayment Plan for the 6th Street Roadway and Storm Drain Repair Project, as noted in the fiscal impacts section.

Prepared by: Bob Woodward, PE - Consulting City Engineer

10.C SANTA CLARA RIVER MONITORING PROGRAM MEMORANDUM OF AGREEMENT

RECOMMENDATION:

Staff recommends that the City Council:

1. Authorize the City Manager to sign the Memorandum of Agreement (MOA) to provide for equal cost sharing to fund the Santa Clara River (SCR) Total Maximum Daily Load (TMDL) Monitoring Program.

10.D FIRST AMENDMENT TO CFD NO. 1 FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT - HARVEST AT LIMONEIRA

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt Resolution No. 7547 authorizing the Mayor/Chairperson to execute the First Amendment to the Funding, Construction and Acquisition Agreement—Harvest Community Facilities District No. 1 on behalf of the City of Santa Paula and Harvest Community Facilities District No. 1.

10.E WELL NO. 6 ACCEPTANCE - HARVEST AT LIMONEIRA

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt Resolution No. 7545 Accepting Well No. 6 Facilities and the Well No. 6 Site.

10.F UNITED STATES DEPARTMENT OF TRANSPORTATION (USDOT) SAFE STREETS AND ROADS FOR ALL (SS4A) GRANT AGREEMENT AND BUDGET APPROPRIATION

RECOMMENDATION:

Staff recommends City Council:

1. Approve a budget allocation of $280,000.00 in new revenue and matching expenditures from the United States Department of Transportation's ("USDOT") Federal Highway Administration ("FHWA"), as noted in the Fiscal Impact section of this report; and

2. Authorize the City Manager to execute a Grant Agreement for the Safe Streets and Roads for All (SS4A) Grant Program between the United States Department of Transportation's ("USDOT") Federal Highway Administration ("FHWA") and the City of Santa Paula ("City").

10.G SALE OF CITY PROPERTIES IN THE VICINITY OF 600 SOUTH PALM AVENUE

RECOMMENDATION:

Staff recommends that the City Council:

1. Accept the offer of $170,000 from Cedro Construction Inc for the purchase of one city-owned parcel totaling 18,730 square feet located south of 120 and 124 East Santa Maria Street (Assessor's Parcel Numbe**r: 104-0-065-185**); and to accept an offer of $88,000 from Santa Paula Materials Inc. for the purchase of two city-owned parcels totaling 7,654 square feet east of 600 South Palm Avenue (Assessor's Parcel Numbers**: 104-0-193-055** AND **104-0-193-095**)
2. Authorize the City Manager to enter into Purchase and Sales Agreements with the buyers in forms approved by the City Attorney.
3. Authorize a budget adjustment in the amount of $258,000 in revenues (GL 100-4-7500-6300) and $4,625 in escrow expenses (100-5-3001-209).

10.H **CalAPP GRANT FOR SOLAR PERMITTING & SYMBIUM SOFTWARE AGREEMENT**

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize acceptance of a $40,000 grant from the California Energy Commission for the California Automated Permit Processing (CalAPP) Program for the Symbium solar permit software.
2. Amend the Fiscal Year 2024-25 budget by appropriating the $40,000 in grant revenue (321-4-7500-4277) and expenses (321-5-3001-207).
3. Authorize the City Manager to execute the Symbium Master Licensing Agreement.

11. PUBLIC HEARING

- Verification of posting notice by City Clerk
- Declaration of conflicts (if any)
- Declaration of ex parte contacts (if any)
- Open public hearing
- Staff presentation
- Public comments
- Close public hearing
- Discussion and action

11.A **INTRODUCTION OF ORDINANCE NO. 1340 AMENDING SPMC CHAPTER 16.227 - ACCESSORY DWELLING UNITS**

RECOMMENDATION:

Staff recommends that the City Council:

1. Open the public hearing.
2. Waive first reading, read by title only, and introduce Ordinance No. 1340, entitled "An Ordinance of the City Council of the City of Santa Paula Amending Chapter 16.227 of the City of Santa Paula Municipal

Code Relating to Accessory Dwelling Units and Junior Accessory Dwelling Units and Finding the Action to be Statutorily Exempt from CEQA under Public Resources Code § 21080.17."

12. ACTION ITEMS

12.A ANNUAL AUDIT - FY 22/23

RECOMMENDATION:

Staff recommends the City Council receive and place on file the Annual Audited Financial Statements for the Fiscal Year ended June 30, 2023.

Presented by: Christy Ramirez, Finance Director

13. ITEMS FOR FUTURE AGENDAS

13.A FUTURE AGENDA ITEMS

RECOMMENDATION:

Staff recommends City Council review future agenda items.

14. ADJOURNMENT

State of California)-

County of Ventura)- ss

City of Santa Paula)-

I declare under penalty of perjury that I posted this City Council Agenda on the bulletin board near the front door of City Hall, 970 Ventura Street, Santa Paula, California.

On_____at_____Signed:_____

Julie Latshaw

City Clerk

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Donald Aguilar, Police Chief

Subject: POLICE DEPARTMENT REPORT

Date: November 6, 2024

Agenda Item: 7.B

RECOMMENDATION:

1. Receive and file Police Department Report

Prepared by: Don Aguilar, Police Chief

BACKGROUND:

For providing progress in several aspects of the Police Department, it is important to provide Department updates to the City Council.

ANALYSIS:

In the past, the Chief of Police has provided reports to the City Council, highlighting key areas such as crime statistics, trends, grants status', dispatch response, achievements, and noteworthy events.

- Year to date 2024 Part 1 Crimes / Traffic Citations will be reviewed
- An update on sworn and civilian training over the reporting period will be given
- Provide Department project upgrades Status - Police Station Construction and City Hall Parking Lot Fence Construction
- Review the progress and staffing of the Department - Opening the Police Sergeant Recruitment
- Announce the recent Department employee milestone accomplishments - FBI National Command Course Graduation / Supervisory Leadership Institute Graduation / Investigator of the Year Nomination by Peace Officers Association of Ventura County
- Report on the selection of the Department "Officer of the Year" Recognition and new monthly "Chief's Newsletter" for police employees
- Discuss our recent community engagement - Neighborhood Watch National Night Out
- Review the progress of our emergency preparedness - CERT Class #2 Graduation, "Sound the Alarm" Smoke Alarm event, Disaster Service Worker (DSW) training, and "Stop the Bleed" training for employees

STRATEGIC PLAN:

The quarterly report provides a metric for Strategic Plan Goal E., Objective #3. E. Public Safety

Goal:
Create an environment within the City in which our residents feel safe and which promotes the City as a location of choice for living, working, visiting and recreating.

Objective 3:
Work towards the execution and implementation of the Police Department Strategic Plan

FISCAL IMPACTS:

None

OPTIONS:

ATTACHMENTS:

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: James Mason, Community & Economic Development Director

Subject: COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT QUARTERLY REPORT

Date: November 6, 2024

Agenda Item: 7.C

RECOMMENDATION:

That the City Council receive and file the report.

Presented by: James Mason, Community & Economic Development Director

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BACKGROUND:

PLANNING DIVISION

Planning Commission - October 22, 2024

The Planning Commission directed the Community & Economic Development Director to send a letter to the Santa Paula Unified School District stating the school site acquisitions at 7, 8, 31, 32, 34 and 36 Palm Court for expansion of the Santa Paula High School campus that their Facilities Master Plan is consistent with the City's General Plan. The expansion area will include a new gym, multipurpose rooms and swimming pool facilities.

The Planning Commission adopted Resolution No. 3861 approving Conditional Use Permit No. 2024-CUP-01 to allow the operation of a fitness center for Planet Fitness on property zoned Commercial-General at 568-B W. Main Street, subject to the project Conditions of Approval.

The Planning Commission adopted Resolution No. 3862 recommending that the City Council adopt a revised Accessory Dwelling Unit ordinance and find that the adoption of the proposed ordinance is statutorily exempt from review under the California Environmental Quality Act ("CEQA") under Public Resources Code section 21080.

The Chief Building Official presented draft Accessory Dwelling Units architectural and building plans before the Planning Commission. He discussed next steps in providing pre-approved plans which will be available for residents to use to help expedite the review and approval process for ADUs.

Business Licenses

Fifty-five Commercial business licenses and ten Home Business Occupations were issued in July - September 2024.

Development Applications

One new development application was received in July - September 2024 for the Foothill (Phase 2 of Harvest).

Planning Applications

Thirty new planning applications were received in July - September 2024.

SPECIFIC PLAN UPDATES

Santa Paula West Business Park Specific Plan (SP-6)

The projects pre-annexation approval was granted by the LAFCo Board in September.

The applicant will move forward to complete annexation into the city and marketing of the project (sale and lease) are underway.

The Project consists of ±54 acres of the 125-acre Expansion Area. The land uses envisioned within the Specific Plan will be a mix of low-intensity industrial (such as light manufacturing or research and development), professional offices, and supporting commercial businesses.

COMMERCIAL DEVELOPMENT UPDATES

Good Orchard Event Center and Café (133 Mill Street)

The initial project (Wesley Hall repurpose/renovation) which includes a catering and event center, café and alcohol license has completed plan review and renovation of the spaces are underway.

Parque 1055 Bar and Grill (1055 East Main Street)

The project is composed of the redevelopment of an auto parts and repair facility into a tap room, wine bar, restaurant, grill and entertainment space. The site and building improvements are nearing completion and the applicant has plans to open late November 2024.

East Area Gateway (Hallock/126/Telegraph)

Plans are under development for a 113,000 square foot commercial center which will include grocery, in-line retail and multiple restaurant pads. Project design review is currently underway

INDUSTRIAL DEVELOPMENT UPDATE

Santa Maria Industrial Park (324 W. Santa Maria Street): Industrial Park

Project approved by Planning Commission in 2012. City staff continuing to coordinate with applicants to complete project. A conservation easement violation has been resolved and the project is continuing with requisite design and engineering submittals. The FEMA review of the Letter of Map Revision (LOMR) which addresses project potential alterations to flood

hydrology, has been completed and the project has received a final approval. With entitlements in place infrastructure improvements and vertical development will be underway in late 2024

Santa Paula Self Storage Too (324 E Santa Maria St): Self Storage Facility

Proposal for a 5-building, 262-unit self -storage facility. Plans have been submitted and site grading and utility work is underway. The project and the underlying Santa Maria Industrial Park project has received FEMA approval and development will commence on the project in in late 2024

Bender Property (Todd Rd and SR 126)

The developer, Bender Farms, is currently building an additional 76,000 square foot industrial shell building. Plan review has been completed and the site development and the building pad have been completed. Vertical development will commence once building plans have been approved. As a part of the project, improvements will be made to Todd Rd, Calpipe Rd. and Peck Rd. Also included in project requirements Corporation Street repaving has been completed.

RESIDENTIAL DEVELOPMENT UPDATE

People's Self-Help Housing (PSHH) 714 W Harvard Blvd

Construction of the 69 deed-restricted affordable housing development which broke ground in May 2022 is well underway with temporary certificates of occupancy issued. The project is at 95% occupancy and a grand opening was held on October 22.

Former Kmart (859 Faulkner Rd.)

Harridge Development Group, LLC., the owner and developer has completed Design review and demolition permit is ready for issuance. They have plans to begin site work 1st quarter of 2025. The project proposal includes 224 market-rate, rental town homes and staff is discussing affordability options with the developer.

11th Street Town-homes

Ten market rate town-homes on Main Street and 11th Street. Design review has been completed and the project plans are under review.

Citrus Flats - Red Tail Apartments (18004 East Telegraph Rd)

298-unit apartment complex at East Telegraph Rd. and Whipple Rd. - 162 affordable units (40 Very-Low and 122 Low) along with 136 market-rate units The project will contribute significantly to the city's progress toward satisfying SCAG 6th Cycle RHNA requirements. preliminary site work Is underway (stockpiling) and results of the developer's application for tax exempt bonds for the development were approved in August.

Mixed-Use/Senior Living (603 East Main Street)

Mixed use senior living and commercial project composed of 6,800 square feet of commercial

and 27 senior apartments. The developer is working with the Housing Authority on connecting potential tenants through their section-eight waiting list.

Harvest at Limoneira-Lewis (East Area 1)

All 586 lots for Phase I of the project have been sold to home builders and 585 homes are occupied. Of the 121 units available in Phase 1d, 50 units have been sold to Lennar Corporation and the remainder to Richmond American for housing development. Lennar has also purchased the entirety of the 545 units which comprise Phase 2 of the development (Foothill neighborhood) which site grading and infrastructure are well underway. In addition, Lewis has submitted preliminary plans for the development of a 300 duplex rental units directly south of the Sports Park.

BUILDING AND SAFETY DIVISION

	PERMIT & FEE ACTIVITY JULY - SEPT 2024	
2024	**NUMBER OF PERMITS**	**TOTAL VALUATION: $198,552,425.10**
Building Permits	299	$348,483.74
Plumbing Permits	115	$17,546.00
Electrical Permits	270	$31,722.00
Mechanical Permits	100	$16,177.00
Total	***784***	***$413,928.74***
2023	**NUMBER OF PERMITS**	**TOTAL VALUATION: $9,688,266.55**
Building Permits	76	$29,686.05
Plumbing Permits	13	$1,441.00
Electrical Permits	79	$6,692.00
Mechanical Permits	13	$1,323.00
Total	***181***	***$39,142.05***

CODE COMPLIANCE DIVISION

There are currently a total of **119 active** code compliance cases and **2 closed** cases.

The Building Division is also pleased to announce the appointment of Javier Cancino to the position of Building Inspector.

ECONOMIC DEVELOPMENT

Staff continues to regularly dialogue with commercial and industrial real estate brokers and land owners to look for opportunities to connect businesses with available properties and expand options for employment growth.

Staff continues to participate in business round-table meetings, PBID coordination and face-to-

face meetings with businesses.

Economic Development Standing Committee

The Committee has had one meeting in the last quarter. The group discussed the implementation of a business outreach program, strategies for addressing vacancies in downtown retail spaces and will be working with staff to identify key economic development priorities and strategies as they relate to the City Council Strategic Goals.

OTHER ACTIVITIES

Wayfinding Project – Hunt

The consultant has completed designs which have been reviewed by the Wayfinding Committee and PBID; and approved by the City Council. Staff is working with the consultant to complete an implementation plan based on City Council direction that will include design improvements, project priorities, project timelines and procurement strategies.

Affordable Housing Trust Fund Oversight Committee

The Committee has had two meeting to review potential use of the funds for providing assistance to the people's Self Help, Peoples Place Project at 710 West Harvard Boulevard. The Committee will be meeting.

Facade Improvement Program

A RFP has been prepared to request submissions from qualified contractors with experience managing public works projects (prevailing wage requirements. Qualified respondents will be placed on a list that grant applicants will be able to utilize to seek bids for facade program improvements. In addition, staff has begun outreach to business and property owner to provide information on the program requirements and processes.

Design Assistance Committee

The Committee reviewed the application for city landmark status for the Tower Theater at 962 east Main Street.

Project Isabella

Staff joined four representatives from Santa Paula in a National League of Cities Early Childhood Development California Cohort meeting in Sacramento September 17-19. The group met with proponents of early childhood development from Sacramento, Los Angeles, Santa Diego and San Francisco to discuss actions plans, programs and strategies.

ANALYSIS:

STRATEGIC PLAN:

FISCAL IMPACTS:

OPTIONS:

ATTACHMENTS:

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Julie Latshaw, City Clerk

Subject: APPROVAL OF MINUTES
- City Council Special Meeting October 15, 2024
- City Council Regular Meeting October 15, 2024

Date: November 6, 2024

Agenda Item: 10.A

RECOMMENDATION:

Staff recommends Council approve minutes.

BACKGROUND:

An account of all proceedings of the Legislative Body in open meetings shall be kept by the Clerk/Secretary. The Clerk/Secretary shall prepare an abbreviated record of the meeting proceedings for approval by the Legislative Body which when adopted by the Legislative Body shall be the official Minutes of the meeting. Amendment of the minutes may be made only as to factual accuracy and not as to a change of intent. The Minutes of the meeting need not be verbatim. Only the best and most complete available recording of the meeting shall constitute the official record of the Legislative Body, but the Minutes shall constitute the official record of the Legislative Body meeting where a verbatim record of the meeting is not available. Unless requested by a majority of the quorum, the minutes may be approved without reading.

ANALYSIS:

None.

STRATEGIC PLAN:

This item is not a goal or objective in the City Council's two-year Strategic Plan, however, the Minutes shall constitute the official record of the Legislative Body.

FISCAL IMPACTS:

There are no fiscal impacts for this item.

OPTIONS:

None.

ATTACHMENTS:

2024.10.15 City Council Special Minutes.pdf
2024.10.15 City Council Regular Minutes.pdf

CITY OF SANTA PAULA
City Council Special Meeting
October 15, 2024, 4:00 PM
MINUTES

SPECIAL MEETING - COUNCIL CHAMBERS

1) CALL TO ORDER

Mayor Cornejo called the meeting to order at 4:15 p.m.

2) FLAG SALUTE

Councilmember Sobel led the flag salute.

3) ROLL CALL

Members Present: Leslie Cornejo, Pedro A Chavez, Jenny Crosswhite, Carlos Juarez, and Andy Sobel

4) PUBLIC COMMENT

Jon Risque was called to speak thanking everyone for setting up the Union Oil Building with tenants that will be beneficial to the community.

5) ORDER OF BUSINESS

5.A) UNION OIL BUILDING STUDY SESSION WITH POTENTIAL TENANTS

Councilmember Juarez recused himself from this item, leaving the Dias.

Parks & Recreation Director Greg Barnes provided a presentation on the space and recommendations for the use of the Union Oil Building, introducing each of the applicants:
Leap Lab - Ventura County Science Center
The California Oil Museum Foundation
The Santa Paula Historical Society
Council provided staff feedback and recommendations with what they would like to see on the MOU.

6) CLOSED SESSION

6.A) CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE §54957.6 - City Representatives: City Attorney Monica Castillo, City Manager Dan Singer, Finance Director Christy Ramirez, and Human Resources Administrator Lorena Alvarez; Employee Organizations: Santa Paula Police Officers Association (SPPOA)

City Attorney Monica Castillo announced the closed session item is tabled for a future meeting.

7) CLOSED SESSION REPORT

No report out.

8) ADJOURNMENT

Mayor Cornejo adjourned the meeting at 5:45 p.m.

ATTEST:

_____

Julie Latshaw, City Clerk

CITY OF SANTA PAULA
City Council Regular Meeting
October 15, 2024, 6:30 PM
MINUTES

REGULAR MATTERS - COUNCIL CHAMBERS

1) CALL TO ORDER

Mayor Cornejo called the meeting to order at 6:33 p.m.

2) INVOCATION

Deacon Al Guilin provided the Invocation.

3) FLAG SALUTE

Councilmember Juarez led the flag salute.

4) ROLL CALL

Members Present: Leslie Cornejo, Pedro A Chavez, Jenny Crosswhite, Carlos Juarez, and Andy Sobel

5) CLOSED SESSION REPORT

City Attorney Monica Castillo reported the closed item was tabled for a future meeting on the following:
CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE §54957.6 - City Representatives: City Attorney Monica Castillo, City Manager Dan Singer, Finance Director Christy Ramirez, and Human Resources Administrator Lorena Alvarez; Employee Organizations: Santa Paula Police Officers Association (SPPOA)

6) PUBLIC COMMENT

None.

7) PRESENTATIONS

7.A) PEOPLE'S SELF-HELP (PEOPLE'S PLACE UPDATE)

Ken Trigueiro with People's Self-Help provided a presentation on the supportive services with People's Place Affordable Housing.

Zuleth Lucero with Ventura County Housing Coalition was called to speak sharing her time and work with residents with People's Self-Help.

7.B) ADA LAWSUIT PRESENTATION

Community Economic Director James Mason presented a presentation on the ADA Lawsuits with the small businesses in the City of Santa Paula.

7.C) PARKS & RECREATION DEPARTMENT ACTIVITY REPORT

Parks & Recreation Director Greg Barnes provided a presentation on the Parks & Recreation Department's Activity Report for the period of May through September 2024.

8) CITY COUNCIL REPORTS

Councilmember Sobel:
Attended the Taste of Santa Paula event; Cruise Night; Senator Monique Limon meeting update; the Heritage Valley Tourism Bureau meeting; the Candidate Forum; the Historical Society Happy History Hour; the Annual Ventura Council of Governments Dinner; the Santa Paula Beautiful event; and announced the upcoming Isabella Project for Early Childhood Education celebration event.

Vice Mayor Chavez:
Attended the Santa Paula Beautiful event; Cruise Night; the Latino Comedy Night; recognized Officer Shawn Virani, recent recipient of the Medal of Valor; announced the newsletter information through the Communication Ad Hoc Committee; and announced the upcoming Project Isabella event at Glen City Elementary School.

Councilmember Crosswhite:
Attended the Ventura County Transportation Commission meeting; the Clean Power Alliance meeting; the Southern California Association of Governments meeting; the Annual Ventura Council of Governments Dinner; the Taste of Santa Paula event; and toured the Police Department facility.

Councilmember Juarez:
Attended the Candidate Forum; the Santa Paula Beautiful event; toured the Police Department facility; the Historical Society Happy History Hour; and announced the Santa Paula Ghost Walk.

Mayor Cornejo:
Presented Public Works Director Clete Saunier the City of Santa Paula Tile for his upcoming retirement and the services he has provided to the city.

9) CITY MANAGER REPORTS

Announced under the leadership of Kate Watkins and our Police Department, who worked with the American Redcross and over 40 volunteers, worked with some of our mobile home parks and neediest families, making sure they had

working and operable smoke detectors, and if not, they installed new detectors at no cost; and handed out flyers on the upcoming symposium on rebuilding common ground.

10) CONSENT CALENDAR

10.A) APPROVAL OF MINUTES

City Council Special Meeting September 18, 2024
City Council Regular Meeting September 18, 2024
Joint City Council / Planning Commission Special Meeting September 30, 2024
City Council Regular Meeting October 2, 2024

10.B) SEPTEMBER 2024 WARRANTS AND CERTIFICATIONS

10.C) AGREEMENT WITH THE SANTA PAULA CHAMBER OF COMMERCE

Item 10.C was pulled for separate discussion and vote.

Motion: Approve as amended Authorizing the City Manager to enter into a professional services agreement with the Chamber of Commerce for FY2024 - FY2025, amending the scope of services, section IV - Cummunity Vitality, by removing bullet point.
Moved by Jenny Crosswhite, seconded by Andy Sobel

Vote: Motion carried 5-0
Yes: Leslie Cornejo, Pedro A Chavez, Jenny Crosswhite, Carlos Juarez, Andy Sobel

10.D) PECK ROAD WATER MAIN REPAIR PROJECT CONTRACT CLOSEOUT AND REBID

10.E) SCHOOL RESOURCE OFFICER CONTRACT WITH SANTA PAULA UNIFIED SCHOOL DISTRICT

10.F) 2024 HOLIDAY PARADE REQUEST FOR FEE WAIVER

10.G) ALCOHOL ENFORCEMENT AGREEMENT FOR PROJECT 22-CUP-01, PARQUE 1055 RESTAURANT LOCATED AT 1055 E. MAIN ST.

10.H) TRANSPORTATION DEVELOPMENT ACT, LOCAL TRANSPORTATION FUND, APPORTIONMENT FOR FISCAL YEAR 2024/2025

Item 10.C was pulled for separate discussion and vote.

Motion: Approve Consent Calendar Items 10.A, 10.B, 10.D, 10.E, 10.F, 10.G, and 10.H.
Moved by Jenny Crosswhite, seconded by Andy Sobel

Vote: Motion carried 5-0
Yes: Leslie Cornejo, Pedro A Chavez, Jenny Crosswhite, Carlos Juarez, Andy Sobel

11) ACTION ITEMS

11.A) CITY WAYFINDING PROJECT UPDATE AND RECOMMENDATION

This item was presented by Community & Economic Development Director James Mason.
Bret Yourstone with Hunt Design provided a presentation on the City Wayfinding Project Update.
Council provided staff with feedback of a few modifications in order for them to move forward with the project.

Motion: Approve moving forward with the design to include Councils feedback of a few modification.
Moved by Pedro A Chavez, seconded by Andy Sobel

Vote: Motion carried 5-0
Yes: Leslie Cornejo, Pedro A Chavez, Jenny Crosswhite, Carlos Juarez, Andy Sobel

11.B) AMERICAN RESCUE PLAN ACT (ARPA) UPDATE & FUNDING CONSIDERATIONS

This item was presented by Deputy City Manager Jonathan Royas.

Motion: Approve Resolution No. 7543 amending previous ARPA allocations and establishing additional priorities for the use of unused funds; and authorize the City Manager to move funds between ARPA line items moving forward.
Moved by Andy Sobel, seconded by Pedro A Chavez

Vote: Motion carried 5-0
Yes: Leslie Cornejo, Pedro A Chavez, Jenny Crosswhite, Carlos Juarez, Andy Sobel

11.C) FY 24/25 FIRST QUARTER FISCAL REVIEW

This item was presented by Finance Director Christy Ramirez.

Motion: Approve a budget allocation request of $75,000 in GL 803-5-9375-660 for repaving and maintenance of the parking lot.
Moved by Pedro A Chavez, seconded by Carlos Juarez

Vote: Motion carried 5-0
Yes: Leslie Cornejo, Pedro A Chavez, Jenny Crosswhite, Carlos Juarez, Andy Sobel

12) ITEMS FOR FUTURE AGENDAS

12.A) FUTURE AGENDA ITEMS

13) ADJOURNMENT

Mayor Cornejo adjourned the meeting at 9:45 p.m.

ATTEST:

_____

Julie Latshaw, City Clerk

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Clete Saunier, Public Works Director

Subject: MEASURE T FUND ALLOCATION AND EXCHANGE: 6TH STREET ROADWAY AND STORM DRAIN DISASTER RELATED REPAIR AND EMERGENCY FUND REIMBURSEMENT

Date: November 6, 2024

Agenda Item: 10.B

RECOMMENDATION:

Staff recommends that the City Council:

1. Authorize staff to increase the previously approved amount of reserves to cover costs related to the emergency from $441,323.71 to $487,470.28.
2. Approve a budget adjustment to cover the expenses related to the emergency that were moved from other funds to the General Fund in FY 23/24 as noted in the Fiscal Impacts Section.
3. Approve a budget adjustment to transfer money from the General Fund Reserve to the General Fund in FY 23/24 as noted in the Fiscal Impacts Section.
4. Approve a budget adjustment to transfer $ $26,400.76 of Measure T funds from the Citywide Street Preservation Project to the General Fund in FY 24/25 as part of Year 1 of a potential 5-Year Repayment Plan for the 6th Street Roadway and Storm Drain Repair Project, as noted in the fiscal impacts section.

Prepared by: Bob Woodward, PE - Consulting City Engineer

BACKGROUND:

Severe winter storms, which commenced in January of 2023 and continued in subsequent months, damaged City buildings, roads, drainage systems, and water distribution facilities. On January 4, 2023, the Governor of California declared a state of emergency as a result of the winter storms related to a series of atmospheric river systems that produced heavy rainfall and related flooding throughout the State.

On January 8, 2023, President Biden declared an emergency in California in response to the severe winter storms, flooding, and mudslides experienced in the State. This federal emergency declaration allows federal assistance to supplement the local response efforts and authorizes the Department of Homeland Security's Federal Emergency Management Agency (FEMA) to coordinate all disaster relief efforts. On April 3, 2023, President Biden issued an additional emergency declaration based on subsequent winter storms, which occurred in

February and March of 2023.

In conjunction with the federal disaster declaration, personnel from FEMA have been in contact with the City, coordinating disaster recovery efforts and clarifying program requirements. Initial FEMA requests of the City included the formal assessment of damaged City property and facilities, quantification of damage scope and estimated repair costs, and coordination of debris removal and protective measures to mitigate further damage pending the approval of formal repairs. In some cases, areas of latent storm damage appeared in the weeks and months following initial storm events, but still required immediate response and related repair efforts to address hazards to citizens and property.

Following the initial winter storms in January 2023, City staff began assessing damage to City roads, drainage and water distribution facilities, and other City property. These initial assessments were followed by debris removal operations where immediately necessary, as well the implementation of sandbags, slope protection and other measures to mitigate further damage to City property pending detailed review by FEMA. Since this time, City staff have been working with FEMA personnel to categorize and quantify specific areas of facility damage, as well as to coordinate approval of specific damage locations.

Natural disasters occur irregularly in the region, with unpredictable frequency and severity. Natural disasters can include fires, earthquakes, flooding and debris flows, as well as other damaging events. While these events are known to occur from historical experience, their irregular nature and severity make budgeting for natural disasters and related response, repair and recovery largely impractical in the City's 2-year budgeting process.

On July 19, 2023, City Council authorized the use of reserve funds for costs associated with disaster response and recovery associated with winter storms and related damage sustained by City facilities commencing January 4, 2023 under the provisions of the City's Reserves Policy. On the same day, City Council also authorized the payment of invoices for contracted professional services associated with disaster recovery efforts performed from January 4, 2023 through a date approved by responsible agencies using monies from the General Fund Contingency Reserve, which amounted to $441,323.71. This cost has since increased to $487,470.28 and costs related to City, State, FEMA and County coordination, field meetings, damage assessment, cost estimation, preliminary design of facility repairs, as well as road and utility repairs to 6th Street. Concurrent with this approval, staff agreed to return to Council at a subsequent meeting to provide a progress update on disaster recovery efforts and associated reimbursement of costs incurred by the City. Staff is asking Council to approve the additional costs be paid from reserve, and to allocate the budget needed to cover the expenses in the general fund, as well as budgets needed to cover the transfer from the reserve to the General Fund.

On December 6, 2023, City Council received a funding reimbursement update. Since December, staff have continued to coordinate with FEMA staff, as well as staff associated with the State Office of Emergency Services (CalOES). As noted in the July 19, 2023 staff report, the damage associated with the January 2023 storms has been addressed under the federal disaster number DR 4683 in association with President Biden's January 8, 2023 declaration, which covers storm related damage, which occurred between December 27, 2022 to January 31, 2023. Since the July meeting, staff received confirmation from FEMA that damage associated with February and March 2023 storms will be addressed under the federal disaster number DR 4699 in association with President Biden's April 3, 2023 declaration, which covers

storm related damage which occurred between February 21, 2023 to July 10, 2023.

On June 19, 2024 City Council received a funding reimbursement update and approved the following two alternatives to address reimbursement of expenditures and repayment of the City's General Fund Contingency Reserve:

Alternative 1: *FEMA reimbursement for the 6th Street Sinkhole is received by the City within 60 days.* Match amount of $26,400.76 will be transferred to the General Fund Contingency Reserve from Measure T funds. The combined reimbursement and match amounts for the Fuchsia Tank Slope Failure will be transferred to the General Fund Contingency Reserve from Water Enterprise fund in the amount of $21,197.57.

Alternative 2: *FEMA reimbursement for the 6th Street Sinkhole is not received by the City within 60 days*. Staff will present a repayment plan over a period not to exceed five years for the combined reimbursement and match amounts for the 6th Street Sinkhole totaling $423,118.47, which will be transferred to the General Fund Contingency Reserve from Measure T funds.
Since April, staff have continued to coordinate with FEMA and State Office of Emergency Services (CalOES) staff; however, the anticipated reimbursement has not occurred within the 60-day period. With this understanding, staff proposes a 5-year repayment plan, presented in the Fiscal Impacts section of this report.

ANALYSIS:

Since staff did not receive reimbursement within 60 days, Alternative 2 as described above will apply. On October 7, 2024, staff presented the 5-Year Repayment plan to the Measure T committee, specifically focusing on the 6th Street Roadway and Storm Drain Repair project as that funding transfer required their approval. The Measure T committee supported the fund transfer of the 6th Street Sinkhole match amount of $26,400.76 to come from the Measure T portion of the Citywide Street Preservation project.

STRATEGIC PLAN:

This item is not a goal or objective in City Council's two-year Strategic Plan, however, recovery of general fund monies utilized to address expenditures related to a declared disaster from State and federal funds established for this purpose is fiscally prudent to Santa Paula taxpayers.

FISCAL IMPACTS:

The 6th Street Sinkhole match amount of $26,400.76 will be paid for by Measure T funds from the Citywide Street Preservation project.

The chart below represents the repayment plan meant to replenish the General Fund Contingency Reserve assuming reimbursement does not materialize for each of these projects.

Table 1: 5-Year Fund Transfer (Reimbursement) Summary for General Fund Contingency Reserve Repayment

Fund	**104-9285**	**620-9108**	**620-9108**	
Project	**6th Street Sinkhole**	**Fuchsia Tank Slope Failure**	**Administrative**	**Total**
Year 1 (FY24/25)	$26,400.76*	$21,197.57	$43,154.24	$90,752.57
Year 2 (FY25/26)	$96,717.71**	$0	$0	$96,717.71
Year 3 (FY26/27)	$100,000**	$0	$0	$100,000
Year 4 (FY27/28)	$100,000**	$0	$0	$100,000
Year 5 (FY28/29)	$100,000**	$0	$0	$100,000
Total	**$423,118.47****	**$21,197.57**	**$43,154.24**	**$487,470.28**

* Approved by Measure T Committee on October 7, 2024

** Contingent upon Measure T Committee approval.

Staff will return after obtaining approval from the Measure T Committee to request approval for repayment of emergency reserve funds for the remaining years (Years 2 – 4) per the five-year plan presented above.

The following budget adjustments are needed to cover the expenses related to the emergency. This will have no fiscal impact to the General Fund, but will decrease the reserve fund by $487,470.28 until it is repaid.

FY 2023/2024

ACCOUNT	DESCRIPTION	INCREASE	DECREASE
100-5-7501-199	MISCELLANEOUS EXPENSES	$487,470.28	
100-4-7500-7112	TRANSFER FROM RESERVES	$487,470.28	
101-5-7501-701	TRANSFER TO GENERAL FUND	$487,470.28	

This entry will replenish the General Reserve and have no fiscal impact to the Measure T Fund

FY 2024/2025

ACCOUNT	DESCRIPTION	INCREASE	DECREASE
104-5-9285-660	IMPROV OTHER THAN BLDG		$26,400.76
104-5-7501-701	TRANSFER TO GENERAL RESERVE	$26,400.76	
101-4-7500-7104	TRANSFER FROM MEASURE T	$26,400.76	

OPTIONS:

The Council has the following available alternative option to Staff's recommendation:

1. Do not approve the transfer of Measure T funds from the Citywide Street Preservation project to the General Fund Contingency Reserve. This action would not allow the reserve fund to be replenished for future emergencies.

ATTACHMENTS:

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Clete Saunier, Public Works Director

Subject: SANTA CLARA RIVER MONITORING PROGRAM MEMORANDUM OF AGREEMENT

Date: November 6, 2024

Agenda Item: 10.C

RECOMMENDATION:

Staff recommends that the City Council:

1. Authorize the City Manager to sign the Memorandum of Agreement (MOA) to provide for equal cost sharing to fund the Santa Clara River (SCR) Total Maximum Daily Load (TMDL) Monitoring Program.

BACKGROUND:

Pursuant to the Federal Clean Water Act, the Los Angeles Regional Water Quality Control Board (LARWQCB), on July 10, 2010, established a Total Maximum Daily Load (TMDL) for Indicator Bacteria in the Santa Clara River (SCR) Estuary and Reaches 3, 5, 6, and 7 (Resolution No. R10-006). The Cities of Fillmore, Oxnard, Santa Paula, Ventura, County of Ventura, and the Ventura County Watershed Protection District were identified under this TMDL as the parties responsible for in-stream and outfall compliance monitoring and reporting at the SCR Estuary and Reach 3. The combined responsibility was in accordance with the Final In- Stream Compliance Monitoring Plan for Santa Clara River Estuary and Reach 3 Bacteria TMDL, dated May 10, 2016, and in Appendix A “Outfall Monitoring Plan” of “Indicator Bacteria Total Maximum Daily Load Draft Implementation Plan for the Lower Santa Clara River Watershed,” dated March 21, 2015.

On January 9, 2017, the City approved a MOA among the cities of Fillmore, Oxnard, Santa Paula, Ventura, and County of Ventura (MOA Parties) to provide equal cost sharing for the SCR Bacteria TMDL monitoring and reporting program. For its equal share, Santa Paula agreed to contribute $6,405.30 per year. The MOA was retroactively effective starting October 5, 2016 with an end date of October 4, 2021.

On September 7, 2018, the City approved Amendment No. 1 to the MOA, effective September 14, 2018, to include additional outfall monitoring activities to ongoing receiving water monitoring through October 4, 2021. For its equal share, Santa Paula agreed to contribute a not-to-exceed amount of $13,011.82 per year.

On October 6, 2021, the City approved Amendment No. 2 to the MOA, continuing funding for

monitoring and reporting requirements, extending the MOA eighteen months to March 21, 2023, and adding the Ventura County Watershed Protection District as a funding party. Amendment No. 2 went into effect on October 4, 2021 and, for its equal share, Santa Paula agreed to contribute a not-to-exceed amount of $13,895.00 per year.

On July 23, 2021, the LARWQCB adopted a new Regional Municipal Stormwater Permit (R4-2021-0105). The permit required Ventura County Permittees to develop a new Coordinated Integrated Monitoring Plan (CIMP) to meet the monitoring requirements of the new permit, which introduced nitrogen and chloride monitoring requirements in addition to the previously required bacteria monitoring. In April 2024 the Countywide Stormwater Quality Management Program submitted a draft CIMP to the regional board for review. Comments were received from the regional board in May 2024, and a revised CIMP was submitted in June of 2024. Upon approval of the CIMP, the new monitoring requirements will become effective.

On August 20, 2024, Ventura County created a new draft MOA to replace the current MOA for SCR TMDL monitoring. The proposed MOA incorporates the CIMP's new monitoring requirements to meet the requirements of the 2021 Permit, including the new outfall monitoring to comply with the Nitrogen Compounds and Chloride TMDLs.

ANALYSIS:

The current MOA expires on March 21, 2025. The funding parties met in August 2024 and agreed to seek the modification of this MOA to include the new monitoring requirements for nitrogen and chloride. With the addition of monitoring and reporting requirements for Nitrogen and Chloride TMDLs, the County has proposed implementing a new MOA ahead of the current MOA's expiration, replacing the current agreement. The funds remaining in the current MOA would be refunded to each party.

The proposed MOA (Exhibit A), for the Cities of Fillmore, Oxnard, Santa Paula, Ventura, County of Ventura, and Ventura County Watershed Protection District would be effective for thirty-six months (or three years), beginning on January 1, 2025 and ending on December 31, 2027.

The thirty-six month total cost for all parties to continue receiving water and outfall monitoring is estimated at $279,787.20 for Indicator Bacteria TMDL and $17,636.85 for Nitrogen TMDL and Chloride TMDL, including a ten percent contingency fee for unanticipated/unexpected CIMP SCR TMDL work and services and a five percent administration fee for the County of Ventura as the administrative Lead Agency as shown in the table on Exhibit A-1 and Exhibit A-2 of the MOA. County staff will administer any contracts and agrees to act as the Lead Agency with fiscal responsibilities through December 31, 2027.

Each funding Party agrees to equal cost-share contributions for the TMDLs for which they are responsible, with contributions over three years totaling $46,631.20 for Indicator Bacteria TMDL monitoring and $4,409.21 for Nitrogen Compounds TMDL and Chloride TMDL monitoring.

Based upon past participation in the previous MOA, Staff believes it is advantageous to continue participation as it has allowed limited City stormwater program resources to be leveraged with other SCR MOA funding Parties and maintaining compliance with the City's TMDL SCR Bacteria requirements. Therefore, Staff recommends City Council authorize the City Manager to execute the proposed MOA to continue implementing the SCR Bacteria

TMDL monitoring, to address the new Nitrogen TMDL and Chloride TMDL monitoring, and to continue the reporting program.

STRATEGIC PLAN:

This item is not a goal or objective in City Council's two-year Strategic Plan, however, approval of this item is essential for remaining in compliance with all stormwater quality requirements of the Los Angeles Regional Water Quality Control Board (LARWQCB).

FISCAL IMPACTS:

A total of $51,040.41 would be expended over the term of the proposed MOA (January 1, 2025 to December 31, 2027) from fund 205-5-5027-293. These costs will be incorporated into future years' budgets in Fund 205 NPDES Stormwater and will be funded via franchise fee payments for stormwater. Any funds that are not utilized by the program will be refunded to the City.

The City still finds itself with excess compliance expenses than we have revenue. Staff will address these issues during the FY 24/25 budget.

Table 1: Indicator Bacteria TMDL Cost Share

Party	Year 1 (01/01/25 - 12/31/25)	Year 2 (01/01/26 - 12/31/26)	Year 3 (01/01/27 - 12/31/27)	Totals
Santa Paula	$15,009.23	$15,536.68	$16,085.30	$46,631.20

Table 2: Nitrogen Compounds TMDL and Chloride TMDL Cost Share

Party	Year 1 (01/01/25 - 12/31/25)	Year 2 (01/01/26 - 12/31/26)	Year 3 (01/01/27 - 12/31/27)	Totals
Santa Paula	$1,414.88	$1,469.74	$1,524.60	$4,409.21

OPTIONS:

The Council has the following available alternative option to Staff's recommendation:

1. Do not authorize the City Manager to sign the Memorandum of Agreement (MOA) to provide for equal cost sharing to fund the Santa Clara River (SCR) Total Maximum Daily Load (TMDL) Monitoring Program. This may result in higher costs to the City, as the City will then need to secure separate independent consultant services and staffing to provide similar monitoring and reporting services required under the SCR TMDL regulations.

ATTACHMENTS:

Exhibit A - Memorandum of Agreement.pdf

EXHIBIT A

Memorandum of Agreement

MEMORANDUM OF AGREEMENT AMONG COUNTY OF VENTURA, VENTURA COUNTY WATERSHED PROTECTION DISTRICT, AND THE CITIES OF FILLMORE, OXNARD, SANTA PAULA, AND SAN BUENAVENTURA TO SHARE THE COSTS OF FUNDING A SANTA CLARA RIVER TMDL MONITORING PROGRAM

This Memorandum of Agreement ("MOA") is entered into on January 1, 2025, by and between the County of Ventura ("County"), Ventura County Watershed Protection District ("District"), City of Fillmore ("Fillmore"), City of Oxnard ("Oxnard"), City of Santa Paula ("Santa Paula"), and City of San Buenaventura ("Ventura"). Hereinafter, the parties to this MOA may be referred to individually as a "Party" and collectively as the "Parties.

WHEREAS, the Parties are subject to that certain Memorandum of Agreement to Provide Equal Cost Sharing for Santa Clara River Bacteria Monitoring and Reporting Program, dated May 10, 2016, as amended by that certain Amendment No. 1, dated September 14, 20218, Amendment No. 2, dated October 4, 2021, and Amendment No. 3, dated March 21, 2023 (together, the "Indicator Bacteria TMDL MOA"); and

WHEREAS, the Indicator Bacteria TMDL MOA is set to expire on March 21, 2025.

WHEREAS, on July 23, 2021, the Los Angeles Regional Water Quality Control Board (RWQCB) adopted Order No. R4-2021-0105 to regulate municipal separate storm sewer system discharges within the coastal watersheds of Los Angeles and Ventura Counties (collectively, the "2021 Permit") and, among other things, established new or incorporated existing total maximum daily loads ("TMDLs") for Indicator Bacteria, Nitrogen Compounds, and Chloride for various parts and reaches of the Santa Clara River ("SCR"); and

WHEREAS, the 2021 Permit makes each Party individually responsible for complying with its requirements but only certain Parties are responsible for complying with individual SCR TMDLs; and

WHEREAS, the 2021 Permit identifies Fillmore, Oxnard, Santa Paula, Ventura, the District, and the County as responsible parties for the Indicator Bacteria TMDL; and

WHEREAS, the 2021 Permit identifies Fillmore, Santa Paula, the County, and the District as responsible parties for the Nitrogen Compounds TMDL; and

WHEREAS, the 2021 Permit identifies Fillmore, Santa Paula, the County, and the District as responsible parties for the Chloride TMDL; and

WHEREAS, each SCR TMDL requires the relevant responsible parties to monitor and report to the RWQCB specified water quality data on the loading of certain constituents/pollutants to specified SCR parts and reaches; and

WHEREAS, the Parties have prepared the Ventura Countywide Stormwater Quality Management Program's Coordinated Integrated Monitoring Plan ("CIMP"), which includes a monitoring and reporting program component designed to comply with the 2021 Permit's monitoring and reporting requirements for each SCR TMDL; and

WHEREAS, the CIMP, dated June 2024, as may be amended by the Parties from time to time, is incorporated herein by this reference; and

WHEREAS, because the Parties are each responsible for complying with the 2021 Permit and are responsible parties for their respective SCR TMDLs, the Parties desire to share the costs of funding the implementation and administration of the CIMP, including its monitoring and reporting provisions for the SCR TMDLs, as provided in this MOA.

NOW, THEREFORE, the Parties agree as follows:

1. No Change to 2021 Permit Obligations. Nothing in this MOA, nor any part or portion hereof, shall modify or be interpreted to modify any Party's obligation to comply with, or liability under, the 2021 Permit.

2. Term. The term of this MOA shall begin on January 1, 2025 and end on January 1, 2028.

3. Program Administration; County.

A. The County will be the program administrator responsible for implementing and administering the CIMP's SCR TMDL monitoring and reporting on behalf of the Parties.

B. As the program administrator, the County will be responsible for performing the following work and tasks on behalf of the Parties to implement and administer the CIMP's SCR TMDL monitoring and reporting:

1. Solicit, award, and administer a contract for consultant services to implement the CIMP's SCR TMDL monitoring and reporting and perform all work, and furnish all personnel and materials, so that the Parties comply with their respective 2021 Permit's SCR TMDL monitoring and reporting requirements. This contract shall require consultant to hold harmless, indemnify and defend all Parties, each Party individually, and each Party's officials, officers, employees and authorized agents. The contract shall further require consultant to have at least the following insurance policies and amounts: commercial general liability insurance, including contractual liability, in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant; business automobile liability insurance in an amount not less than $1,000,000 combined single limit for bodily injury and property damage for each claimant; workers' compensation insurance as required by law; and employer's liability insurance in an amount not less than $1,000,000 per claimant.

2. Prepare and provide the Parties an annual accounting of CIMP SCR TMDL costs within 120 calendar days after the completion of the activities for each calendar year of this MOA. The Parties may grant an extension of this time period upon a written request from the County, which approval shall not be unreasonably withheld.

3. Prepare and provide to the RWQCB, and the Parties, the SCR TMDL monitoring reports prepared pursuant to the CIMP and required by the 2021 Permit and the SCR TMDLs.

4. To act as the point of contact for the consultant contracted to implement the CIMP SCR TMDL monitoring and reporting on behalf of the Parties; and for the Parties in connection with the 2021 Permit's SCR TMDL monitoring and reporting requirements and administrative and fiscal management of the CIMP's SCR TMDL program.

4. Program Funding. The Parties agree to share the costs to fund implementation and administration of the CIMP's SCR TMDL program, as described in this Section.

A. Budget. The budget to implement and administer the CIMP SCR TMDL program for the next three years is included in Exhibit A. The budget consists of estimated actual consultant fees to implement and administer the CIMP SCR TMDL program, a 10% contingency fee for unanticipated/unexpected consultant work and services, and a 5% administrative fee to cover the County's costs to perform the work and tasks described in Section 3(B).

B. Indicator Bacteria TMDL Cost Share. Fillmore, Oxnard, Santa Paula, Ventura, the District, and the County agree to share the CIMP SCR TMDL program costs of implementing and administering the Indicator Bacteria TMDL's monitoring and reporting requirements, as set forth in Exhibit A. Any balance of funds collected from the Parties in this subsection B under the existing Indicator Bacteria TMDL MOA shall be refunded or shall rollover into Year 1 of this MOA, and credited according to their proportionate share.

C. Nitrogen Compounds TMDL Cost Share. Fillmore, Santa Paula, the County, and the District agree to share the CIMP SCR TMDL program costs of implementing and administering the Nitrogen Compounds TMDL's monitoring and reporting requirements, as set forth in Exhibit A.

D. Chloride TMDL Cost Share. Fillmore, Santa Paula, the County, and the District agree to share the CIMP SCR TMDL program costs of implementing and administering the Chloride TMDL monitoring and reporting requirements, as set forth in Exhibit A;

E. Payment. The Parties agree to submit payment to the County within 90 calendar days of receiving an invoice from the County for their respective shares of the costs related to this MOA.

5. Withdrawal.

A. Any Party may withdraw from this MOA, with or without case, by giving the other Parties at least 30 calendar days' written notice thereof. The withdrawing Party shall be responsible for its allocated costs under this MOA up to the date of its notice to withdrawal. The date of notice shall be the date placed into the mail pursuant to Section 12. From the date of a Party's notice to withdrawal, or the date that the withdrawing Party pays all of its allocated costs, whichever is later, that Party shall no longer be bound by any term of this MOA except Section 6, which shall survive the expiration and/or any termination of this MOA.

B. In the event a Party withdraws before the end of the term of this MOA, the Parties agree to meet promptly, but not less than 30 calendar days from receiving notice from the withdrawing Party, to discuss the need to amend this MOA to update the cost share arrangement between the remaining Parties to this MOA.

6. Indemnification. Each Party shall defend, indemnify and hold harmless the other Parties and each of their officials, officers, employees and agents from and against any and all actions, damages, liability or claims for death, injury, loss, damage or expense to persons or property to the extent arising from or related to the negligent or willful acts or omissions of the indemnifying and defending Party in connection with CIMP SCR TMDL monitoring and reporting activities, except to the extent such actions, damages, liabilities or claims arise from or relate to the negligent or willful acts or omissions of any indemnified Party or Parties, as determined by agreement of all Parties or by judgment by a court of competent jurisdiction. The Parties agree that none of them shall request a jury apportionment.

7. Disclosure of Program Data. To the extent permitted by law, all CIMP SCR TMDL data collected by the Parties and any consultant contract pursuant to Section 3(B) will remain confidential and in draft form until finalized and submitted to the RWQCB. Each Party agrees not to disclose CIMP SCR TMDL data to any person or entity without first notifying the other Parties in writing, unless otherwise required by court order. If any Party is required to disclose CIMP SCR TMDL data without first notifying the other Parties, the disclosing Party shall notify the other Parties of the disclosure as soon as possible.

8. Waiver. Waiver by a Party of any one or more of the conditions of performance under this MOA shall not be a waiver of any other condition of performance under this MOA. In no event shall the making by any Party of any payment constitute or be construed as a waiver by that Party of any breach of covenant or any default that may then exist on the part of any other Party, and the making of any such payment by a Party shall in no way impair or prejudice any right or remedy available to that Party or any other Party with regard to such breach or default.

9. Entire Agreement; Integration. This MOA, including all exhibits attached hereto and any other documents incorporated herein by specific reference, constitutes the entire integrated agreement of the Parties regarding the subject matter described herein. This MOA supersedes all prior oral or written communications, negotiations, representations, agreements and promises, including (without limiting the generality of the foregoing) that certain Indicator Bacteria TMDL MOA among the Parties, dated March 21, 2023.

10. Amendment. This MOA may not be modified or amended, nor any provision or breach waived, except in a writing signed by all Parties which expressly refers to this MOA.

11. Assignment. No Party shall assign or transfer any interest in this MOA or any part thereof, whether by assignment or novation, without every other Party's prior written consent. Any purported assignment without written consent shall be null, void, and of no effect.

12. Notices. Any notice pursuant to this MOA shall be made by certified mail or registered letter, return receipt requested, or by overnight courier to all Parties at the following addresses:

If to County: Ventura County Public Works Agency Attn: Hayley Luna 800 South Victoria Avenue Ventura, CA 93009-1610 PHONE: (805) 662-6737	**If to District:** Ventura County Public Works Agency Attn: Arne Anselm 800 South Victoria Avenue Ventura, CA 93009-1610 PHONE: (805) 654-3942
If to Fillmore: City of Fillmore Attn: City Manager/City Engineer 250 Central Avenue Fillmore, CA 93015 PHONE: (805) 524-1500	**If to Oxnard:** City of Oxnard Attn: Badaoui Mouderres, Public Work Department/Wastewater Collection 6001 Perkins Road Oxnard, CA 930033 PHONE: (805) 385-8153
If to Santa Paula: City of Santa Paula Attn: Public Works Director P.O. Box 569 Santa Paula, CA 93061-0569 PHONE: (805) 933-4212	**If to Ventura:** City of Ventura Attn: Joe Yahner P.O. Box 99 Ventura, CA 93002-0099 PHONE: (805) 652-4558

13. Interpretation; Venue. The validity, interpretation, and performance of this MOA shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action or dispute involving or relating to this MOA shall be in the Ventura County Superior Court.

14. Authority to Execute. Any person executing this MOA on behalf of a Party warrants and represents that he or she has the authority to execute this MOA on behalf of that Party and has the authority to bind that Party to the performance of its obligations hereunder.

15. Counterparts. This MOA may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement. A signed copy of this MOA transmitted by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this MOA for all purposes.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this MOA as of the dates set out below.

COUNTY OF VENTURA

By: _____

Name: _____

Title: _____

Date: _____

VENTURA COUNTY WATERSHED PROTECTION DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

CITY OF FILLMORE

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

_____
Olivia Carrera Lopez, City Clerk

CITY OF OXNARD

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

_____
Daniel Martinez, City Clerk

CITY OF SANTA PAULA

By: _____

Name: Dan Singer

Title: City Manager

Date: _____

ATTEST:

_____
Julie Latshaw, City Clerk

CITY OF SAN BUENAVENTURA

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

_____
Michael McDonald, City Clerk

Exhibit A
Budget and Cost Sharing

A. Budgets. Estimated actual costs of implementing and administering the CIMP's SCR Indicator Bacteria TMDL, Nitrogen Compounds TMDL, and Chloride TMDL monitoring and reporting requirements are set forth in the following tables. Note estimated actual costs for the Nitrogen Compounds TMDL and the Chloride TMDL are combined into a single table because the same Parties are responsible parties for these two TMDLs. As provided in Section 4 of the MOA, budgets include the estimated actual costs of consultant fees to implement and administer the CIMP SCR TMDL program for the next three years, a 10% contingency fee for unanticipated/unexpected CIMP SCR TMDL work and services, and a 5% administrative fee to cover the County's costs to perform the work and tasks described in Section 3(B) of the MOA.

Table A-1: Indicator Bacteria TMDL Budget

Monitoring Year	CIMP Costs: SCR Indicator Bacteria TMDL Component	Contingency Fee (10%)	Administrative Fee (5%)	Totals
Year 1 [01/01/25 – 12/31/25]	$77,970.00	$7,797.00	$4,288.35	$90,055.35
Year 2 [01/01/26 – 12/31/26]	$80,710.00	$8,071.00	$4,439.05	$93,220.05
Year 3 [01/01/27 – 12/31/27]	$83,560.00	$8,356.00	$4,595.80	$96,511.80
TOTALS	$242,240.00	$24,224.00	$13,323.20	$279,787.20

Table A-2: Nitrogen Compounds TMDL and Chloride TMDL Budgets

Monitoring Year	CIMP Costs: SCR Nitrogen Compounds TMDL & Chloride TMDL Components	Contingency Fee (10%)	Administrative Fee (5%)	Totals
Year 1 [01/01/25 – 12/31/25]	$4,900.00	$490.00	$269.50	$5,659.50
Year 2 [01/01/26 – 12/31/26]	$5,090.00	$509.00	$279.95	$5,878.95
Year 3 [01/01/27 – 12/31/27]	$5,280.00	$528.00	$290.40	$6,098.40
TOTALS	$15,270.00	$1,527.00	$839.85	$17,636.85

B. Cost Share. The Parties agree to share the costs of implementing and administering the CIMP's SCR Indicator Bacteria TMDL, Nitrogen Compounds TMDL, and Chloride TMDL monitoring and reporting provisions as set forth in the following tables.

Table B-1: Indicator Bacteria TMDL Cost Share

Party	Cost Share			Totals
	Year 1 [01/01/25 – 12/31/25]	Year 2 [01/01/26 – 12/31/26]	Year 3 [01/01/27 – 12/31/27]	
County	$15,009.23	$15,536.68	$16,085.30	$46,631.20
District	$15,009.23	$15,536.68	$16,085.30	$46,631.20
Fillmore	$15,009.23	$15,536.68	$16,085.30	$46,631.20
Oxnard	$15,009.23	$15,536.68	$16,085.30	$46,631.20
Ventura	$15,009.23	$15,536.68	$16,085.30	$46,631.20
Santa Paula	$15,009.23	$15,536.68	$16,085.30	$46,631.20
TOTALS	$90,055.35	$93,220.05	$96,511.80	$279,787.20

Table B-2: Nitrogen Compounds TMDL and Chloride TMDL Cost Share

Party	Cost Share			Totals
	Year 1 [01/01/25 – 12/31/25]	Year 2 [01/01/26 – 12/31/26]	Year 3 [01/01/27 – 12/31/27]	
County	$1,414.88	$1,469.74	$1,524.60	$4,409.21
District	$1,414.88	$1,469.74	$1,524.60	$4,409.21
Fillmore	$1,414.88	$1,469.74	$1,524.60	$4,409.21
Santa Paula	$1,414.88	$1,469.74	$1,524.60	$4,409.21
TOTALS	$5,659.50	$5,878.95	$6,098.40	$17,636.85

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Monica Castillo, City Attorney

Subject: FIRST AMENDMENT TO CFD NO. 1 FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT - HARVEST AT LIMONEIRA

Date: November 6, 2024

Agenda Item: 10.D

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt Resolution No. 7547 authorizing the Mayor/Chairperson to execute the First Amendment to the Funding, Construction and Acquisition Agreement—Harvest Community Facilities District No. 1 on behalf of the City of Santa Paula and Harvest Community Facilities District No. 1.

BACKGROUND:

On November 21, 2016, the City Council adopted Resolution No. 7013 establishing the Harvest Community Facilities District No. 1 ("District" or "CFD") and Improvement Areas A, B, and C therein (the "Resolution of Formation"). Among other things, the Resolution of Formation describes the types of public facilities, and costs related thereto, that are authorized to be financed with the special taxes and bonds of the Improvement Areas of the District. The Resolution of Formation further authorizes the CFD and Improvement Areas to finance the acquisition of "land, rights-of-way and easements necessary for any such [public] facilities."

In connection with the Resolution of Formation, the City and Lewis Limoneira Community Builders, LLC ("LLCB") entered into the Funding, Construction and Acquisition Agreement—Harvest Community Facilities District No. 1—Improvement Areas A, B and C (City of Santa Paula) ("Agreement") dated March 1, 2017. At the time, LLCB was sole owner of the real property in the CFD No. 1. The Agreement sets forth the terms governing City acquisition of specified public facilities, construction of those facilities by LLCB (and its contractors), their financing through CFD special taxes and bonds, and reimbursements to LLCB.

During negotiations over the Third Amendment to the Development Agreement (the "DA") earlier this year, City agreed that the value of the Sports Park land LLCB dedicated to the City in 2016 should be a CFD-reimbursable cost. In addition to other terms favorable to the City, this compromise was reached in light of LLCB's funding park construction, its agreement to pay cost overages, and the Community Facilities Fees it had paid.

On closer review of the Agreement, however, whether the Agreement allowed for

reimbursement from the CFD was questionable. That is because the Agreement is silent as to whether the value of land conveyed to the City may or may not be included in the acquisition price paid for the facility connected to the land. This was so despite the language in the Resolution of Formation authorizing it be included.

Also arising during DA negotiations was whether the Agreement authorized CFD proceeds to finance the acquisition of right-of-way(s) to construct the Santa Paula Creek Bridge – an eligible public facility in the Agreement.

Given these uncertainties with respect to the bridge and park land, the parties have prepared an amendment to the Agreement for Council's consideration this evening.

ANALYSIS:

If approved, the First Amendment to the Agreement (Exhibit A to the Resolution [Attachment A]) would modify the Agreement in the following ways:

1. Authorize LLCB to be reimbursed from available CFD proceeds for:
   A. The 2016 value of Sports Park land dedicated to the City ($300,000/acre); and
   B. Actual costs to acquire land or easements from third parties to operate and build an eligible public facility (e.g. Santa Paula Creek Bridge), including amounts LLCB would pay to City for any condemnation actions.
2. Update the cost estimates for eligible public facilities and development impact fees to more current values and in accordance with the adopted Third Amendment to the Development Agreement.

STRATEGIC PLAN:

Though this item does not promote a specific objective in the City's 2-Year Strategic Plan, financing public facilities such as the Sports Park and Santa Paula Creek Bridge furthers the following general goal: "Create an environment within the City in which our residents feel safe and which promotes the City as a location of choice for living, working, visiting and recreating."

FISCAL IMPACTS:

This item has no cost to the City. Reimbursements for acquisition of real property interests necessary to complete an eligible public facility will come from CFD special taxes and bond sale proceeds, not the City.

OPTIONS:

As an alternative to Staff's recommendation, the City Council may:
1. Decline to adopt the resolution.
2. Direct staff to make specific changes to the proposed amendment.
3. Take other desirable action.

ATTACHMENTS:

Attach A - Resolution 7547 Approving First Amendment to CFD Acquisition Agreement
Ex. A to Reso - First Amendment to CFD Acquisition Agmt

RESOLUTION NO. 7547

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA PAULA AUTHORIZING THE MAYOR/CHAIRPERSON TO EXECUTE THE FIRST AMENDMENT TO THE FUNDING, CONSTRUCTION AND ACQUISITION AGREEMENT—HARVEST COMMUNITY FACILITIES DISTRICT NO. 1 ON BEHALF OF THE CITY OF SANTA PAULA AND HARVEST COMMUNITY FACILITIES DISTRICT NO. 1.

The City Council of the City of Santa Paula for itself and Harvest CFD No. 1 hereby resolves:

SECTION 1: Recitals.

A. On November 21, 2016, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, the City Council adopted Resolution No. 7013 establishing the Harvest Community Facilities District No. 1 ("District" or "CFD") and Improvement Areas A, B, and C therein (the "Resolution of Formation").

B. Exhibit A to the Resolution of Formation describes public facilities authorized to be financed by the CFD and each Improvement Area "…and land, rights-of-way and easements necessary for any of such facilities…."

C. In connection with the Resolution of Formation, Limoneira Lewis Community Builders, LLC ("LLCB") and the City of Santa Paula ("City") entered into that certain Funding, Construction and Acquisition Agreement Harvest Community Facilities District No. 1 dated March 1, 2017 ("Agreement").

D. While the Resolution of Formation specifically authorizes the financing of the acquisition of land, rights-of-way, or easements (collectively, "land") as part of eligible public facilities, the Agreement is silent as to whether the land's value when conveyed to the City as part of a completed eligible facility may or may not be included in the acquisition price paid for that facility, and thus financed by the CFD.

E. For avoidance of doubt, the City and LLCB desire to amend the Agreement to (i) clarify that the cost or value of the land for eligible public facilities being constructed by LLCB or a predecessor owner may be included in the acquisition price of such facilities and (ii) update the description and bring current the estimated costs of the public facilities and fees in Exhibit A to the Agreement.

SECTION 2: The recitals set forth above are true and correct.

SECTION 3: Approval of Amendment. The Mayor, also acting as CFD Chairperson, is authorized to execute the First Amendment to the Funding, Construction and Acquisition Agreement—Harvest Community Facilities District No. 1, attached hereto as **Exhibit A**, on behalf of the City of Santa Paula and Harvest Community Facilities District No. 1.

SECTION 4: The City Clerk will certify to the passage and adoption of this Resolution and will enter the same in the book of original Resolutions.

PASSED AND ADOPTED by the City Council of the City of Santa Paula this 6th day of November, 2024.

_____
Leslie Cornejo, Mayor

ATTEST:

_____
Julie Latshaw, CMC, City Clerk

APPROVED AS TO FORM:

_____
Monica Castillo, City Attorney

EXHIBIT A

First Amendment to the Funding, Construction and Acquisition Agreement—Harvest Community Facilities District No. 1

[attached behind]

**FIRST AMENDMENT TO FUNDING,
CONSTRUCTION AND ACQUISITION AGREEMENT**

This First Amendment to Funding, Construction and Acquisition Agreement ("First Amendment") is entered into as of _____, 2024 by and between the City of Santa Paula ("City"), on behalf of itself and Harvest Community Facilities District No. 1 of the City ("District"), and Limoneira Lewis Community Builders, LLC ("Owner").

RECITALS

A. The City and Owner have entered into the "Funding, Construction and Acquisition Agreement—Harvest Community Facilities District No. 1—Improvement Areas A, B and C (City of Santa Paula)" dated as of March 1, 2017 (the "Original Funding Agreement").

B. On November 21, 2016, the City Council adopted its Resolution No. 7013 establishing the District (the "Resolution of Formation"). The Resolution of Formation generally describes the types of City facilities, and costs related thereto, that are authorized to be financed with the Special Taxes and Bonds of the Improvement Areas of CFD No. 1 as follows:

> "The types of facilities authorized to be financed by the CFD and each Improvement Area are street and bridge improvements, including grading, paving, curbs and gutters, sidewalks, street-signalization and signage, street lights and parkway and landscaping related thereto, domestic and recycled water distribution facilities including wells, treatment facilities, reservoirs and booster pumps, sewer collection facilities, solid waste facilities, storm drainage facilities, park and recreation facilities and equipment, fire facilities and equipment, police facilities and equipment, library facilities and equipment, general governmental office, administrative and meeting facilities, any other capital facilities authorized to be financed under the Act and land, rights-of-way and easements necessary for any of such facilities …." (Emphasis added).

C. Exhibit A to the Original Funding Agreement specifies the Public Facilities that are eligible to be financed with the Special Taxes and Bonds of the Improvement Areas of the District. However, while the Resolution of Formation specifically authorizes the financing of the acquisition of land as part of the eligible Public Facilities, the body of the Original Funding Agreement is silent as to whether the value or cost of land conveyed to the City with each Public Facility may or may not be included in the acquisition price paid for the Public Facility.

D. The purposes of this First Amendment are (i) to clarify that the cost or value of the land for certain Public Facilities being constructed by Owner may be included in the acquisition price of the Public Facility and (ii) to update the description and bring current the estimated costs of the Public Facilities in Exhibit A to the Original Funding Agreement. This First Amendment cannot and does not increase the maximum annual Special Taxes or authorized indebtedness of any of the Improvement Areas of the District.

Capitalized terms used herein shall have the meaning ascribed to them in the Original Funding Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties agree as follows:

1. Inclusion of Land Cost or Value in Acquisition Price. The acquisition price of the approximate 38-acre sports park to be paid from Special Taxes and Bonds of the District shall also include the value of the land conveyed to the City for the sports park. For purposes of this First Amendment, such value shall equal the value of park land determined by the City in 2016 for purposes of establishing its parks impact fee (i.e., $300,000 per acre). The acquisition price of all other Public Facilities may also include the actual costs incurred by Owner in acquiring land or easements from third parties that are necessary for the construction or operation of a Public Facility, including amounts paid to the City for the condemnation of such land or easements.

2. Update of Exhibit A. Exhibit A of the Original Funding Agreement is hereby superseded and replaced by the Exhibit A attached hereto.

3. Conflict. In the event of any conflict or discrepancy between the Original Funding Agreement and this First Amendment, the provisions of this First Amendment shall control.

4. Full Force and Effect. All terms and provisions of the Original Funding Agreement shall remain in full force and effect except as specifically modified by this First Amendment. Hereafter, all references to the Original Funding Agreement shall be deemed to refer to the Original Funding Agreement as amended by this First Amendment.

5. Counterparts. This First Amendment may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

[Signatures on next page]

IN WITNESS WHEREOF, the City Council of the City of Santa Paula, acting on behalf of itself and as the legislative body of the District, has authorized the execution of this First Amendment by its City Manager and attested to by its City Clerk under the authority of Resolution No. _____ adopted by the City Council of the City of Santa Paula on _____, 2024.

CITY:

City of Santa Paula, a municipal corporation

By:_____

Its: Mayor_____

OWNER:

Limoneira Lewis Community Builders, LLC, a Delaware limited liability company

By:_____

Its:_____

DISTRICT:

Harvest Community Facilities District No. 1

By:_____

Its: Chairperson _____

EXHIBIT A

DESCRIPTION OF PUBLIC FACILITIES AND DIFs

IMPROVEMENTS/FEES

I. Improvements	Cost Estimate
Existing Well #6 Conversion & Equipment	$ 3,908,000
West Well #1 Drilling & Equipment	9,090,000
West Well #2 Drilling & Equipment	5,298,000
3MG Reservoir & Equipment	5,266,000
1.5MG Tanks, Booster Pump & Equipment	5,006,000
Santa Paula Creek Bridge	12,664,600
Offsite Sewer & Lift Station	8,947,400
Backbone Streets - Phase 1	4,124,400
Backbone Streets - Phase 2	3,367,000
Backbone Wet Utilities - Phase 1	7,590,000
Backbone Wet Utilities - Phase 2	2,220,000
Backbone Storm Drain - Phase 1	3,687,000
Backbone Storm Drain - Phase 2	326,000
Haun Creek Neighborhood Wet Utilities	7,506,000
Foothill Neighborhood Wet Utilities	6,557,000
Santa Paula Neighborhood Wet Utilities	3,810,000
Santa Paula Street (inclusive of landscaping) - Offsite Street Improvements	2,212,000
38 Acre Sports Park	15,700,000
Fire Station	5,225,000
Subtotal Improvements	**$ 112,504,400**
II. Fees*	
Community Facilities Fees	$ 5,000,000
Storm Drain Fees	500,000
Fair Share Traffic Fees - Offsite Improvements	405,269
Sewer Collection Fees	1,365,000
Wastewater Treatment Fees	5,500,000
Subtotal Fees	**$ 12,770,269**
Total Estimated CFD Eligible Facilities	**$ 125,274,669**

*The amount of each Fee shown in this Exhibit is an estimate. The actual amount of Fees payable for the Project shall be determined by the Third Amendment to the Development Agreement.

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Monica Castillo, City Attorney

Subject: WELL NO. 6 ACCEPTANCE - HARVEST AT LIMONEIRA

Date: November 6, 2024

Agenda Item: 10.E

RECOMMENDATION:

Staff recommends that the City Council:

1. Adopt Resolution No. 7545 Accepting Well No. 6 Facilities and the Well No. 6 Site.

BACKGROUND:

In 2008, the City Council approved a General Plan Amendment, Specific Plan, and Development Agreement with then property owner Limoneira Company that, together, allowed for the development of the East Area 1 project known as Harvest at Limoneira.

On February 17, 2015, the City Council and the Planning Commission held joint public hearings regarding the project and approved successor owner Limoneira Lewis Community Builders, LLC's ("LLCB") request for an amendment to the Specific Plan (the "Original EA1SP"), a First Amended and Restated Development Agreement ("Original Development Agreement"), and Master Vesting Tentative Tract Map (MVTTM) No. 5854. MVTTM No. 5854 subdivided the East Area 1 project area into several "super lots" to facilitate the development allowed within the East Area 1 plan area. The Master Map established the primary boundaries for major development areas and primary streets within the specific plan area. Over the years, the Original Development Agreement has been amended twice ("Development Agreement"), the Original EA1SP amended four times ("East Area 1 Specific Plan"), and the General Plan amended as needed (together, the "Project").

Section 3.3.1 of the East Area 1 Specific Plan provides for the design and construction of an upgraded water well known as Well No. 6. Well No. 6 pumps from the Fillmore Basin and is located adjacent to Orcutt Creek. In addition to two other wells located on the western edge of the development (i.e. Well Nos. 7 and 8), Well No. 6 will provide potable water for domestic consumption. Well 6 is designed with a capacity to pump 1,000 gallons per minute (gpm); will pump roughly 5.6 hours a day, 365 days per year; and has a point source water treatment to meet State Waterboard requirements. Attachment B shows the location of Well No. 6 at the eastern edge of the development site.

Council is now being asked to accept Well No. 6 and appurtenant facilities ("Well No. 6 Improvements") by adopting the attached resolution. (Attachment A.)

ANALYSIS:

LLCB has requested the City accept the Well No. 6 Improvements. The filter at the well has received a Certificate of Operation Readiness from Loprest Water Treatment Company indicating the iron and manganese removal system performs within specifications to treat water effluent. (Attachment C.)

Final inspection by the City's land development staff and water division will occur the week of October 28, 2023. Subject to that inspection and staff's satisfaction that the facility is complete, staff recommends adoption of a resolution formally accepting the improvements, accepting warranty security, and exonerating the associated performance bond.

In addition, the resolution authorizes the Public Works Director to release the warranty securities upon expiration of the required warranty period, which is one year after acceptance, provided that LLCB submits as-built plans before the warranty period ends.

STRATEGIC PLAN:

Though this item does not promote a specific objective in the City's 2-Year Strategic Plan, it furthers the following general goal: "Create an environment within the City in which our residents feel safe and which promotes the City as a location of choice for living, working, visiting and recreating."

FISCAL IMPACTS:

The Well No. 6 Improvements were paid for by LLCB and may be reimbursed through East Area 1 CFD No. 1 available bond sale proceeds. The City of Santa Paula Water Division will take over operation and maintenance of the improvements as a part of the City's water enterprise. Acceptance of the Well No. 6 Improvements has no further fiscal impacts to the City outside of routine operations and maintenance.

There is currently a deposit case with a balance of $3,888.55 owed by the developer related to Well #6.

OPTIONS:

In addition to the recommended action, the Council has the following available alternative option:

1. Do not accept the Well No. 6 Improvements, and provide direction to staff to address specific items of concern prior to acceptance.

ATTACHMENTS:

Attach A - Reso 7545.pdf
Ex A to Reso.pdf
Attach B - Well Map (Well 6).pdf
Attach C - Cert of Operation Readiness (Well 6)

ATTACHMENT A

RESOLUTION NO. 7545

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA PAULA ACCEPTING WELL NO. 6 FACILITIES AT EAST AREA 1 AND A WELL SITE NO. 6 GRANT DEED

The City Council of the City of Santa Paula hereby resolves:

SECTION 1: Recitals.

A. On or about February 26, 2015, the City of Santa Paula ("City") and Limoneira Company entered into an Amended and Restated Development Agreement ("Original Development Agreement") for developing the area commonly known as "East Area 1" for a mixed-use planned community ("Project") on real property shown in Tract Map No. 5854 recorded in the Official Records of Ventura County ("Official Records") on December 28, 2017, as Document No. 20171220-00164292-0 ("Property").

B. The Original Development Agreement was recorded in the Official Records on April 27, 2015, as Document No. 20150427-00062760-0. On or about September 21, 2015, Lewis Limoneira Community Builders, LLC ("LLCB" or "Developer") became the successor in interest to the rights and obligations of Limoneira Company pertaining to the Original Development Agreement.

C. The Original Development Agreement was amended by the First Amendment to the Development Agreement, dated March 18, 2020 ("Amendment No. 1"), and by the Second Amendment to the Development Agreement, dated April 21, 2021 ("Amendment No. 2"), and the Third Amendment to the Development Agreement, dated March 23, 2024 ("Amendment No. 3").

D. The Original Development Agreement has been further clarified and supplemented by Operating Memoranda Nos. 1 - 8 (collectively, the "Operating Memoranda") on file with the City. The Original Development Agreement, as amended by Amendment Nos. 1, 2, and 3, and the Operating Memoranda are collectively referred as the "Development Agreement."

E. Pursuant to the Development Agreement, Developer must construct Well No. 6 facilities ("Improvements") in accordance with City-approved plans and specifications in City Drawing No. 40.25.02.

F. Section 7.1.2 of the Development Agreement requires Developer to provide (or cause others to provide) improvement security for the Improvements to the extent they are not financed by a Financing Mechanism. City and Developer entered a Funding, Construction and Acquisition Agreement for Harvest Community Facilities District No.1 dated as of March 1, 2017 ("Acquisition Agreement"). The

Acquisition Agreement together with the CFD No. 1 formation documents is a Financing Mechanism.

G. The City currently has non-exclusive easement rights to the site of the Improvements ("Well 6 Site") pursuant to a Well Site Easement Deed, dated June 21, 2019 and recorded July 25, 2019 as Document No. 20190725-00084373-0 in the Official Records of the Ventura County Recorder's Office.

H. The Improvements have been completed and warranty security will be posted with the City for the maintenance period as required by the Acquisition Agreement.

I. The Improvements have been inspected by Department of Public Works staff, which determined that the Improvements have been satisfactorily completed in accordance with City-approved improvement plans. Developer will provide as-built plans satisfactory to the City before the end of the one-year warranty period.

J. To better protect the Improvements and their operation once accepted, it is in the City's best interest to accept from Developer a grant deed conveying the Well 6 Site in fee to City.

SECTION 2: The recitals set forth above are true and correct.

SECTION 3: Acceptance of Well 6 Site. The Grant Deed attached as Exhibit A conveying the Well 6 Site, as described therein, is hereby accepted and approved. The City Manager is authorized to sign the Grant Deed and any and all documents necessary to consummate the acceptance of Developer's fee interest in the Well 6 Site on behalf of the City.

SECTION 4: Acceptance of Public Improvements. The final project plans for the Improvements are approved. Acceptance of the Improvements is effective upon Developer's satisfaction of all of the following:

A. Posting a one-year warranty bond in the amount of $380,283.00, representing 10% of the Improvements costs to date.

B. Filing a Notice of Completion with the Ventura County Recorder's Office within 15 calendar days of City's final inspection sign-off, and providing a conformed copy of the notice to the Public Works Department after its recording.

SECTION 4: Bond Exoneration. The following faithful performance bond(s) may be reduced or exonerated upon request of the principal.

TRACT	PRINCIPAL	BOND NUMBER	REDUCED AMOUNT	REMAINING AMOUNT
5854	GSE Construction Company, Inc.	9286530	$1,734,875.48	$0.00

SECTION 5: The Public Works Director is authorized to exonerate the warranty bond at the end of the required warranty period, which is one year after acceptance of the improvements, provided that Developer submits certified as-built plans before the end of the warranty period.

PASSED AND ADOPTED by the City Council of the City of Santa Paula this 6th day of November, 2024.

_____
Leslie Cornejo, Mayor

ATTEST:

_____
Julie Latshaw, CMC, City Clerk

APPROVED AS TO FORM:

_____
Monica Castillo, City Attorney

EXHIBIT A

Well Site 6 Grant Deed

[Attached behind]

RECORDING REQUESTED BY

CITY OF SANTA PAULA

WHEN RECORDED MAIL TO:

CITY CLERK
CITY OF SANTA PAULA
970 VENTURA STREET
SANTA PAULA, CA 93060

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DOCUMENTARY TRANSFER TAX IS NOT APPLICABLE.
NO FEE PER GOVERNMENT CODE 6103

GRANT DEED
(Well No. 6 Site)

By this instrument dated _____2024, for valuable consideration, receipt of which is hereby acknowledged,

LIMONEIRA LEWIS COMMUNITY BUILDERS, LLC, a Delaware Limited Liability Company ("**Grantor**"), hereby GRANTS to the CITY OF SANTA PAULA, a California municipal corporation ("**Grantee**"), that certain real property located in the City of Santa Paula, County of Ventura, State of California, legally described in Exhibit "A" and shown in Exhibit "B" attached to that certain Well Site Easement Deed, dated June 21, 2019 and recorded July 25, 2019 as Document No. 20190725-00084373-0 in the Official Records of the Ventura County Recorder's Office, hereby incorporated by this reference ("**Property**").

TOGETHER WITH all of Grantor's right, title and interest, if any, in all tenements, hereditaments, and appurtenances relating to the Property, including, but not limited to, leases, improvements, fixtures, timber, water, crops, oil, gas, and minerals located in, under, or on the Property, and all rights appurtenant to the Property, including, but not limited to, timber rights, water rights, grazing rights, access rights, and oil, gas, and mineral rights, development rights, air rights, and all other rights, privileges, licenses, leases and permits in any way related to or accruing to the use or benefit of the Property.

This instrument may be executed in one or more counterparts, all of which taken together shall be deemed one original. It is understood and agreed that until this document is fully executed and delivered by both Grantor and Grantee, there is not and shall not be an agreement of any kind between the parties upon which any commitment, undertaking or obligation can be based.

[Signatures follow on next page]

SIGNATURE PAGE TO
GRANT DEED
(WELL NO. 6 SITE)

"**Grantor**"

LIMONEIRA LEWIS COMMUNITY BUILDERS, LLC
a Delaware limited liability company

By: LEWIS SANTA PAULA MEMBER, LLC,
a Delaware limited liability company,
Its Manager

By: LEWIS MANAGEMENT CORP.,
a Delaware corporation,
Its Manager

By: _____
Name: David Lauletta
Its: Vice President Regional Planned Communities

"**Grantee**"

CITY OF SANTA PAULA,
a municipal corporation, of the State of California

By: _____

Name: Dan Singer

Its: City Manager

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

State of California
County of_____)

On_____before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature_____ **(Seal)**

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

State of California
County of_____)

On_____before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature_____ **(Seal)**

CERTIFICATE OF ACCEPTANCE

Pursuant to Government Code §27281, this is to certify that the interest in real property conveyed by the Grant Deed (Well No. 6 Site) dated _____, 2024, **from LIMONEIRA LEWIS COMMUNITY BUILDERS, LLC**, a Delaware limited liability company("**Grantor**") to the City of Santa Paula, a municipal corporation, ("**City/Grantee**"), is hereby accepted by order of the undersigned on behalf of the City pursuant to the authority conferred by City Council Resolution No. _____, and Grantee consents to the recordation thereof by its duly authorized officer.

DATED: _____, 2024

CITY OF SANTA PAULA

By: _____
Dan Singer, City Manager

ATTEST:

_____
Julie Latshaw, City Clerk
(seal)

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

State of California
County of_____)

On_____before me, _____
(insert name and title of the officer)

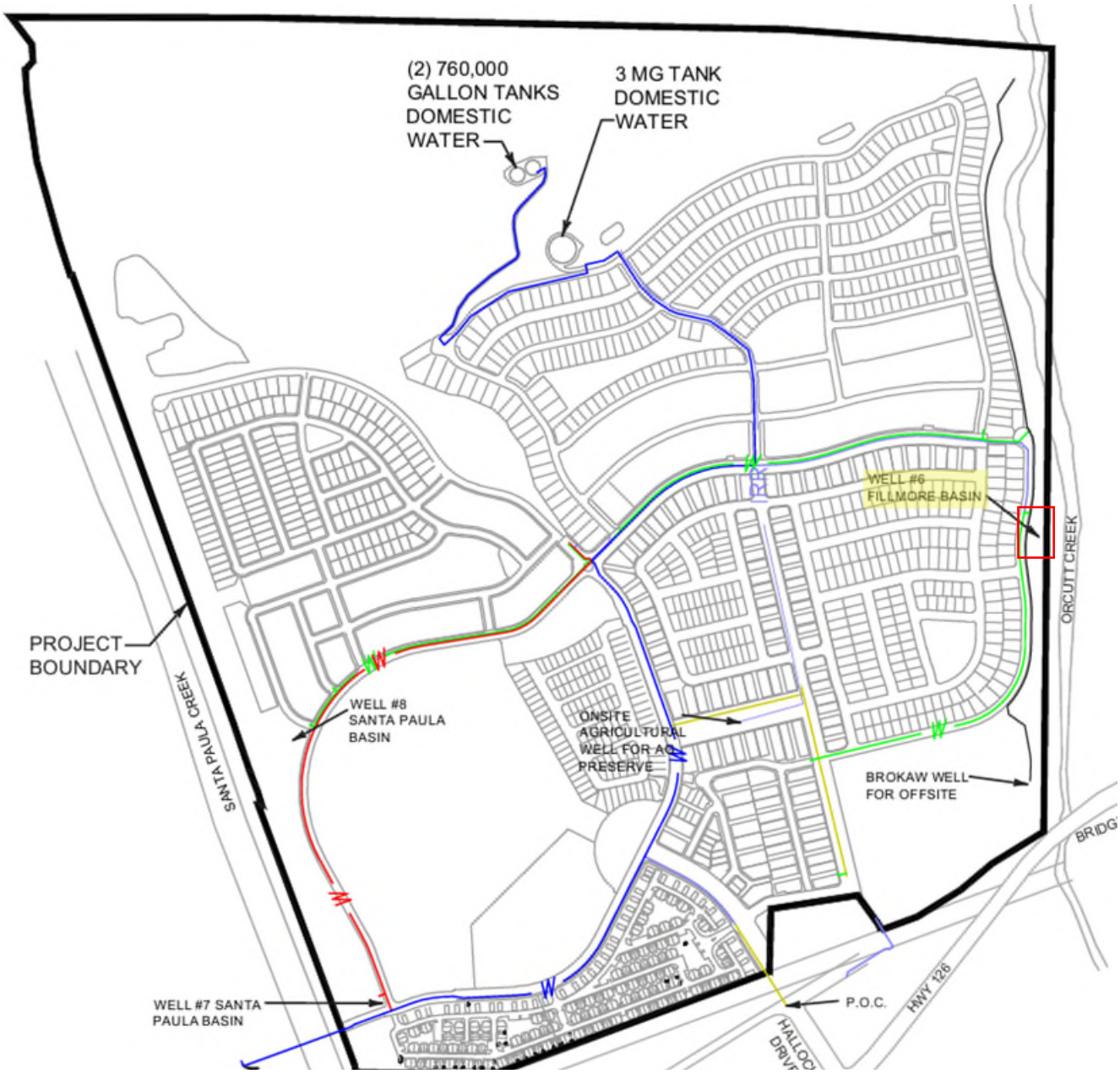
personally appeared_____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on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

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

WITNESS my hand and official seal.

Signature_____ **(Seal)**

ATTACHMENT B - WELL 6 LOCATION MAP



ATTACHMENT C

July 11, 2024

Lewis Management Corp.
133 N. 10th Ave.
Santa Paula, CA 93060

Attention : Alex McCarty
Email : alex.mccarty@lewismc.com

REFERENCE: **WELL-6 SANTA PAULA, CA**
CERTIFICATE OF OPERATION READINESS
LOPREST JOB 33611/40108J2

Alex,

The Loprest filter at Santa Paula Well-6 was rinsed to quality on July 10, 2024. The water quality was measured by Thompson Nguyen from Loprest. The raw water was measured to be 0.663 - 0.672 PPM for manganese, and .08 - .168 PPM for iron. At the completion of the rinsing procedure, the treated water manganese concentration was 0.021 - 0.022 PPM, and the iron concentration was 0.02 PPM. The "Rinse to Quality" log is attached. The rinse rate was approximately +/- 760 GPM, and the rinse time was around +/- 25 minutes.

From the results obtained above, the filter performance is within specifications. The iron and manganese removal system at this site is hereby certified "Ready for Operation". Actual release to put treated water effluent into the Owner's system is authorized by others.

Regards,

Thompson Nguyen

Thompson Nguyen
On Site Service Manager
LOPREST WATER TREATMENT COMPANY
(A DIVISION OF WRT)

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Jonathan Royas, Deputy City Manager

Subject: UNITED STATES DEPARTMENT OF TRANSPORTATION (USDOT) SAFE STREETS AND ROADS FOR ALL (SS4A) GRANT AGREEMENT AND BUDGET APPROPRIATION

Date: November 6, 2024

Agenda Item: 10.F

RECOMMENDATION:

Staff recommends City Council:

1. Approve a budget allocation of $280,000.00 in new revenue and matching expenditures from the United States Department of Transportation's ("USDOT") Federal Highway Administration ("FHWA"), as noted in the Fiscal Impact section of this report; and

2. Authorize the City Manager to execute a Grant Agreement for the Safe Streets and Roads for All (SS4A) Grant Program between the United States Department of Transportation's ("USDOT") Federal Highway Administration ("FHWA") and the City of Santa Paula ("City").

BACKGROUND:

The Safe Streets and Roads for All (SS4A) program is a federal program provided through the Infrastructure Investment and Jobs Act / Bipartisan Infrastructure Law (IIJA/BIL) and is broadly described as a federal discretionary funding program for Vision Zero-type transportation safety projects.

The program awards grants on a competitive basis to localities nationwide (states are not eligible applicants under SS4A). Any local government may apply, but localities are limited to one application (and potential award) per submission cycle. Submissions go directly to the United States Department of Transportation (USDOT) and are not filtered through state departments of transportation. There are two submission grant application cycles left through 2026.

The program provides $1.7 billion in funding through all cycles, beginning in FY 2022 through FY 2026. Approximately 40% of project funding has gone to localities requesting funds to create safety "Action Plans" that identify capital or operating projects for implementation. Remaining funds went to "Implementation" awards funding up to 80% of capital or operating funds for projects in localities that have already completed associated planning.

Since SS4A is an annual grant program with at least two more planned award cycles, the City

of Santa Paula plans to maximize opportunities for funding throughout the lifespan of the program, however, the first step is conducting an Action Plan (Plan).

ANALYSIS:

The attached grant agreement (Exhibit A), provides $280,000 in federal grant funding which will provide the City the necessary dollars to work with a contracted entity to develop an Action Plan.

As part of the SS4A program, local agencies are required to develop a Plan, also known as a "Vision Zero" Plan, to reduce or eliminate roadway fatalities and serious injuries by implementing projects and strategies shaped by data before they can request implementation funds. The City's Plan would allow staff to understand the trends of accident locations, conditions, and other safety factors that result in serious injury and/or death on our roads in the City, including Route 126 and traveled roadways in city limits connected to K-12 schools.

Once completed, the City would then be qualified to seek up to $10 million in funding for implementation costs associated with the last two cycles of SS4A. Alternatively, the Plan would also enable the City to apply for future grant implementation programs such as the federal Highway Safety Improvement Program (HSIP), which conditionally requires either a Local Road Safety Plan (LRSP) or SS4A Plan.

Implementation funds could pay for items such as:

- Construction or renovation of pedestrian crosswalks and signals
- Sidewalk repairs
- Upgraded markings
- ADA accessibility enhancements
- Speed feedback signs
- Bus bulb-outs/in-lane transit stops
- Leading pedestrian intervals
- Pedestrian hybrid beacons
- Bike routes along select corridors
- Strengthening connections to transit
- Traffic signal upgrades
- Speed management strategies
- Roundabout strategies

Moving forward, staff will solicit an RFP to hire a consultant to work with staff to create a Plan which will allow the City to apply for future SS4A cycles or HSIP cycles.

STRATEGIC PLAN:

Approval of this item moves the City closer to completing City Council’s two-year Strategic Plan, Section C. Infrastructure, Transportation & Mobility, Objective #1, "Improve and maintain pedestrian systems through a Sidewalk Maintenance Plan, which includes expanded efforts on annual sidewalk maintenance, repair, and ADA improvements as well as supporting the goal of maintaining and developing the City's infrastructure to be safe, sustainable, innovative, and cost-efficient.

FISCAL IMPACTS:

A new budget allocation of $280,000.00 in revenue and matching expenditures is needed to procure a transportation consultant via a professional services agreement to develop a safety plan in accordance with DOT guidance and requirements.

At this time, the following budget adjustment is recommended:

Account	Description	Debit (Increase Expense)	Credit (Increase Revenue)
414-5-9399-290	Grant Expenses	$280,000	
414-4-7500-4277	Grant Revenue		$280,000

A 20% local match ($70,000) of the total grant award ($350,000) is required of which Council set aside $55,000 in formerly ARPA, now Measure T funds on October 15, 2024. The remaining $15,000 dollars will be covered through indirect in-kind contributions via staff and consultant salaries and wages, grant tracking and monitoring, services related to engagement with community members, organization stakeholders, businesses and industries in the community and indirect charges.

Safe Streets and Roads for All (SS4A) Assistance Listing Number, formerly CFDA, is 20.939. Federal Award No. **693JJ32540143**. Procurement Request No. HSA240019PR

OPTIONS:

As an alternative to staff's recommendation, the City Council has the following options:

1. Decline to approve staff's recommendation. As a result, staff will forfeit the SS4A grant funds and will forfeit the ability to seek future rounds of SS4A implementation funds; or
2. Provide staff with alternate direction.

ATTACHMENTS:

Exhibit A Grant Agreement.pdf

Exhibit A - Grant Agreement 693JJ32540143 City of Santa Paula (HSA240019PR)

1. Federal Award No.

693JJ32540143

2. Effective Date
See No. 17 Below

3. Assistance Listings No.
20.939

4. Award To
City of Santa Paula
970 E Ventura St,
Santa Paula, CA 93060

Unique Entity Id.: TDLLJXMQYPJ9
EIN No.: 95-6000791

5. Sponsoring Office
U.S. Department of Transportation
Federal Highway Administration
Office of Safety
1200 New Jersey Avenue, SE
HSSA-1, Mail Drop E71-117
Washington, DC 20590

6. Period of Performance
Effective Date of Award –
October 1, 2027

7. Total Amount

Federal Share:	$280,000
Recipient Share:	$70,000
Other Federal Funds:	$0
Other Funds:	$0
Total:	$350,000

8. Type of Agreement
Grant

9. Authority
Section 24112 of the Infrastructure Investment and Jobs Act (Pub. L. 117–58, November 15, 2021; also referred to as the "Bipartisan Infrastructure Law" or "BIL")

10. Procurement Request No.
HSA240019PR

11. Federal Funds Obligated
$280,000

12. Submit Payment Requests To
See Article 5.

14. Accounting and Appropriations Data
15X0173E50.0000.055SR10500.5592000000.4
1010.610066

13. Description of the Project

This project will consist of developing a comprehensive safety action plan.

RECIPIENT

15. Signature of Person Authorized to Sign

Signature Date
Name: Dan Singer
Title: City Manager

FEDERAL HIGHWAY ADMINISTRATION

16. Signature of Agreement Officer

Signature Date
Name: Hector R. Santamaria
Title: Agreement Officer

U.S. DEPARTMENT OF TRANSPORTATION

GRANT AGREEMENT UNDER THE
FISCAL YEAR 2023 SAFE STREETS AND ROADS FOR ALL GRANT PROGRAM

This agreement is between the United States Department of Transportation's (the "**USDOT**") Federal Highway Administration (the "**FHWA**") and the City of Santa Paula (the "**Recipient**").

This agreement reflects the selection of the Recipient to receive a Safe Streets and Roads for All ("**SS4A**") Grant for the City of Santa Paula Safe Streets Action Plan Development Project.

The parties therefore agree to the following:

ARTICLE 1
GENERAL TERMS AND CONDITIONS

1.1 General Terms and Conditions.

(a) In this agreement, "**General Terms and Conditions**" means the content of the document titled "General Terms and Conditions Under the Fiscal Year 2023 Safe Streets and Roads for All ("SS4A") Grant Program,", which is available at https://www.transportation.gov/grants/ss4a/grant-agreements under "Fiscal Year 2023." Articles 7–30 are in the General Terms and Conditions. The General Terms and Conditions are part of this agreement.

(b) The Recipient acknowledges that it has knowledge of the General Terms and Conditions. Recipient also states that it is required to comply with all applicable Federal laws and regulations including, but not limited to, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200); National Environmental Policy Act (NEPA) (42 U.S.C. § 4321 et seq.); and Build America, Buy America Act (BIL, div. G §§ 70901-27).

(c) The Recipient acknowledges that the General Terms and Conditions impose obligations on the Recipient and that the Recipient's non-compliance with the General Terms and Conditions may result in remedial action, termination of the SS4A Grant, disallowing costs incurred for the Project, requiring the Recipient to refund to the FHWA the SS4A Grant, and reporting the non-compliance in the Federal-government-wide integrity and performance system.

ARTICLE 2
APPLICATION, PROJECT, AND AWARD

2.1 Application.

Application Title: City of Santa Paula Safe Streets Action Plan Development Project

Application Date: 07/10/23

2.2 Award Amount.

SS4A Grant Amount: $280,000

2.3 Federal Obligation Information.

Federal Obligation Type: Single

2.4 Budget Period.

Budget Period: See Item 6 on Page 1

2.5 Grant Designation.

Designation: Planning and Demonstration

ARTICLE 3
SUMMARY PROJECT INFORMATION

3.1 Summary of Project's Statement of Work.

The project will be completed in one phase as follows:

Base Phase: Pre-NEPA: The City of Santa Paula will competitively procure a transportation consultant to develop a comprehensive Safe Streets and Roads for All safety plan in accordance with Department of Transportation guidance and requirements.

3.2 Project's Estimated Schedule.

Action Plan Schedule

Milestone	Schedule Date
Planned NEPA Completion Date:	
Planned Draft Plan Completion Date:	4/1/25
Planned Final Plan Completion Date:	10/1/25
Planned Final Plan Adoption Date:	4/1/26
Planned SS4A Final Report Date:	10/1/27

3.3 Project's Estimated Costs.

(a) Eligible Project Costs

Eligible Project Costs	
SS4A Grant Amount:	$280,000
Local Funds:	$70,000
Total Eligible Project Cost:	$350,000

(b) Indirect Costs

Indirect costs are allowable under this Agreement in accordance with 2 CFR part 200 and the Recipient's approved Budget Application. In the event the Recipient's indirect cost rate changes, the Recipient will notify FHWA of the planned adjustment and provide supporting documentation for such adjustment. This Indirect Cost provision does not operate to waive the limitations on Federal funding provided in this document. The Recipient's indirect costs are allowable only insofar as they do not cause the Recipient to exceed the total obligated funding.

ARTICLE 4

RECIPIENT INFORMATION

4.1 Recipient Contact(s).

Dale Goodman
Public Works Director
City of Santa Paula
866 E. Main Street
Santa Paula, CA 93060
dgoodman@spcity.org

4.2 Recipient Key Personnel.

Name	Title or Position
Dale Goodman	Public Works Director
Jonathan Royas	Deputy City Manager
Bob Woodward	City Engineer

4.3 USDOT Project Contact(s).

Safe Streets and Roads for All Program Manager
Federal Highway Administration
Office of Safety
HSSA-1, Mail Stop: E71-117
1200 New Jersey Avenue, S.E.
Washington, DC 20590
202-366-2822
SS4A.FHWA@dot.gov

and

Agreement Officer (AO)
Federal Highway Administration
Office of Acquisition and Grants Management
HCFA-33, Mail Stop E62-310
1200 New Jersey Avenue, S.E.
Washington, DC 20590
202-493-2402
HCFASS4A@dot.gov

and

Division Administrator – Elissa Konove
Agreement Officer's Representative (AOR)
FHWA California Division Office
650 Capitol Mall, Ste. 4-100
Sacramento, CA 95814
916-498-5015
Hdaca@dot.gov

and

Mike Shami
California Division Office Lead Point of Contact
Safety and Operations Engineer
650 Capitol Mall, Ste. 4-100
Sacramento, CA 95814
916-498-5853
Mike.shami@dot.gov

ARTICLE 5
USDOT ADMINISTRATIVE INFORMATION

5.1 Office for Subaward and Contract Authorization.

USDOT Office for Subaward and Contract Authorization: FHWA Office of Acquisition and Grants Management

SUBAWARDS AND CONTRACTS APPROVAL

Note: See 2 CFR § 200.331, Subrecipient and contractor determinations, for definitions of subrecipient (who is awarded a subaward) versus contractor (who is awarded a contract).

Note: Recipients with a procurement system deemed approved and accepted by the Government or by the Agreement Officer (the "**AO**") are exempt from the requirements of this clause. See 2 CFR 200.317 through 200.327. Note: This clause is only applicable to grants that do not include construction.

In accordance with 2 CFR 200.308(f)(6), the recipient or subrecipient shall obtain prior written approval from the USDOT agreement officer for the subaward, if the subaward activities were not proposed in the application or approved in the Federal award. This provision is in accordance with 2 CFR 200.308(f)(6) and does not apply to procurement transactions for goods and services. Approval will be issued through written notification from the AO or a formal amendment to the Agreement.

The following subawards and contracts are currently approved under the Agreement by the AO. This list does not include supplies, material, equipment, or general support services which are exempt from the pre-approval requirements of this clause.

5.2 Reimbursement Requests

(a) The Recipient may request reimbursement of costs incurred within the budget period of this agreement if those costs do not exceed the amount of funds obligated and are allowable under the applicable cost provisions of 2 C.F.R. Part 200, Subpart E. The Recipient shall not request reimbursement more frequently than monthly.

(b) The Recipient shall use the DELPHI iSupplier System to submit requests for reimbursement to the payment office. When requesting reimbursement of costs incurred or credit for cost share incurred, the Recipient shall electronically submit supporting cost detail with the SF-270 (Request for Advance or Reimbursement) or SF-271 (Outlay Report and Request for Reimbursement for Construction Programs) to clearly document all costs incurred.

(c) The Recipient's supporting cost detail shall include a detailed breakout of all costs incurred, including direct labor, indirect costs, other direct costs, travel, etc., and the Recipient shall identify the Federal share and the Recipient's share of costs. If the Recipient does not provide sufficient detail in a request for reimbursement, the Agreement Officer's Representative (the "**AOR**") may withhold processing that request until the Recipient provides sufficient detail.

(d) The USDOT shall not reimburse costs unless the AOR reviews and approves the costs to ensure that progress on this agreement is sufficient to substantiate payment.

(e) In the rare instance the Recipient is unable to receive electronic funds transfers (EFT), payment by EFT would impose a hardship on the Recipient because of their inability to manage an account at a financial institution, and/or the Recipient is unable to use the DELPHI iSupplier System to submit their requests for disbursement, the FHWA may waive the requirement that the Recipient use the DELPHI iSupplier

System. The Recipient shall contact the Division Office Lead Point of Contact for instructions on and requirements related to pursuing a waiver.

(f) The requirements set forth in these terms and conditions supersede previous financial invoicing requirements for Recipients.

ARTICLE 6
SPECIAL GRANT TERMS

6.1 SS4A funds must be expended within five years after the grant agreement is executed and DOT obligates the funds, which is the budget period end date in section 10.3 of the Terms and Conditions and section 2.4 in this agreement.

6.2. The Recipient demonstrates compliance with civil rights obligations and nondiscrimination laws, including Titles VI of the Civil Rights Act of 1964, the Americans with Disabilities Act (ADA), and Section 504 of the Rehabilitation Act, and accompanying regulations. Recipients of Federal transportation funding will also be required to comply fully with regulations and guidance for the ADA, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, and all other civil rights requirements.

6.3 SS4A Funds will be allocated to the Recipient and made available to the Recipient in accordance with FHWA procedures.

6.4 The Recipient of a Planning and Demonstration Grant acknowledges that the Action Plan will be made publicly available and agrees that it will publish the final Action Plan on a publicly available website.

6.5 There are no other special grant requirements.

ATTACHMENT A
PERFORMANCE MEASUREMENT INFORMATION

Study Area: City of Santa Paula

Table 1: Performance Measure Table

Measure	Category and Description	Measurement Frequency and Reporting Deadline
Equity [for all Grants]	Percent of Funds to Underserved Communities: Funding amount (of total project amount) benefitting underserved communities, as defined by USDOT	Within 120 days after the end of the period of performance
Costs [for all Grants]	Project Costs: Quantification of the cost of each eligible project carried out using the grant	Within 120 days after the end of the period of performance
Lessons Learned and Recommendations [for all Grants]	Lessons Learned and Recommendations: Description of lessons learned and any recommendations relating to future projects or strategies to prevent death and serious injury on roads and streets.	Within 120 days after the end of the period of performance

ATTACHMENT B
CHANGES FROM APPLICATION

Describe all material differences between the scope, schedule, and budget described in the application and the scope, schedule, and budget described in Article 3. The purpose of Attachment B is to clearly and accurately document any differences in scope, schedule, and budget to establish the parties' knowledge and acceptance of those differences. See Article 11 for the Statement of Work, Schedule, and Budget Changes. If there are no changes, please insert "N/A" in Section 3.3 of the table.

Scope: No Changes

Schedule: No Changes

Budget: No Changes

The table below provides a summary comparison of the project budget.

	Application		**Section 3.3**	
Fund Source	$	%	$	%
Previously Incurred Costs (Non-Eligible Project Costs)				
Federal Funds			N/A	N/A
Non-Federal Funds			N/A	N/A
Total Previously Incurred Costs			N/A	N/A
Future Eligible Project Costs				
SS4AFunds	$280,000	80%	$280,000	80%
Other Federal Funds			N/A	N/A
Non-Federal Funds	$70,000	20%	$70,000	20%
Total Future Eligible Project Costs			N/A	N/A
Total Project Costs	$350,000	100%	$350,000	100%

ATTACHMENT C
RACIAL EQUITY AND BARRIERS TO OPPORTUNITY

1. Efforts to Improve Racial Equity and Reduce Barriers to Opportunity.

The Recipient states that rows marked with "X" in the following table align with the application:

	A racial equity impact analysis has been completed for the Project. *(Identify a report on that analysis or, if no report was produced, describe the analysis and its results in the supporting narrative below.)*
X	The Recipient or a project partner has adopted an equity and inclusion program/plan or has otherwise instituted equity-focused policies related to project procurement, material sourcing, construction, inspection, hiring, or other activities designed to ensure racial equity in the overall delivery and implementation of the Project. *(Identify the relevant programs, plans, or policies in the supporting narrative below.)*
	The Project includes physical-barrier-mitigating land bridges, caps, lids, linear parks, and multimodal mobility investments that either redress past barriers to opportunity or that proactively create new connections and opportunities for underserved communities that are underserved by transportation. *(Identify the relevant investments in the supporting narrative below.)*
	The Project includes new or improved walking, biking, and rolling access for individuals with disabilities, especially access that reverses the disproportional impacts of crashes on people of color and mitigates neighborhood bifurcation. *(Identify the new or improved access in the supporting narrative below.)*
	The Project includes new or improved freight access to underserved communities to increase access to goods and job opportunities for those underserved communities. *(Identify the new or improved access in the supporting narrative below.)*
	The Recipient has taken other actions related to the Project to improve racial equity and reduce barriers to opportunity, as described in the supporting narrative below.
	The Recipient has not yet taken actions related to the Project to improve racial equity and reduce barriers to opportunity but intends to take relevant actions described in the supporting narrative below.
	The Recipient has not taken actions related to the Project to improve racial equity and reduce barriers to opportunity and will not take those actions under this award.

2. Supporting Narrative.

The City of Santa Paula strives to meet and exceed the minimum compliance requirements established under Title VI of the Civil Rights Act of 1964 and the related anti-discrimination statutes and external constituents regarding its Title VI program. Safety planning grants can review and assess disparate safety outcomes for transportation disadvantaged communities. During the planning process, disadvantaged groups would be identified and engaged, and equity considered in the development of policies, projects and strategies.

ATTACHMENT D
CLIMATE CHANGE AND ENVIRONMENTAL JUSTICE IMPACTS

1. Consideration of Climate Change and Environmental Justice Impacts.

The Recipient states that rows marked with "X" in the following table align with the application:

X	The Project directly supports a Local/Regional/State Climate Action Plan that results in lower greenhouse gas emissions. *(Identify the plan in the supporting narrative below.)*
	The Project directly supports a Local/Regional/State Equitable Development Plan that results in lower greenhouse gas emissions. *(Identify the plan in the supporting narrative below.)*
	The Project directly supports a Local/Regional/State Energy Baseline Study that results in lower greenhouse gas emissions. *(Identify the plan in the supporting narrative below.)*
	The Recipient or a project partner used environmental justice tools, such as the EJScreen, to minimize adverse impacts of the Project on environmental justice communities. *(Identify the tool(s) in the supporting narrative below.)*
	The Project supports a modal shift in freight or passenger movement to reduce emissions or reduce induced travel demand. *(Describe that shift in the supporting narrative below.)*
	The Project utilizes demand management strategies to reduce congestion, induced travel demand, and greenhouse gas emissions. *(Describe those strategies in the supporting narrative below.)*
	The Project incorporates electrification infrastructure, zero-emission vehicle infrastructure, or both. *(Describe the incorporated infrastructure in the supporting narrative below.)*
	The Project supports the installation of electric vehicle charging stations. *(Describe that support in the supporting narrative below.)*
	The Project promotes energy efficiency. *(Describe how in the supporting narrative below.)*
	The Project serves the renewable energy supply chain. *(Describe how in the supporting narrative below.)*
	The Project improves disaster preparedness and resiliency *(Describe how in the supporting narrative below.)*
	The Project avoids adverse environmental impacts to air or water quality, wetlands, and endangered species, such as through reduction in Clean Air Act criteria pollutants and greenhouse gases, improved stormwater management, or improved habitat connectivity. *(Describe how in the supporting narrative below.)*
	The Project repairs existing dilapidated or idle infrastructure that is currently causing environmental harm. *(Describe that infrastructure in the supporting narrative below.)*
	The Project supports or incorporates the construction of energy- and location-efficient buildings. *(Describe how in the supporting narrative below.)*

	The Project includes recycling of materials, use of materials known to reduce or reverse carbon emissions, or both. *(Describe the materials in the supporting narrative below.)*
	The Recipient has taken other actions to consider climate change and environmental justice impacts of the Project, as described in the supporting narrative below.
	The Recipient has not yet taken actions to consider climate change and environmental justice impacts of the Project but will take relevant actions described in the supporting narrative below.
	The Recipient has not taken actions to consider climate change and environmental justice impacts of the Project and will not take those actions under this award.

2. Supporting Narrative.

The City of Santa Paula is working alongside the Southern California Association of Governments (SCAG) and its corresponding Regional Climate Adaptation Framework (Framework) to Southern California region can work together to plan and prepare for the impacts of sea level rise, extreme heat, increasingly frequent and damaging wildfires, and other climate-related issues. With the impacts of severe climate hazards and issues already being felt, adaptation planning is necessary to help individuals, communities, and natural systems cope with the unavoidable consequences of a changing climate. Our Safe Streets For All Action plan will be used to develop new policies and to help determine the effectiveness of the SCAG Framework. The safety planning process will consider lower emission modes of transportation such as mass transit, walking, biking, scooters, and other mobility devices, to improve safety outcomes and encourage alternate mode use.

ATTACHMENT E
LABOR AND WORKFORCE

1. Efforts to Support Good-Paying Jobs and Strong Labor Standards

The Recipient states that rows marked with "X" in the following table align with the application:

	The Recipient demonstrate, to the full extent possible consistent with the law, an effort to create good-paying jobs with the free and fair choice to join a union and incorporation of high labor standards. *(Identify the relevant agreements and describe the scope of activities they cover in the supporting narrative below.)*
	The Recipient or a project partner has adopted the use of local and economic hiring preferences in the overall delivery and implementation of the Project. *(Describe the relevant provisions in the supporting narrative below.)*
	The Recipient or a project partner has adopted the use of registered apprenticeships in the overall delivery and implementation of the Project. *(Describe the use of registered apprenticeship in the supporting narrative below.)*
	The Recipient or a project partner will provide training and placement programs for underrepresented workers in the overall delivery and implementation of the Project. *(Describe the training programs in the supporting narrative below.)*
	The Recipient or a project partner will support free and fair choice to join a union in the overall delivery and implementation of the Project by investing in workforce development services offered by labor-management training partnerships or setting expectations for contractors to develop labor-management training programs. *(Describe the workforce development services offered by labor-management training partnerships in the supporting narrative below.)*
	The Recipient or a project partner will provide supportive services and cash assistance to address systemic barriers to employment to be able to participate and thrive in training and employment, including childcare, emergency cash assistance for items such as tools, work clothing, application fees and other costs of apprenticeship or required pre-employment training, transportation and travel to training and work sites, and services aimed at helping to retain underrepresented groups like mentoring, support groups, and peer networking. *(Describe the supportive services and/or cash assistance provided to trainees and employees in the supporting narrative below.)*
	The Recipient or a project partner has documented agreements or ordinances in place to hire from certain workforce programs that serve underrepresented groups. *(Identify the relevant agreements and describe the scope of activities they cover in the supporting narrative below.)*

	The Recipient or a project partner participates in a State/Regional/Local comprehensive plan to promote equal opportunity, including removing barriers to hire and preventing harassment on work sites, and that plan demonstrates action to create an inclusive environment with a commitment to equal opportunity, including: a. affirmative efforts to remove barriers to equal employment opportunity above and beyond complying with Federal law; b. proactive partnerships with the U.S. Department of Labor's Office of Federal Contract Compliance Programs to promote compliance with EO 11246 Equal Employment Opportunity requirements and meet the requirements as outlined in the Notice of Funding Opportunity to make good faith efforts to meet the goals of 6.9 percent of construction project hours being performed by women and goals that vary based on geography for construction work hours and for work being performed by people of color; c. no discriminatory use of criminal background screens and affirmative steps to recruit and include those with former justice involvement, in accordance with the Fair Chance Act and equal opportunity requirements; d. efforts to prevent harassment based on race, color, religion, sex, sexual orientation, gender identity, and national origin; e. training on anti-harassment and third-party reporting procedures covering employees and contractors; and f. maintaining robust anti-retaliation measures covering employees and contractors. *(Describe the equal opportunity plan in the supporting narrative below.)*
X	The Recipient has taken other actions related to the Project to create good-paying jobs with the free and fair choice to join a union and incorporate strong labor standards. *(Describe those actions in the supporting narrative below.)*
	The Recipient has not yet taken actions related to the Project to create good-paying jobs with the free and fair choice to join a union and incorporate strong labor standards but, before beginning construction of the project, will take relevant actions described in the supporting narrative below.
	The Recipient has not taken actions related to the Project to improving good-paying jobs and strong labor standards and will not take those actions under this award.

2. Supporting Narrative.

This planning grant is not anticipated to create jobs.

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: James Mason, Community & Economic Development Director

Subject: SALE OF CITY PROPERTIES IN THE VICINITY OF 600 SOUTH PALM AVENUE

Date: November 6, 2024

Agenda Item: 10.G

RECOMMENDATION:

Staff recommends that the City Council:

1. Accept the offer of $170,000 from Cedro Construction Inc for the purchase of one city-owned parcel totaling 18,730 square feet located south of 120 and 124 East Santa Maria Street (Assessor's Parcel Numbe**r: 104-0-065-185**); and to accept an offer of $88,000 from Santa Paula Materials Inc. for the purchase of two city-owned parcels totaling 7,654 square feet east of 600 South Palm Avenue (Assessor's Parcel Numbers**: 104-0-193-055** AND **104-0-193-095**)
2. Authorize the City Manager to enter into Purchase and Sales Agreements with the buyers in forms approved by the City Attorney.
3. Authorize a budget adjustment in the amount of $258,000 in revenues (GL 100-4-7500-6300) and $4,625 in escrow expenses (100-5-3001-209).

BACKGROUND:

The City owns approximately 15 acres of property composed of 22 parcels east of the Santa Paula Airport, north of the Santa Clara River bisected by South Palm Avenue which are identified in Attachment C. Portions of the property are undevelopable parcels which include Santa Cara River floodway and a decommissioned landfill. The remaining larger parcels are currently being leased for which the City receives monthly revenue.
The majority of the properties are also located with inner and outer airport safety zones which limit the development potential for the properties. Land uses within the inner safety subzone are intended to have few or no people and no buildings, structures or obstructions. Land uses within the outer safety subzone have height limitations on structures and occupancy is limited.

The City specific properties being proposed for sale are composed of 3 parcels, labeled Property 1 and Property 2, in Attachment C: Property Appraisal Report summarized as follows:

PROPERTY	APN	SQ FT	APPRAISED VALUE	INTERESTED BUYER
1	104-0-065-185	18,730.80	$169,650	Cedro
2	104-0-193-055 104-0-193-095	7,654.00	$88,020	SPM

On March 15, 2023, the City Council adopted Resolution No. 7449 declaring these properties exempt surplus land. The City sent the Department of Housing and Community Development (HCD) a copy of the resolution in accordance with the Surplus Land Act, and received the determination from HCD that the properties are exempt surplus land and may now sell the properties having given HCD 30 days' notice of the sales.

ANALYSIS:

In early 2023 the City was approached separately by two businesses, Cedro Construction Inc. (Cedro) and Santa Paula Materials Inc. (SPM) with a request that we entertain the sale of city properties. The development potential of the parcels is limited due to the airport safety zone land use designation which does not allow buildings or structures on the property. As a result, there is no specific City operation or function that could utilize the property. The remote location of this area and its proximity to the Santa Cara River has periodically made the area a target for illegal dumping and vandalism. The proposed buyers have interest in improving the properties to better utilize them for their business operations and they have plans to provide physical improvements to the properties that will result in better security and property aesthetics. In addition, both businesses own the properties directly adjacent to the identified properties and their purchase will provide them with additional space for business operations.

On January 18, 2023 staff requested direction from city council to pursue negotiations with the two businesses regarding the sale of the properties. Based on the site constraints and the benefits of the proposed development, a negotiated offer of $170,000 has been presented to the City by Cedro and a negotiated offer of $88,000 has been presented to the City by SPM. The sales are contingent upon entering Purchase and Sale Agreements, substantially in the form attached as Attachment A, that state the properties will be sold “as is” and the purchasers (Cedro and SPM) will indemnify the City for liability stemming from the properties' condition.

Environmental Analysis

Sale of the subject property is categorically exempt from environmental review pursuant to CEQA Guidelines Section 15312, as it involves the sale of surplus governmental property for which the use of the property and adjacent property has not changed since it was bequeathed to the City. Any future development of the property would be subject to CEQA review.

STRATEGIC PLAN:

The sale of the properties will provide additional one-time revenue to the City and will help to

foster collaboration with businesses in helping them to expand operations. This will help to meet the Economic Development goal to enhance the economic vitality of the community through measures targeted towards development and business retention and expansion. The sale of these properties will also enhance the objectives to actively pursue revenue opportunities to increase the City's revenue base and help to create a positive business environment by increasing communications and partnerships with existing businesses.

FISCAL IMPACTS:

Staff previously communicated to City Council that proceeds from the property sale would offset revenue shortfall, however a budget adjustment was not recommended at that time. Because the revenue is occuring in FY 24/25, a budget allocation of $258,000 in revenues is required, as well as $4,625 expense budget for fees related to closing costs.

OPTIONS:

As an alternative to staff's recommendation, the City Council may :

1. Decline to authorize sale of the properties.
2. Direct staff to continue negotiations.
3. Take other desirable action.

ATTACHMENTS:

ATTACHMENT A. PSA Agremeents for City Properties.pdf
ATTACHMENT B - Bolton Property Appraisal Summary.pdf
ATTACHMENT C - City Properties Map

ATTACHMENT A

PSA Agreements for City Properties

(Cedro and SPM)

Cedro Construction, Inc.

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY WITH ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY WITH ESCROW INSTRUCTIONS ("Agreement") is entered into as of the ____day of _____**2024** ("Effective Date") between the CITY OF SANTA PAULA, a municipal corporation and general law city ("Seller"), and CEDRO CONSTRUCTION, INC., a California corporation ("Buyer").

RECITALS

A. Seller is the owner of approximately 0.43 acres (18,850 square feet) of real property located south of 130 East Santa Maria Street in Santa Paula, CA, Assessor's Parcel Numbe**r: 104-0-065-18** ("Property"), more particularly described in the Legal Description attached hereto and incorporated herewith as **Exhibit A**.

B. Buyer desires to purchase the Property to utilize the Property for a vehicle storage yard related to a towing operation and Seller desires to sell the Property, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the mutual promises set forth herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller and Buyer hereby agree as follows:

TERMS

1. Incorporation of Recitals. The above Recitals constitute part of this Agreement and each party shall be entitled to rely on the truth and accuracy of same. The terms set forth above in the Recitals are hereby incorporated.

2. Purchase and Sale. Seller agrees to sell and Buyer agrees to purchase the Property subject to the terms and conditions in this Agreement.

3. Purchase Price. The purchase price for the Property shall be ONE HUNDRED SEVENTY THOUSAND DOLLARS ($170,000.00) ("Purchase Price"). On or before 10:00 a.m. Pacific Time on the morning of the Closing Date, Buyer shall deposit with Escrow Agent the full amount of the Purchase Price in cash or in immediately available funds.

4. Escrow. Within two (2) business days after the Effective Date, Buyer and Seller shall open an escrow ("Escrow") with a reputable title company chosen by Seller (the "Escrow Agent"), subject to the provisions of the standard conditions for acceptance of escrow and the terms and conditions in this Agreement, with a signed counterpart of this Agreement to be delivered as escrow instructions to Escrow Agent. In the event of any conflict between the terms of this Agreement and the standard conditions for acceptance of escrow, the terms of this Agreement shall control.

(a) Escrow Deposit. Within two (2) business days after the Effective Date of this Agreement, the Buyer shall deposit with Escrow Agent an aggregate amount under this

Agreement equal to Forty Thousand Dollars ($40,000.00) ("Escrow Deposit"). The Escrow Deposit shall be in the form of immediately available funds by wire transfer to an account at the Escrow Agent's office. Unless Buyer terminates this Agreement prior to the expiration of the Inspection Deadline as provided herein, the Escrow Deposit shall be immediately non-refundable to Buyer. The Escrow Deposit shall be applied against the Purchase Price at Close of Escrow in accordance with the terms and provisions of this Agreement. Notwithstanding anything herein to the contrary, the Parties acknowledge that Two Hundred Dollars ($200.00) of the Escrow Deposit shall be retained by Seller as independent consideration for Seller entering into this Agreement and the rights and privileges extended to Buyer as provided herein.

(b) Close of Escrow Payment. The Purchase Price, as adjusted by the application of the Escrow Deposit and by the prorations and credits specified herein, shall be paid by wire transfer of immediately available funds through the Escrow as of the Close of Escrow ("Closing Payment").

5. Inspection Deadline and Environmental Review. The Inspection Deadline is 5:00 p.m. Pacific Time on the date that is ten (10) days after the Effective Date. Buyer shall have until the Inspection Deadline to obtain a phase I environmental report for the Property, to determine whether there are any Hazardous Materials (as defined below) in condition or amount that would require remediation under applicable laws that would impose an impediment to any proposed future development and to determine whether or not the environmental condition of the Property is satisfactory to Buyer, in its sole and absolute discretion. If on or before the Inspection Deadline, Buyer determines that it is not satisfied with the environmental condition of the Property, then Buyer shall promptly (but in all events prior to the Inspection Deadline) deliver a Termination Notice to Seller and Escrow Agent. If Buyer fails to deliver a Termination Notice prior to the Inspection Deadline, Buyer shall be deemed to have agreed that all environmental matters and conditions are acceptable to Buyer and Buyer intends to proceed with the acquisition of the Property (and that Buyer shall have no further right to terminate this Agreement pursuant to this Section).

6. Conditions to Buyer's Performance. The performance and observance, in all material respects, by Buyer of all covenants in this Agreement to be performed or observed by Buyer prior to or on the Closing Date shall be a condition precedent to Seller's obligation to sell the Property pursuant to this Agreement. Additionally, as a condition to Seller's obligation to close, all of Buyer's representations and warranties stated herein shall be true and correct in all material respects as of the Closing Date.

7. Conditions to Seller's Performance. The performance and observance, in all material respects, by Seller of all covenants in this Agreement to be performed or observed by Seller prior to or on the Closing Date shall be a condition precedent to Buyer's obligation to purchase the Property pursuant to this Agreement. Additionally, as a condition to Buyer's obligation to close, all of Seller's representations and warranties stated herein shall be true and correct in all material respects as of the Closing Date.

8. Access. Access to the Property prior to the Inspection Deadline shall be given to Buyer, its agents, employees, and contractors during normal business hours upon at least one (1) business days' notice to Seller, at Buyer's own cost and risk, for all purposes, including, but not

limited to, inspecting the Property, taking samples of the soil, and conducting an environmental investigation (including an investigation of past and current uses of the Property). Buyer shall indemnify and defend Seller against and hold Seller harmless from all losses, costs, damages, liabilities, and expenses, including, without limitation, reasonable attorney fees arising out of Buyer's entry onto the Property or any activity thereon by Buyer or its agents, employees, or contractors prior to the Close of Escrow except to the extent any such losses, costs, damages, liabilities, and expenses arise out of the gross negligence or willful acts of Seller. The provisions of this Section shall survive the Close of Escrow.

9. Title & Survey.

(a) Within five (5) days following the Effective Date, Seller shall cause Escrow Agent to issue to Buyer (with a copy to Seller) a preliminary report for an ALTA Standard Policy of Title Insurance for the Property, or at Buyer's Option, an Extended Coverage Policy, setting forth all liens, encumbrances, easements, restrictions, conditions, pending litigation, judgments, administrative proceedings, and other matters of record affecting Seller's title to the Property ("Preliminary Report"), together with copies of all documents relating to title exceptions referred to in the Preliminary Report. Seller shall further at its own cost cause a survey of the Property to be performed and deliver the survey to Buyer at the same as or before the Preliminary Report is issued.

(b) Buyer shall approve or disapprove, in writing to Seller with a copy to Escrow Agent, each exception shown on the Preliminary Report and each encroachment, overlap, or boundary line dispute, or any other matter shown on the Preliminary Report or survey that materially and adversely affects title to the Property or that violates any law, rule, or regulation (each an "Exception") within five (5) days following receipt of the Preliminary Report and survey ("Review Period"). Buyer's failure to approve or disapprove within the Review Period shall be deemed to be an approval of the Exceptions. The Exceptions approved by Buyer hereunder shall be referred to as the "Approved Exceptions." Buyer shall not have any right to disapprove of any real estate taxes or assessments not yet due and payable (prorated as provided herein) or any matters which are Buyer's obligations under this Agreement.

(c) If Buyer timely delivers written notice that any Exception is disapproved (each a "Disapproved Exception"), Seller shall have the right, but not the obligation, within five (5) days of receipt of the Disapproved Exception to advise Buyer in writing that Seller shall either (a) cause (i) such Exception to be satisfied or discharged on or before the Close of Escrow, or (ii) Title Company to issue an endorsement affirmatively insuring against such Exception in a manner acceptable to Buyer in its sole discretion, at Seller's sole cost and expense, or (b) be unable or unwilling to remove, discharge, or endorse (Seller's failure to notify Buyer being Seller's election to proceed as provided in clause (b) above), in which case Buyer will have until the Inspection Deadline to elect to (x) proceed with the purchase of the Property subject to such Disapproved Exception or (y) cancel this Agreement by delivering written notice of subject election to terminate ("Termination Notice") to Seller and Escrow Agent, in which case the Escrow Deposit (minus Escrow Agent's and the Title Company's cancellation fees) shall be returned to Buyer, and neither party shall have any further rights or liabilities hereunder, except for those provisions which expressly survive the termination of this Agreement. Buyer's failure to notify Seller and Escrow Agent of its election between (x) and (y) in the immediately preceding sentence shall be deemed

to be Buyer's election to proceed as provided in (x). In the event Seller determines at any time that it is unable or unwilling to remove any one or more of disapproved title or survey matters, Seller may give written notice to Buyer to such effect and Buyer may, at its option, terminate this Agreement upon delivering a Termination Notice to Seller and Escrow Agent, but only if given prior to the sooner to occur of the Closing Date or five (5) days after Buyer receives Seller's notice, in which case the Escrow Deposit (minus Escrow Agent's and the Title Company's cancellation fees) shall be returned to Buyer. If Buyer fails to give notice of Buyer's disapproval by such date, Buyer shall be deemed to have approved such matters. It is understood that Buyer may request a number of endorsements to the Title Policies (as defined below) and/or extended ALTA coverage; however, Buyer shall satisfy itself prior to the Title Notice Date that the Title Company will be willing to issue any extended ALTA coverage and any such endorsements in connection with the Title Policies and failure to deliver a Termination Notice by the Title Notice Date shall be deemed a waiver of any objections to title and survey, approval of all matters pertaining to title and survey, including, without limitation, the forms of the Title Policies and the availability of any endorsements.

10. Close of Escrow.

(a) Title. Simultaneously, with the Close of Escrow, Escrow Agent shall issue an ALTA Standard Policy of Title Insurance (formerly referred to as a CLTA Title Policy), or at Buyer's Option, an Extended Coverage Policy, ("Title Policy") in the amount of the Purchase Price, subject only to Approved Exceptions.

(b) Seller's Deposits into Escrow. Seller shall deposit with Escrow Agent on or prior to the Close of Escrow the following documents:

(i) a grant deed in the form attached hereto as **Exhibit B** executed and acknowledged by Seller, conveying to Buyer good and marketable fee simple title to the Property, subject only to the Approved Exceptions ("Deed");

(ii) Seller's affidavit of non-foreign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended ("FIRPTA Affidavit");

(iii) California Franchise Tax Board Form 593-C regarding the withholding of California taxes on the sale of California real estate ("Withholding Affidavit");

(iv) Seller's approval of the draft of Escrow Agent's closing statement.

(v) Assignment of the specified Leases and Tenant estoppel certificates, if applicable.

(c) Buyer's Deposits into Escrow. Buyer shall deposit with Escrow Agent, the balance of the Purchase Price in accordance with Section 4, Buyer's approval of the draft of Escrow Agent's closing statement; and such additional documents as may be reasonably required by the Title Company or Seller to consummate the transactions hereunder (provided the same do not increase in any material respect the costs to, or liability or obligations of, Buyer in a manner not otherwise provided for herein).

(d) Closing Date. The conveyance of the Property to Buyer and the closing of this transaction ("Close of Escrow") shall take place within five (5) business days of the satisfaction of the conditions set forth in Section 6 and Section 7, provided, however, that in no event shall the Close of Escrow occur later than **December 1, 2024** ("Closing Date"), except as otherwise agreed by Buyer and Seller in writing. Either Buyer or Seller shall have the right to terminate Escrow and this Agreement if the conditions set forth in Section 6 (for Buyer) or Section 7 (for Seller), respectively, have not been satisfied as of the Closing Date.

(e) Closing Statement. No more than two days prior to the Closing Date, Escrow Agent shall deliver to Buyer and to Seller, for their respective approvals, drafts of Escrow Agent's closing statement showing all receipts and disbursements of the Escrow.

(f) Closing Instructions. On the Closing Date (or any extension thereof), Escrow Agent shall close Escrow as follows:

(i) record the Deed (marked for return to Buyer) with the Ventura County Recorder;

(ii) issue the Title Policy;

(iii) prorate taxes, assessments, rents, and other charges;

(iv) disburse to Seller the Purchase Price less prorated amounts and charges to be paid by, retained for, or on behalf of Seller;

(v) charge Buyer for those costs and expenses to be paid by Buyer pursuant to this Agreement and disburse any net funds remaining after the preceding disbursements to Buyer;

(vi) prepare and deliver to both Buyer and Seller one signed copy of Escrow Agent's closing statement showing all receipts and disbursements of the Escrow;

(vii) deliver to Buyer an Assignment (if any) of the Leases, the FIRPTA Affidavit, and the Withholding Affidavit and withhold from the Purchase Price a sufficient amount necessary to comply with any federal or State withholding requirements.

(g) Failure to Close. If Escrow Agent is unable to simultaneously perform all of the instructions set forth above, Escrow Agent shall notify Buyer and Seller and retain all funds and documents pending receipt of further instructions jointly issued by Buyer and Seller. If all, and each and every one, of the terms and conditions of this Purchase Agreement are not met within their respective specified time periods, then the Buyer's deposit, if any, shall be immediately returned to Buyer, this Purchase Agreement and the Escrow shall terminate and neither party shall have any further rights or obligations to the other party, and the Escrow shall be cancelled, unless extended in writing by both Buyer and Seller.

(h) Cost Allocations. Escrow Agent shall allocate the following costs at the Close of Escrow:

(i) Seller shall pay:

(A) all charges in connection with removing any Disapproved Exceptions pursuant to Section 9(c), if applicable.

(B) the recording charges in connection with recordation of the Deed; provided, however, that the Deed is entitled to be recorded without a fee pursuant to Government Code Section 27383 because the Deed is for the benefit of a public agency;

(C) all governmental conveyancing fees and taxes due upon transfer of the Property, provided, however, that no documentary transfer tax will be payable with respect to this transaction, pursuant to Revenue and Taxation Code Section 11922;

(D) all charges in connection with issuance of the Title Policy in the amount of the Purchase Price;

(E) the escrow fee charged by Escrow Agent; and

(F) all settlement or transaction charges (above and beyond the actual cost of the Property) at the close of escrow; which may include closing costs, lender's fees and points or prepaid interest, transfer taxes, deed filing fees.

(ii) Taxes and Assessments. All non-delinquent real estate taxes, personal property taxes and current installments of assessments affecting the Property which are payable by Seller (if any) shall be prorated as of the Close of Escrow based on the actual current tax bill. All delinquent taxes and assessments, if any, affecting the Property which are payable by Seller shall be paid at the Close of Escrow from funds accruing to Seller. Any refunds of real estate taxes and assessments attributable to the period prior to the Close of Escrow shall be paid to Seller upon receipt, whether such receipt occurs before or after the Close of Escrow.

(i) Possession. Possession of the Property, together with any keys and/or combinations shall be delivered to Buyer at the Close of Escrow.

11. Damage and Destruction.

(a) If any portion of the Property is damaged by earthquake, mudslide, fire, or any other casualty (other than any damage caused by Buyer or its employees, agents, or contractors) prior to the Close of Escrow, such that the cost of fully repairing and correcting such damage is less than ten percent (10%) of the Purchase Price, Buyer and Seller shall consummate this Agreement, but the cash portion of the Purchase Price payable at the Close of Escrow shall be reduced by an amount necessary to fully repair or correct any damage to the Property.

(b) If after the Effective Date, but prior to the Close of Escrow, any portion of the Property is damaged by earthquake, mudslide, fire, or any other casualty, Seller shall have no obligation to repair or restore any such damage or destruction and Buyer shall proceed with the consummation of the transaction contemplated by this Agreement without any reduction in the Purchase Price, and Seller shall assign its rights to insurance proceeds, if any, to Buyer (and in such event, Seller shall not compromise, settle or adjust any claims without Buyer's consent).

Notwithstanding the foregoing, in the event Seller's licensed architect or general contractor estimates that the cost of fully repairing or correcting such damage ("Repair Estimate") exceeds ten percent (10%) of the Purchase Price, then Buyer may elect within ten (10) days to terminate this Agreement upon written notice to Seller; provided however, if Buyer timely delivers its termination notice as provided above, Seller shall have the right to nullify such termination notice by providing a credit against the Purchase Price at Close of Escrow in an amount equal to the uninsured amount set forth in the Repair Estimate. In the event this Agreement is terminated pursuant to this Section, the Escrow Deposit (minus any Escrow Agent or Title Company cancellation charges) shall be refunded to Buyer and neither party shall have any further obligations under this Agreement except as otherwise provided in this Agreement.

12. Condemnation.

(a) If after the Effective Date, but prior to the Close of Escrow, more than twenty-five percent (25%) of the Property is taken by condemnation or eminent domain by a third party, Buyer shall have the right to terminate this Agreement by giving written notice thereof to Seller within ten (10) business days after receiving notice of such condemnation. If Buyer fails to give written notice of termination to the Seller within said ten (10) business day period, or if the portion of a parcel so taken is twenty-five percent (25%) or less of such parcel, then this Agreement shall remain in full force and effect, Buyer and Seller shall close this transaction as provided herein without any reduction in the Purchase Price, and upon Close of Escrow, Seller shall assign and/or transfer to Buyer, effective on the Close of Escrow, all of Seller's right, title and interest to any award allocated to such Land taken. In such event, Seller shall not compromise, settle or adjust any claims without the prior written consent of Buyer, not to be unreasonably withheld. In the event this Agreement is terminated with respect the Property pursuant to this Section, the Escrow Deposit (minus any Escrow or Title Company's cancellation charges) shall be returned to Buyer and neither party hereto shall have any further obligation in connection with the portion of the Property for which this Agreement is terminated, except under those provisions that expressly survive a termination of this Agreement. To the maximum extent permitted by applicable law, Buyer waives any rights or remedies not set forth herein with respect to any right to terminate this Agreement in connection with any damage/destruction or condemnation.

13. Representations and Warranties.

(a) Seller represents and warrants to Buyer that as of the Effective Date and as of the Close of Escrow:

(i) Subject to obtaining Santa Paula City Council approval, Seller has full authority to enter into and perform this Agreement and the person or persons signing this Agreement and any documents executed pursuant hereto on Seller's behalf have full power and authority to bind Seller.

(ii) Notwithstanding any contrary provision of this Agreement, if during the pendency of this Agreement prior to the Close of Escrow, Seller discloses any matters which make any of Seller's representations and warranties untrue in any material respect or in the event that Buyer otherwise becomes aware during the pendency of this Agreement prior to Close of Escrow of any matters which make any of Seller's representations or warranties untrue in any

material respect, such representations and warranties shall be deemed modified to reflect such matters and Seller shall bear no liability for such matters, but Buyer shall have the right to elect in writing within five (5) business days after becoming aware of any such matter, but in no event later than the Close of Escrow, (a) to terminate this Agreement (in which event the Escrow Deposit, minus Escrow Agent's and the Title Company's cancellation fees, shall be returned to Buyer), or (b) to waive such matter and complete the purchase of the Property without reduction of the Purchase Price in accordance with the terms of this Agreement (and any failure to give notice under clause (a) shall be deemed to constitute such a waiver). Seller's representations and warranties contained in this Section shall not survive the Close of Escrow and shall merge with the recordation of the Deed. Notwithstanding the foregoing, if Buyer acquires the Property with actual knowledge of an untrue or incorrect representation or warranty, then upon the Close of Escrow, Buyer shall be deemed to have fully and unconditionally waived and released any and all Claims whatsoever with respect to such untrue or incorrect representation or warranty. The provisions of the preceding sentence shall survive Close of Escrow or any termination of this Agreement.

(b) Covenants, Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as of the Effective Date and the Close of Escrow that:

(i) Buyer is duly organized and validly existing under the laws of the State of California, has full authority to enter into and perform this Agreement and the person or persons signing this Agreement and any documents executed pursuant hereto on Buyer's behalf have full power and authority to bind Buyer. The execution, delivery and performance of this Agreement do not, and the consummation of the transaction contemplated hereby will not, violate the organizational documents, or other agreements made by or binding upon, Buyer.

(ii) Buyer has not filed and has not been the subject of any filing of a petition under the federal bankruptcy law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors.

(iii) Buyer agrees that during the term of this Agreement and after the Closing Date, Buyer will receive no reimbursement for property or sales taxes received by Seller unless otherwise agreed to by Seller.

(iv) The covenant in Section 13 (b)(iii) of this Agreement shall survive the Close of Escrow and shall not be merged with the recordation of the Deed. All of the other representations and covenants of Buyer set forth in this Section 13(b). shall not survive the Close of Escrow and shall be merged with the recordation of the Deed.

14. AS-IS; RELEASE. AS AN ESSENTIAL INDUCEMENT TO SELLER TO ENTER INTO THIS AGREEMENT, AND AS PART OF THE DETERMINATION OF THE PURCHASE PRICE, BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES AS OF THE EFFECTIVE DATE AND AS OF THE CLOSE OF ESCROW TO THE PROVISIONS SET FORTH BELOW.

(a) AS-IS, WHERE-IS. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, BUYER ACKNOWLEDGES AND AGREES THAT (A) THE SALE OF

THE PROPERTY HEREUNDER IS AND WILL BE MADE ON AN "AS IS, WHERE IS, WITH ALL FAULTS" BASIS, WITH BUYER ASSUMING THE PROPERTY IN SUCH CONDITION AND AGREEING THAT SELLER SHALL NOT HAVE ANY RESPONSIBILITY FOR THE CONDITION OF THE PROPERTY (OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE REPAIR OF ANY PORTION OF THE PROPERTY AND/OR FOR THE CONSTRUCTION OF ANY IMPROVEMENTS), (B) SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY OTHER MATTER WHATSOEVER (INCLUDING, WITHOUT LIMITATION ANY REPRESENTATIONS OR WARRANTIES REGARDING ANY HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE PROPERTY OR THE CONSTRUCTION OF ANY IMPROVEMENTS), (C) BUYER HAS CONFIRMED INDEPENDENTLY ALL INFORMATION THAT IT CONSIDERS MATERIAL TO ITS PURCHASE OF THE PROPERTY OR THE TRANSACTION CONTEMPLATED HEREBY (INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE REAL PROPERTY AND TITLE TO THE PROPERTY), (D) BUYER IS A SOPHISTICATED BUYER AND ACKNOWLEDGES THAT TO THE FULLEST EXTENT AT LAW, SELLER SHALL NOT BE RESPONSIBLE FOR ANY MATTERS AFFECTING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY REMEDIATION OF ANY HAZARDOUS MATERIALS OR CONSTRUCTION OF ANY IMPROVEMENTS OR OTHERWISE WITH RESPECT TO THE PROPERTY, AND (E) ANY INFORMATION PROVIDED WITH RESPECT TO THE PROPERTY IS SOLELY FOR BUYER'S CONVENIENCE AND SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF THE SAME. AS USED HEREIN, "HAZARDOUS MATERIALS" MEANS ANY HAZARDOUS, TOXIC OR DANGEROUS WASTE, SUBSTANCE OR MATERIAL, POLLUTANT OR CONTAMINANT, AS DEFINED FOR PURPOSES OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980 (42 U.S.C. SECTION 9601 ET SEQ.), AS AMENDED, OR THE RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C. SECTION 6901 ET SEQ.), AS AMENDED, OR ANY OTHER LAWS, OR ANY SUBSTANCE WHICH IS TOXIC, EXPLOSIVE, CORROSIVE, FLAMMABLE, INFECTIOUS, RADIOACTIVE, CARCINOGENIC, MUTAGENIC, OR OTHERWISE HAZARDOUS, OR ANY SUBSTANCE WHICH CONTAINS GASOLINE, DIESEL FUEL OR OTHER PETROLEUM HYDROCARBONS, POLYCHLORINATED BIPHENYLS (PCBS), OR RADON GAS, UREA FORMALDEHYDE, ASBESTOS OR LEAD.

(b) RELEASE. AS A MATERIAL PART OF THE CONSIDERATION TO SELLER FOR THE SALE OF THE PROPERTY, AS OF THE CLOSE OF ESCROW, BUYER WAIVES, RELEASES, AND ACQUITS AND SHALL DEFEND SELLER AND SELLER'S ELECTED AND APPOINTED OFFICIALS, COUNCILS, BOARDS, COMMISSIONS, PARTNERS, AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, ATTORNEYS, AND THEIR RESPECTIVE COUNCILS, BOARDS, COMMISSIONS, DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, AGENTS AND ATTORNEYS (COLLECTIVELY "SELLER'S PARTIES") FROM ANY AND ALL LOSSES, COSTS,

CLAIMS, LIABILITIES, EXPENSES, CAUSES OF ACTION, DEMANDS, FEES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES) AND OBLIGATIONS (COLLECTIVELY, "CLAIMS"), WHETHER OR NOT LATENT, KNOWN AND UNKNOWN, FORESEEN AND UNFORESEEN AND WHETHER OR NOT NOW ACCRUED, INCLUDING, WITHOUT LIMITATION, ANY RIGHTS TO, OR CLAIM FOR, CONTRIBUTIONS OR INDEMNITY THAT ARE BASED DIRECTLY OR INDIRECTLY ON, ARISE FROM OR IN CONNECTION WITH, OR ARE RELATED TO (IN ANY WAY) (A) ANY PAST, PRESENT OR FUTURE CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE PRESENCE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE PROPERTY OR THE CONSTRUCTION OF ANY IMPROVEMENTS), (B) ANY AND ALL STATEMENTS, REPRESENTATIONS, WARRANTIES, DETERMINATIONS, CONCLUSIONS, ASSESSMENTS, ASSERTIONS OR ANY OTHER INFORMATION CONTAINED IN ANY OF THE MATERIAL PROVIDED BY SELLER OR SELLER'S PARTIES, (C) ANY DEFECT, INACCURACY OR INADEQUACY IN TITLE OF THE PROPERTY OR THE CONSTRUCTION OF ANY IMPROVEMENTS, AND (D) THE PROPERTY OR THE USE OR OPERATION THEREOF. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT (I) BUYER MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM, OR IN ADDITION TO, THOSE NOW OR AS OF THE CLOSE OF ESCROW KNOWN OR BELIEVED TO BE TRUE REGARDING THE PROPERTY AND/OR MATERIAL PROVIDED BY SELLER OR SELLER'S PARTIES, AND SELLER SHALL HAVE NO LIABILITY IN CONNECTION THEREWITH (BUYER HEREBY BEING SOLELY RESPONSIBLE FOR THE SAME), AND (II) BUYER'S AGREEMENT TO RELEASE, ACQUIT AND DISCHARGE SELLER AND SELLER'S PARTIES AS SET FORTH HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT, NOTWITHSTANDING THE EXISTENCE OR DISCOVERY OF ANY SUCH DIFFERENT OR ADDITIONAL FACTS.

WITH RESPECT TO THE RELEASES AND WAIVERS SET FORTH IN THIS SECTION, AS OF THE CLOSE OF ESCROW, BUYER EXPRESSLY WAIVES THE BENEFITS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BUYER HAS BEEN ADVISED BY ITS LEGAL COUNSEL AND UNDERSTANDS THE SIGNIFICANCE OF THIS WAIVER OF SECTION 1542 RELATING TO UNKNOWN, UNSUSPECTED AND CONCEALED CLAIMS. BY ITS INITIALS BELOW, BUYER ACKNOWLEDGES THAT IT FULLY UNDERSTANDS, APPRECIATES AND ACCEPTS ALL OF THE TERMS OF THIS SECTION.

_____ BUYER'S INITIALS

THE FOREGOING RELEASE SHALL IN NO EVENT OPERATE TO RELEASE SELLER FOR SELLER'S FRAUD OR ANY BREACH OF SELLER'S REPRESENTATIONS AND WARRANTIES OF THIS AGREEMENT.

(c) Indemnity. Buyer agrees to indemnify, defend and hold harmless Seller and all Seller's Parties and each of them, from and against any and all Claims directly or indirectly related to, or in any way arising out of the this Agreement, Buyer's activities in entering onto, acquiring, using or developing the Property, including without limitation, (i) any of Buyer's activities on the Property (or the activities of Buyer's agents, employees, lessees, representatives, licensees, guests, invitees, contractors, subcontractors or independent contractors on the Property), including, without limitation, any construction on the Property, (ii) any claim that this Agreement or any of Buyer's actions pursuant to or in implementation hereof violates any law, writ, injunction, order, decree, ruling, conditions of approval or authorization of any governmental entity, agency or political subdivision, now in force or which may hereafter be in force, (iii) any aspect of the Property, or the ownership, operation or use thereof, which arises following Seller's conveyance of all of its interest in the Property to Buyer, and/or (iv) any challenge brought under any Environmental Laws. This Section shall be enforceable to the greatest extent allowed by law. Upon receipt of a claim, Buyer shall promptly provide notice and undertake the defense of the claim with counsel of Seller's choosing. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by Seller against Buyer under this indemnity.

(d) Survival. This Section shall survive the termination of this Agreement and the Close of Escrow.

(e) For purposes of this Agreement, "Environmental Laws" means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as defined subsequently in this Agreement), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now in effect, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) and the Superfund Amendments and Reauthorization Act of 1986 (SARA) [42 U.S.C.A. §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) and the Solid Waste Disposal Act [42 U.S.C.A. §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 U.S.C.A. §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 U.S.C.A. §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 U.S.C.A. §§ 1801 et seq.]; the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) [7 U.S.C.A. §§ 136 et seq.]; the Clean Air Act (CAA) [42 U.S.C.A. §§ 7401 et seq.]; the Safe Drinking Water Act (SDWA) [42 U.S.C.A. §§ 300f et seq.]; the Surface Mining Control and Reclamation Act of 1977 (SMCRA) [30 U.S.C.A. §§ 1201 et seq.]; the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA or EPCRTKA) [42 U.S.C.A. §§ 11001 et seq.]; the Occupational Safety and Health Act of 1970 (OSHA) [29 U.S.C.A. §§ 655, 657]; the California laws regarding the underground storage of hazardous substances [H & S C §§ 25280 et seq.]; the Hazardous Substance Account Act [H & S C §§ 25300 et seq.]; the California laws regarding hazardous waste control [H & S C §§ 25100 et seq.]; the Safe Drinking Water and Toxic Enforcement Act of 1986 [H & S C §§ 25249.5 et seq.]; the Porter-Cologne Water Quality Control Act [Wat C §§ 13000 et seq.], and any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect that pertains to

occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

15. Default; Remedies.

(a) Default by Seller. In the event the Close of Escrow fails to occur due to a default by Seller hereunder (and provided that all conditions precedent to Seller's obligations have been satisfied), Buyer's sole and exclusive remedy shall be to either (a) terminate this Agreement and obtain the return of the Escrow Deposit, or (b) bring an action for specific performance, provided that such action is commenced within sixty (60) days after Seller's alleged default and as a condition precedent to any such action, and Buyer must comply with all requirements at law for purposes of bringing an action for specific performance. Buyer waives its right to bring any action for damages against Seller. This provision shall survive the termination of this Agreement.

(b) Default by Buyer. In the event the Close of Escrow fails to occur due to a default by Buyer hereunder (and provided that all conditions precedent to Buyer's obligations have been satisfied or waived), Seller's sole and exclusive remedy shall be to either (a) terminate this Agreement and commence an action for actual damages, provided that Buyer's liability in connection with such action shall not exceed the amount of the Escrow Deposit (and provided further that such limitation shall not apply to any indemnification claims or to the extent of any fraud by Buyer), or (b) bring an action for specific performance, provided that such action is commenced within sixty (60) days after the later of (i) the scheduled Closing Date, or (ii) Buyer's alleged default.

16. Limit on Liability. Notwithstanding anything to the contrary contained herein: (a) the liability of Seller under this Agreement and any documents executed in connection herewith shall not exceed, in the aggregate, an amount equal to the Escrow Deposit, and (b) no Seller Parties shall be personally liable for the performance of Seller's obligations under this Agreement.

17. Brokers. Each party represents and warrants to the other that it has not dealt with any real estate broker, agent or finder in connection with this transaction. Buyer agrees to indemnify and hold Seller harmless from and against any and all Claims arising out of any claim to a commission or fee by any party claiming by or through Buyer. Seller agrees to indemnify and hold Buyer harmless from and against any and all Claims arising out of any claim to a commission or fee by any party claiming by or through Seller. This provision shall survive the termination of this Agreement and the Close of Escrow.

18. Assignment. Buyer shall not assign or transfer its rights or obligations under this Agreement either directly or indirectly (whether by outright transfer, transfer of ownership interests or otherwise) without the prior written consent of Seller, which may be given or withheld in its sole and absolute discretion.

19. Notices. As used in this Agreement, notice includes but is not limited to, the communication of any notice, request, demand, approval, statement, report, acceptance, consent, waiver and appointment. All notices must be in writing. Notice is given either (i) when delivered

in person to the person or company intended named below, (ii) when delivered via facsimile with confirmation from the receiving party via return fax; or (iii) when sent via reputable overnight courier (such as Federal Express), addressed by name and addressed to the party or persons intended, as follows:

To Seller:	City of Santa Paula P.O. Box 569 Santa Paula, CA 93061 Attention: City Manager Phone: (805) 933-4201
With copy to:	Best Best & Krieger LLP 300 S. Grand Ave #25 Los Angeles, CA 90071 Attention: Monica Castillo Phone: (909) 483-6657
To Buyer:	Cedro Construction Inc. 120 East Santa Maria Street Santa Paula, CA 93060 Attention: Andy Cedro Phone: (805) 525-0599

until such time as a party gives notice of the change of address in accordance with the terms of this Section.

20. Entire Agreement. This Agreement and the documents referenced herein contain the entire agreement between the parties to this Agreement and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.

21. Severability. If any part, term, portion, or provision of this Agreement is decided finally to be in conflict with any law of the United States or the State of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the Parties intended to enter into in the first instance and not change any material term of this Agreement.

22. Waivers. A waiver or breach of covenant or provision in this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act.

23. Construction. The Section headings and captions of this Agreement are, and the arrangement of this instrument is, for the sole convenience of the parties to this Agreement. The

Section headings, captions, and arrangement of this instrument do not in any way affect, limit, amplify, or modify the terms and provisions of this Agreement. The singular form shall include plural, and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to Sections are to this Agreement. All exhibits referred to in this Agreement are attached to it and incorporated in it by this reference.

24. Counterparts. This Agreement may be executed in one or more counterparts. Each shall be deemed an original and all, taken together, shall constitute one and the same instrument.

25. No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties hereto, to any person or entity other than the parties hereto.

26. Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

27. Time of the Essence. Time is of the essence in this Agreement.

28. Successors. This Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors, and assigns.

29. Governing Law and Venue. This Agreement and any dispute arising hereunder shall be governed by California law. Each party hereby consents to the exclusive jurisdiction of the state and federal courts sitting in the County of Ventura, State of California, in any action on a claim arising out of, under or in connection with this Agreement or the transactions contemplated by this Agreement. BUYER HEREBY ACKNOWLEDGES THAT THE FOREGOING VENUE PROVISIONS HAVE BEEN CHOSEN AS THE APPROPRIATE AND CONVENIENT FORUM FOR ANY SUCH ACTION AND WAIVES ANY RIGHT TO OBJECT TO JURISDICTION ON THE BASIS OF LACK OF PERSONAL JURISDICTION OR FORUM NON CONVENIENS.

30. Survival. All representations, warranties, covenants and indemnity obligations of the parties shall survive the Close of Escrow.

31. Cooperation. Buyer and Seller shall cooperate in good faith and execute such additional documents as may reasonably be requested to carry out the purpose and intent of this Agreement.

[*Signatures on Next Page*]

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement to be effective on and as of the Effective Date set forth in the preamble to this Agreement.

SELLER: **CITY OF SANTA PAULA, a municipal corporation and general law city** **By:** _____ **Dan Singer** **City Manager**	**BUYER:** **CEDRO CONSTRUCTION INC., a California Corporation** **By:** _____ **Andy Cedro** **President**
Approved as to Form: **Best Best & Krieger LLP** **By:** _____ **Monica Castillo** **City Attorney**	

EXHIBIT A
LEGAL DESCRIPTION

A LOT IDENTIFIED WITHIN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AS SHOWN BY MAP ON FILE LOTS 74 AND 75 IN BOOK 104, PAGE 65, PARCEL 18; INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER IN SAID COUNTY.

ASSESSORS PARCEL NUMBERS: **104-0-065-18**


SR 126
Santa Maria Street
APN: 104006518
View Assessor Map
Owner Name: SANTA PAULA CITY OF
Situs Address:
Acreage: .43
Document Number: 000000000
Document Date:
Tract Number:
Zoning:
Year Built:
Zoom to
N

104-06
Tax Rate Area
04001
04024
CITY OF SANTA PAULA
Ventura County Assessor's Map.
RANCHO SANTA PAULA Y SATICOY
PORTION LOTS 29 & 30
SANTA MONICA ST.
SANTA MARIA ST.
SOUTH OLIVE ST.
(BARKLA STREET) AV.
PALM ST.
SANTA PAULA FREEWAY
STATE HWY 126
SANTA CRUZ ST.
065
061
Bk 103
Bk 105
Baxter's Tract No.5, R.S. Bk.3, Pg.84
Santa Paula Home Gardens, L.S. Bk.3, Pg.22
V.C.O.M., Vol.1, Pg.31 & 49

EXHIBIT B

FORM OF GRANT DEED

Recorded at request of and return to:

Cedro Construction Inc.
120 East Santa Maria Street
Santa Paula, CA 93060
Attention: Andy Cedro

FREE RECORDING
This instrument is for the benefit of the City of Santa Paula, and is entitled to be recorded without fee. (Govt. Code 27383)

(Space above this line reserved for Recorder's use)

APNS: **104-0-065-18**

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF SANTA PAULA, a municipal corporation and general law city, ("Grantor"), hereby GRANTS to CEDRO CONSTRUCTION, INC, a California corporation ("Grantee"), fee simple title to the real property in the County of Ventura, State of California, described in Exhibit "A" attached hereto and made a part hereof, together with all rights and easements appurtenant thereto including all water rights, mineral rights, all plans and specifications relating to the present or planned construction of improvements on the real property, all governmental permits or licenses, utility contracts, and other intangible property (if any) now or in the future owned by seller in connection with the ownership and development of the Property, and all of Seller's rights in and to any fees paid to any governmental agency or utility.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the___day of _____, 2024.

GRANTOR:

CITY OF SANTA PAULA

By:_____
Dan Singer,
City Manager

EXHIBIT ONLY – DO NOT SIGN
INSERT EXHIBIT "A"
ATTACH NOTARY ACKNOWLEDGEMENT

CERTIFICATE OF ACCEPTANCE

This is to certify that the real property conveyed by the **CITY OF SANTA PAULA**, on the Grant Deed dated _____, 2024 to **CEDRO CONSTRUCTION, INC.**(Grantee), is hereby accepted by the undersigned officer on behalf of the Grantee, pursuant to authority conferred by the Board of Directors, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2024

GRANTEE:

CEDRO CONSTRUCTION, INC.

By:_____
Andy Cedro, President

Santa Paula Materials, Inc.

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY WITH ESCROW INSTRUCTIONS

THIS AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY WITH ESCROW INSTRUCTIONS ("Agreement") is entered into as of the ____day of _____**2024** ("Effective Date") between the CITY OF SANTA PAULA, a municipal corporation and general law city ("Seller"), and SANTA PAULA MATERIALS INC., a California corporation, or affiliate. ("Buyer").

RECITALS

A. Seller is the owner of approximately 7,654 square feet of real property located between S. Palm Avenue and the S. Olive Street cul-de-sac which is the terminus of the improved portion of the street in Santa Paula, CA, Assessor's Parcel Numbers**: 104-0-193-055 AND 104-0-193-095** ("Property"), more particularly described in the Legal Description attached hereto and incorporated herewith as **Exhibit A**.

B. Buyer desires to purchase the Property to utilize the Property for a vehicle storage yard related to a towing operation and Seller desires to sell the Property, on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the above Recitals, which are incorporated into this Agreement, the mutual promises set forth herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Seller and Buyer hereby agree as follows:

1. Incorporation of Recitals. The above Recitals constitute part of this Agreement and each party shall be entitled to rely on the truth and accuracy of same. The terms set forth above in the Recitals are hereby incorporated.

2. Purchase and Sale. Seller agrees to sell and Buyer agrees to purchase the Property subject to the terms and conditions in this Agreement.

3. Purchase Price. The purchase price for the Property shall be EIGHTY-EIGHT THOUSAND DOLLARS ($88,000.00) ("Purchase Price"). On or before 10:00 a.m. Pacific Time on the morning of the Closing Date, Buyer shall deposit with Escrow Agent the full amount of the Purchase Price in cash or in immediately available funds.

4. Escrow. Within two (2) business days after the Effective Date, Buyer and Seller shall open an escrow ("Escrow") with a reputable title company chosen by Seller (the "Escrow Agent"), subject to the provisions of the standard conditions for acceptance of escrow and the terms and conditions in this Agreement, with a signed counterpart of this Agreement to be delivered as escrow instructions to Escrow Agent. In the event of any conflict between the terms of this Agreement and the standard conditions for acceptance of escrow, the terms of this Agreement shall control.

(a) Escrow Deposit. Within two (2) business days after the Effective Date of this Agreement, the Buyer shall deposit with Escrow Agent an aggregate amount under this Agreement equal to Eight Thousand Eight Hundred Dollars ($8,800.00) ("Escrow Deposit"). The Escrow Deposit shall be in the form of immediately available funds by wire transfer to an account at the Escrow Agent's office. Unless Buyer terminates this Agreement prior to the expiration of the Inspection Deadline as provided herein, the Escrow Deposit shall be immediately non-refundable to Buyer. The Escrow Deposit shall be applied against the Purchase Price at Close of Escrow in accordance with the terms and provisions of this Agreement. Notwithstanding anything herein to the contrary, the Parties acknowledge that Two Hundred Dollars ($200.00) of the Escrow Deposit shall be retained by Seller as independent consideration for Seller entering into this Agreement and the rights and privileges extended to Buyer as provided herein.

(b) Close of Escrow Payment. The Purchase Price, as adjusted by the application of the Escrow Deposit and by the prorations and credits specified herein, shall be paid by wire transfer of immediately available funds through the Escrow as of the Close of Escrow ("Closing Payment").

5. Inspection Deadline and Environmental Review. The Inspection Deadline is 5:00 p.m. Pacific Time on the date that is ten (10) days after the Effective Date. Buyer shall have until the Inspection Deadline to obtain a phase I environmental report for the Property, to determine whether there are any Hazardous Materials (as defined below) in condition or amount that would require remediation under applicable laws that would impose an impediment to any proposed future development and to determine whether or not the environmental condition of the Property is satisfactory to Buyer, in its sole and absolute discretion. If on or before the Inspection Deadline, Buyer determines that it is not satisfied with the environmental condition of the Property, then Buyer shall promptly (but in all events prior to the Inspection Deadline) deliver a Termination Notice to Seller and Escrow Agent. If Buyer fails to deliver a Termination Notice prior to the Inspection Deadline, Buyer shall be deemed to have agreed that all environmental matters and conditions are acceptable to Buyer and Buyer intends to proceed with the acquisition of the Property (and that Buyer shall have no further right to terminate this Agreement pursuant to this Section).

6. Conditions to Buyer's Performance. The performance and observance, in all material respects, by Buyer of all covenants in this Agreement to be performed or observed by Buyer prior to or on the Closing Date shall be a condition precedent to Seller's obligation to sell the Property pursuant to this Agreement. Additionally, as a condition to Seller's obligation to close, all of Buyer's representations and warranties stated herein shall be true and correct in all material respects as of the Closing Date.

7. Conditions to Seller's Performance. The performance and observance, in all material respects, by Seller of all covenants in this Agreement to be performed or observed by Seller prior to or on the Closing Date shall be a condition precedent to Buyer's obligation to purchase the Property pursuant to this Agreement. Additionally, as a condition to Buyer's obligation to close, all of Seller's representations and warranties stated herein shall be true and correct in all material respects as of the Closing Date.

8. Access. Access to the Property prior to the Inspection Deadline shall be given to Buyer, its agents, employees, and contractors during normal business hours upon at least one (1) business days' notice to Seller, at Buyer's own cost and risk, for all purposes, including, but not limited to, inspecting the Property, taking samples of the soil, and conducting an environmental investigation (including an investigation of past and current uses of the Property). Buyer shall indemnify and defend Seller against and hold Seller harmless from all losses, costs, damages, liabilities, and expenses, including, without limitation, reasonable attorney fees arising out of Buyer's entry onto the Property or any activity thereon by Buyer or its agents, employees, or contractors prior to the Close of Escrow except to the extent any such losses, costs, damages, liabilities, and expenses arise out of the gross negligence or willful acts of Seller. The provisions of this Section shall survive the Close of Escrow.

9. Title.

(a) Within five (5) days following the Effective Date, Buyer shall cause Escrow Agent to issue to Buyer (with a copy to Seller) a preliminary report for an ALTA Standard Policy of Title Insurance for the Property, or at Buyer's Option, and Extended Coverage Policy, setting forth all liens, encumbrances, easements, restrictions, conditions, pending litigation, judgments, administrative proceedings, and other matters of record affecting Seller's title to the Property ("Preliminary Report"), together with copies of all documents relating to title exceptions referred to in the Preliminary Report.

(b) Buyer shall approve or disapprove, in writing to Seller with a copy to Escrow Agent, each exception shown on the Preliminary Report and each encroachment, overlap, or boundary line dispute, or any other matter shown on the Preliminary Report that materially and adversely affects title to the Property or that violates any law, rule, or regulation (each an "Exception") within five (5) days following receipt of the Preliminary Report ("Review Period"). Buyer's failure to approve or disapprove within the Review Period shall be deemed to be an approval of the Exceptions. The Exceptions approved by Buyer hereunder shall be referred to as the "Approved Exceptions." Buyer shall not have any right to disapprove of any real estate taxes or assessments not yet due and payable (prorated as provided herein) or any matters which are Buyer's obligations under this Agreement.

(c) If Buyer timely delivers written notice that any Exception is disapproved (each a "Disapproved Exception"), Seller shall have the right, but not the obligation, within five (5) days of receipt of the Disapproved Exception to advise Buyer in writing that Seller shall either (a) cause (i) such Exception to be satisfied or discharged on or before the Close of Escrow, or (ii) Title Company to issue an endorsement affirmatively insuring against such Exception in a manner acceptable to Buyer in its sole discretion, at Seller's sole cost and expense, or (b) be unable or unwilling to remove, discharge, or endorse (Seller's failure to notify Buyer being Seller's election to proceed as provided in clause (b) above), in which case Buyer will have until the Inspection Deadline to elect to (x) proceed with the purchase of the Property subject to such Disapproved Exception or (y) cancel this Agreement by delivering written notice of subject election to terminate ("Termination Notice") to Seller and Escrow Agent, in which case the Escrow Deposit (minus Escrow Agent's and the Title Company's cancellation fees) shall be returned to Buyer, and neither party shall have any further rights or liabilities hereunder, except for those provisions which expressly survive the termination of this Agreement. Buyer's failure

to notify Seller and Escrow Agent of its election between (x) and (y) in the immediately preceding sentence shall be deemed to be Buyer's election to proceed as provided in (x). In the event Seller determines at any time that it is unable or unwilling to remove any one or more of disapproved title or survey matters, Seller may give written notice to Buyer to such effect and Buyer may, at its option, terminate this Agreement upon delivering a Termination Notice to Seller and Escrow Agent, but only if given prior to the sooner to occur of the Closing Date or five (5) days after Buyer receives Seller's notice, in which case the Escrow Deposit (minus Escrow Agent's and the Title Company's cancellation fees) shall be returned to Buyer. If Buyer fails to give notice of Buyer's disapproval by such date, Buyer shall be deemed to have approved such matters. It is understood that Buyer may request a number of endorsements to the Title Policies (as defined below) and/or extended ALTA coverage; however, Buyer shall satisfy itself prior to the Title Notice Date that the Title Company will be willing to issue any extended ALTA coverage and any such endorsements in connection with the Title Policies and failure to deliver a Termination Notice by the Title Notice Date shall be deemed a waiver of any objections to title and survey, approval of all matters pertaining to title and survey, including, without limitation, the forms of the Title Policies and the availability of any endorsements.

10. Close of Escrow.

(a) Title. Simultaneously, with the Close of Escrow, Escrow Agent shall issue an ALTA Standard Policy of Title Insurance (formerly referred to as a CLTA Title Policy), or at Buyer's Option, and Extended Coverage Policy, ("Title Policy") in the amount of the Purchase Price, subject only to Approved Exceptions.

(b) Seller's Deposits into Escrow. Seller shall deposit with Escrow Agent on or prior to the Close of Escrow the following documents:

(i) a grant deed in the form attached hereto as **Exhibit B** executed and acknowledged by Seller, conveying to Buyer good and marketable fee simple title to the Property, subject only to the Approved Exceptions ("Deed");

(ii) Seller's affidavit of non-foreign status as contemplated by Section 1445 of the Internal Revenue Code of 1986, as amended ("FIRPTA Affidavit");

(iii) California Franchise Tax Board Form 593-C regarding the withholding of California taxes on the sale of California real estate ("Withholding Affidavit");

(iv) Seller's approval of the draft of Escrow Agent's closing statement.

(v) Assignment of the specified Leases and Tenant estoppel certificates, if applicable.

(c) Buyer's Deposits into Escrow. Buyer shall deposit with Escrow Agent, the balance of the Purchase Price in accordance with Section 4, Buyer's approval of the draft of Escrow Agent's closing statement; and such additional documents as may be reasonably required by the Title Company or Seller in or to consummate the transactions hereunder (provided the same do not increase in any material respect the costs to, or liability or obligations of, Buyer in a manner not otherwise provided for herein).

(d) Closing Date. The conveyance of the Property to Buyer and the closing of this transaction ("Close of Escrow") shall take place within five (5) business days of the satisfaction of the conditions set forth in Section 6 and Section 7, provided, however, that in no event shall the Close of Escrow occur later than **December 1, 2024** ("Closing Date"), except as otherwise agreed by Buyer and Seller in writing. Either Buyer or Seller shall have the right to terminate Escrow and this Agreement if the conditions set forth in Section 6 (for Buyer) or Section 7 (for Seller), respectively, have not been satisfied as of the Closing Date.

(e) Closing Statement. No more than two days prior to the Closing Date, Escrow Agent shall deliver to Buyer and to Seller, for their respective approvals, drafts of Escrow Agent's closing statement showing all receipts and disbursements of the Escrow.

(f) Closing Instructions. On the Closing Date (or any extension thereof), Escrow Agent shall close Escrow as follows:

(i) record the Deed (marked for return to Buyer) with the Ventura County Recorder;

(ii) issue the Title Policy;

(iii) prorate taxes, assessments, rents, and other charges;

(iv) disburse to Seller the Purchase Price less prorated amounts and charges to be paid by, retained for, or on behalf of Seller;

(v) charge Buyer for those costs and expenses to be paid by Buyer pursuant to this Agreement and disburse any net funds remaining after the preceding disbursements to Buyer;

(vi) prepare and deliver to both Buyer and Seller one signed copy of Escrow Agent's closing statement showing all receipts and disbursements of the Escrow;

(vii) deliver to Buyer an Assignment (if any) of the Leases, the FIRPTA Affidavit, and the Withholding Affidavit and withhold from the Purchase Price a sufficient amount necessary to comply with any federal or State withholding requirements.

(g) Failure to Close. If Escrow Agent is unable to simultaneously perform all of the instructions set forth above, Escrow Agent shall notify Buyer and Seller and retain all funds and documents pending receipt of further instructions jointly issued by Buyer and Seller. If all, and each and every one, of the terms and conditions of this Purchase Agreement are not met within their respective specified time periods, then the Buyer's deposit, if any, shall be immediately returned to Buyer, this Purchase Agreement and the Escrow shall terminate and neither party shall have any further rights or obligations to the other party, and the Escrow shall be cancelled, unless extended in writing by both Buyer and Seller.

(h) Cost Allocations. Escrow Agent shall allocate the following costs at the Close of Escrow:

(i) Seller shall pay:

(A) all charges in connection with removing any Disapproved Exceptions pursuant to Section 9(c), if applicable.

(ii) Buyer shall pay:

(A) the recording charges in connection with recordation of the Deed; provided, however, that the Deed is entitled to be recorded without a fee pursuant to Government Code Section 27383 because the Deed is for the benefit of a public agency;

(B) all governmental conveyancing fees and taxes due upon transfer of the Property, provided, however, that no documentary transfer tax will be payable with respect to this transaction, pursuant to Revenue and Taxation Code Section 11922;

(C) all charges in connection with issuance of the Title Policy in the amount of the Purchase Price; and

(D) the escrow fee charged by Escrow Agent.

(E) all settlement or transaction charges (above and beyond the actual cost of the Property) at the close of escrow; which may include closing costs, lender's fees and points or prepaid interest, transfer taxes, deed filing fees,

(iii) Taxes and Assessments. All non-delinquent real estate taxes, personal property taxes and current installments of assessments affecting the Property which are payable by Seller (if any) shall be prorated as of the Close of Escrow based on the actual current tax bill. All delinquent taxes and assessments, if any, affecting the Property which are payable by Seller shall be paid at the Close of Escrow from funds accruing to Seller. Any refunds of real estate taxes and assessments attributable to the period prior to the Close of Escrow shall be paid to Seller upon receipt, whether such receipt occurs before or after the Close of Escrow.

(i) Possession. Possession of the Property, together with any keys and/or combinations shall be delivered to Buyer at the Close of Escrow.

11. Damage and Destruction.

(a) If any portion of the Property is damaged by earthquake, mudslide, fire, , or any other casualty (other than any damage caused by Buyer or its employees, agents, or contractors) prior to the Close of Escrow, such that the cost of fully repairing and correcting such damage is less than ten percent (10%) of the Purchase Price, Buyer and Seller shall consummate this Agreement, but the cash portion of the Purchase Price payable at the Close of Escrow shall be reduced by an amount necessary to fully repair or correct any damage to the Property.

(b) If after the Effective Date, but prior to the Close of Escrow, any portion of the Property is damaged by earthquake, mudslide, fire, or any other casualty, Seller shall have no obligation to repair or restore any such damage or destruction and Buyer shall proceed with the consummation of the transaction contemplated by this Agreement without any reduction in

the Purchase Price, and Seller shall assign its rights to insurance proceeds, if any, to Buyer (and in such event, Seller shall not compromise, settle or adjust any claims without Buyer's consent). Notwithstanding the foregoing, in the event Seller's licensed architect or general contractor estimates that the cost of fully repairing or correcting such damage ("Repair Estimate") exceeds ten percent (10%) of the Purchase Price, then Buyer may elect within ten (10) days to terminate this Agreement upon written notice to Seller; provided however, if Buyer timely delivers its termination notice as provided above, Seller shall have the right to nullify such termination notice by providing a credit against the Purchase Price at Close of Escrow in an amount equal to the uninsured amount set forth in the Repair Estimate. In the event this Agreement is terminated pursuant to this Section, the Escrow Deposit (minus any Escrow Agent or Title Company cancellation charges) shall be refunded to Buyer and neither party shall have any further obligations under this Agreement except as otherwise provided in this Agreement.

12. Condemnation.

(a) If after the Effective Date, but prior to the Close of Escrow, more than twenty-five percent (25%) of the Property is taken by condemnation or eminent domain by a third party, Buyer shall have the right to terminate this Agreement by giving written notice thereof to Seller within ten (10) business days after receiving notice of such condemnation. If Buyer fails to give written notice of termination to the Seller within said ten (10) business day period, or if the portion of a parcel so taken is twenty-five percent (25%) or less of such parcel, then this Agreement shall remain in full force and effect, Buyer and Seller shall close this transaction as provided herein without any reduction in the Purchase Price, and upon Close of Escrow, Seller shall assign and/or transfer to Buyer, effective on the Close of Escrow, all of Seller's right, title and interest to any award allocated to such Land taken. In such event, Seller shall not compromise, settle or adjust any claims without the prior written consent of Buyer, not to be unreasonably withheld. In the event this Agreement is terminated with respect the Property pursuant to this Section, the Escrow Deposit (minus any Escrow or Title Company's cancellation charges) shall be returned to Buyer and neither party hereto shall have any further obligation in connection with the portion of the Property for which this Agreement is terminated, except under those provisions that expressly survive a termination of this Agreement. To the maximum extent permitted by applicable law, Buyer waives any rights or remedies not set forth herein with respect to any right to terminate this Agreement in connection with any damage/destruction or condemnation.

13. Representations and Warranties.

(a) Seller represents and warrants to Buyer that as of the Effective Date and as of the Close of Escrow:

(i) Subject to obtaining Santa Paula City Council approval, Seller has full authority to enter into and perform this Agreement and the person or persons signing this Agreement and any documents executed pursuant hereto on Seller's behalf have full power and authority to bind Seller.

(ii) Notwithstanding any contrary provision of this Agreement, if during the pendency of this Agreement prior to the Close of Escrow, Seller discloses any matters which

make any of Seller's representations and warranties untrue in any material respect or in the event that Buyer otherwise becomes aware during the pendency of this Agreement prior to Close of Escrow of any matters which make any of Seller's representations or warranties untrue in any material respect, such representations and warranties shall be deemed modified to reflect such matters and Seller shall bear no liability for such matters, but Buyer shall have the right to elect in writing within five (5) business days after becoming aware of any such matter, but in no event later than the Close of Escrow, (a) to terminate this Agreement (in which event the Escrow Deposit, minus Escrow Agent's and the Title Company's cancellation fees, shall be returned to Buyer), or (b) to waive such matter and complete the purchase of the Property without reduction of the Purchase Price in accordance with the terms of this Agreement (and any failure to give notice under clause (a) shall be deemed to constitute such a waiver). Seller's representations and warranties contained in this Section shall not survive the Close of Escrow and shall merge with the recordation of the Deed. Notwithstanding the foregoing, if Buyer acquires the Property with actual knowledge of an untrue or incorrect representation or warranty, then upon the Close of Escrow, Buyer shall be deemed to have fully and unconditionally waived and released any and all Claims whatsoever with respect to such untrue or incorrect representation or warranty. The provisions of the preceding sentence shall survive Close of Escrow or any termination of this Agreement.

(b) Covenants, Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as of the Effective Date and the Close of Escrow that:

(i) Buyer is duly organized and validly existing under the laws of the State of California, has full authority to enter into and perform this Agreement and the person or persons signing this Agreement and any documents executed pursuant hereto on Buyer's behalf have full power and authority to bind Buyer. The execution, delivery and performance of this Agreement do not, and the consummation of the transaction contemplated hereby will not, violate the organizational documents, or other agreements made by or binding upon, Buyer.

(ii) Buyer has not filed and has not been the subject of any filing of a petition under the federal bankruptcy law or any federal or state insolvency laws or laws for composition of indebtedness or for the reorganization of debtors.

(iii) Buyer agrees that during the term of this Agreement and after the Closing Date, Buyer will receive no reimbursement for property or sales taxes received by Seller unless otherwise agreed to by Seller.

(iv) The covenant in Section 13 (b)(iii) of this Agreement shall survive the Close of Escrow and shall not be merged with the recordation of the Deed. All of the other representations and covenants of Buyer set forth in this Section 13(b). shall not survive the Close of Escrow and shall be merged with the recordation of the Deed.

14. AS-IS; RELEASE. AS AN ESSENTIAL INDUCEMENT TO SELLER TO ENTER INTO THIS AGREEMENT, AND AS PART OF THE DETERMINATION OF THE PURCHASE PRICE, BUYER ACKNOWLEDGES, UNDERSTANDS AND AGREES AS OF THE EFFECTIVE DATE AND AS OF THE CLOSE OF ESCROW TO THE PROVISIONS SET FORTH BELOW.

(a) AS-IS, WHERE-IS. EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, BUYER ACKNOWLEDGES AND AGREES THAT (A) THE SALE OF THE PROPERTY HEREUNDER IS AND WILL BE MADE ON AN "AS IS, WHERE IS, WITH ALL FAULTS" BASIS, WITH BUYER ASSUMING THE PROPERTY IN SUCH CONDITION AND AGREEING THAT SELLER SHALL NOT HAVE ANY RESPONSIBILITY FOR THE CONDITION OF THE PROPERTY (OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, THE REPAIR OF ANY PORTION OF THE PROPERTY AND/OR FOR THE CONSTRUCTION OF ANY IMPROVEMENTS), (B) SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY OTHER MATTER WHATSOEVER (INCLUDING, WITHOUT LIMITATION ANY REPRESENTATIONS OR WARRANTIES REGARDING ANY HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE PROPERTY OR THE CONSTRUCTION OF ANY IMPROVEMENTS), (C) BUYER HAS CONFIRMED INDEPENDENTLY ALL INFORMATION THAT IT CONSIDERS MATERIAL TO ITS PURCHASE OF THE PROPERTY OR THE TRANSACTION CONTEMPLATED HEREBY (INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE REAL PROPERTY AND TITLE TO THE PROPERTY), (D) BUYER IS A SOPHISTICATED BUYER AND ACKNOWLEDGES THAT TO THE FULLEST EXTENT AT LAW, SELLER SHALL NOT BE RESPONSIBLE FOR ANY MATTERS AFFECTING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY REMEDIATION OF ANY HAZARDOUS MATERIALS OR CONSTRUCTION OF ANY IMPROVEMENTS OR OTHERWISE WITH RESPECT TO THE PROPERTY, AND (E) ANY INFORMATION PROVIDED WITH RESPECT TO THE PROPERTY IS SOLELY FOR BUYER'S CONVENIENCE AND SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF THE SAME. AS USED HEREIN, "HAZARDOUS MATERIALS" MEANS ANY HAZARDOUS, TOXIC OR DANGEROUS WASTE, SUBSTANCE OR MATERIAL, POLLUTANT OR CONTAMINANT, AS DEFINED FOR PURPOSES OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980 (42 U.S.C. SECTION 9601 ET SEQ.), AS AMENDED, OR THE RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C. SECTION 6901 ET SEQ.), AS AMENDED, OR ANY OTHER LAWS, OR ANY SUBSTANCE WHICH IS TOXIC, EXPLOSIVE, CORROSIVE, FLAMMABLE, INFECTIOUS, RADIOACTIVE, CARCINOGENIC, MUTAGENIC, OR OTHERWISE HAZARDOUS, OR ANY SUBSTANCE WHICH CONTAINS GASOLINE, DIESEL FUEL OR OTHER PETROLEUM HYDROCARBONS, POLYCHLORINATED BIPHENYLS (PCBS), OR RADON GAS, UREA FORMALDEHYDE, ASBESTOS OR LEAD.

(b) RELEASE. AS A MATERIAL PART OF THE CONSIDERATION TO SELLER FOR THE SALE OF THE PROPERTY, AS OF THE CLOSE OF ESCROW, BUYER WAIVES, RELEASES, AND ACQUITS AND SHALL DEFEND SELLER AND SELLER'S ELECTED AND APPOINTED OFFICIALS, COUNCILS, BOARDS, COMMISSIONS, PARTNERS, AFFILIATES, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS,

ATTORNEYS, AND THEIR RESPECTIVE COUNCILS, BOARDS, COMMISSIONS, DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, AGENTS AND ATTORNEYS (COLLECTIVELY "SELLER'S PARTIES") FROM ANY AND ALL LOSSES, COSTS, CLAIMS, LIABILITIES, EXPENSES, CAUSES OF ACTION, DEMANDS, FEES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES) AND OBLIGATIONS (COLLECTIVELY, "CLAIMS"), WHETHER OR NOT LATENT, KNOWN AND UNKNOWN, FORESEEN AND UNFORESEEN AND WHETHER OR NOT NOW ACCRUED, INCLUDING, WITHOUT LIMITATION, ANY RIGHTS TO, OR CLAIM FOR, CONTRIBUTIONS OR INDEMNITY THAT ARE BASED DIRECTLY OR INDIRECTLY ON, ARISE FROM OR IN CONNECTION WITH, OR ARE RELATED TO (IN ANY WAY) (A) ANY PAST, PRESENT OR FUTURE CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE PRESENCE OF ANY HAZARDOUS MATERIALS IN, ON, UNDER OR ABOUT THE PROPERTY OR THE CONSTRUCTION OF ANY IMPROVEMENTS), (B) ANY AND ALL STATEMENTS, REPRESENTATIONS, WARRANTIES, DETERMINATIONS, CONCLUSIONS, ASSESSMENTS, ASSERTIONS OR ANY OTHER INFORMATION CONTAINED IN ANY OF THE MATERIAL PROVIDED BY SELLER OR SELLER'S PARTIES, (C) ANY DEFECT, INACCURACY OR INADEQUACY IN TITLE OF THE PROPERTY OR THE CONSTRUCTION OF ANY IMPROVEMENTS, AND (D) THE PROPERTY OR THE USE OR OPERATION THEREOF. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT (I) BUYER MAY HEREAFTER DISCOVER FACTS DIFFERENT FROM, OR IN ADDITION TO, THOSE NOW OR AS OF THE CLOSE OF ESCROW KNOWN OR BELIEVED TO BE TRUE REGARDING THE PROPERTY AND/OR MATERIAL PROVIDED BY SELLER OR SELLER'S PARTIES, AND SELLER SHALL HAVE NO LIABILITY IN CONNECTION THEREWITH (BUYER HEREBY BEING SOLELY RESPONSIBLE FOR THE SAME), AND (II) BUYER'S AGREEMENT TO RELEASE, ACQUIT AND DISCHARGE SELLER AND SELLER'S PARTIES AS SET FORTH HEREIN SHALL REMAIN IN FULL FORCE AND EFFECT, NOTWITHSTANDING THE EXISTENCE OR DISCOVERY OF ANY SUCH DIFFERENT OR ADDITIONAL FACTS.

WITH RESPECT TO THE RELEASES AND WAIVERS SET FORTH IN THIS SECTION, AS OF THE CLOSE OF ESCROW, BUYER EXPRESSLY WAIVES THE BENEFITS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BUYER HAS BEEN ADVISED BY ITS LEGAL COUNSEL AND UNDERSTANDS THE SIGNIFICANCE OF THIS WAIVER OF SECTION 1542 RELATING TO UNKNOWN, UNSUSPECTED AND CONCEALED CLAIMS. BY ITS INITIALS BELOW, BUYER ACKNOWLEDGES THAT IT FULLY UNDERSTANDS, APPRECIATES AND ACCEPTS ALL OF THE TERMS OF THIS SECTION.

_____ BUYER'S INITIALS

THE FOREGOING RELEASE SHALL IN NO EVENT OPERATE TO RELEASE SELLER FOR SELLER'S FRAUD OR ANY BREACH OF SELLER'S REPRESENTATIONS AND WARRANTIES OF THIS AGREEMENT.

(c) Indemnity. Buyer agrees to indemnify, defend and hold harmless Seller and all Seller's Parties and each of them, from and against any and all Claims directly or indirectly related to, or in any way arising out of the this Agreement, Buyer's activities in entering onto, acquiring, using or developing the Property, including without limitation, (i) any of Buyer's activities on the Property (or the activities of Buyer's agents, employees, lessees, representatives, licensees, guests, invitees, contractors, subcontractors or independent contractors on the Property), including, without limitation, any construction on the Property, (ii) any claim that this Agreement or any of Buyer's actions pursuant to or in implementation hereof violates any law, writ, injunction, order, decree, ruling, conditions of approval or authorization of any governmental entity, agency or political subdivision, now in force or which may hereafter be in force, (iii) any aspect of the Property, or the ownership, operation or use thereof, which arises following Seller's conveyance of all of its interest in the Property to Buyer, and/or (iv) any challenge brought under any Environmental Laws. This Section shall be enforceable to the greatest extent allowed by law. Upon receipt of a claim, Buyer shall promptly provide notice and undertake the defense of the claim with counsel of Seller's choosing. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by Seller against Buyer under this indemnity.

(d) Survival. This Section shall survive the termination of this Agreement and the Close of Escrow.

(e) For purposes of this Agreement, "Environmental Laws" means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as defined subsequently in this Agreement), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now in effect, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) and the Superfund Amendments and Reauthorization Act of 1986 (SARA) [42 U.S.C.A. §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) and the Solid Waste Disposal Act [42 U.S.C.A. §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 U.S.C.A. §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 U.S.C.A. §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 U.S.C.A. §§ 1801 et seq.]; the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) [7 U.S.C.A. §§ 136 et seq.]; the Clean Air Act (CAA) [42 U.S.C.A. §§ 7401 et seq.]; the Safe Drinking Water Act (SDWA) [42 U.S.C.A. §§ 300f et seq.]; the Surface Mining Control and Reclamation Act of 1977 (SMCRA) [30 U.S.C.A. §§ 1201 et seq.]; the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA or EPCRTKA) [42 U.S.C.A. §§ 11001 et seq.]; the Occupational Safety and Health Act of 1970 (OSHA) [29 U.S.C.A. §§ 655, 657]; the California laws regarding the underground storage of hazardous substances [H & S C §§ 25280 et seq.]; the Hazardous Substance Account Act [H & S C §§ 25300 et seq.]; the California laws

regarding hazardous waste control [H & S C §§ 25100 et seq.]; the Safe Drinking Water and Toxic Enforcement Act of 1986 [H & S C §§ 25249.5 et seq.]; the Porter-Cologne Water Quality Control Act [Wat C §§ 13000 et seq.], and any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

15. Default; Remedies.

(a) Default by Seller. In the event the Close of Escrow fails to occur due to a default by Seller hereunder (and provided that all conditions precedent to Seller's obligations have been satisfied), Buyer's sole and exclusive remedy shall be to either (a) terminate this Agreement and obtain the return of the Escrow Deposit, or (b) bring an action for specific performance, provided that such action is commenced within sixty (60) days after Seller's alleged default and as a condition precedent to any such action, and Buyer must comply with all requirements at law for purposes of bringing an action for specific performance. Buyer waives its right to bring any action for damages against Seller. This provision shall survive the termination of this Agreement.

(b) Default by Buyer. In the event the Close of Escrow fails to occur due to a default by Buyer hereunder (and provided that all conditions precedent to Buyer's obligations have been satisfied or waived), Seller's sole and exclusive remedy shall be to either (a) terminate this Agreement and commence an action for actual damages, provided that Buyer's liability in connection with such action shall not exceed the amount of the Escrow Deposit (and provided further that such limitation shall not apply to any indemnification claims or to the extent of any fraud by Buyer), or (b) bring an action for specific performance, provided that such action is commenced within sixty (60) days after the later of (i) the scheduled Closing Date, or (ii) Buyer's alleged default.

16. Limit on Liability. Notwithstanding anything to the contrary contained herein: (a) the liability of Seller under this Agreement and any documents executed in connection herewith shall not exceed, in the aggregate, an amount equal to the Escrow Deposit, and (b) no Seller Parties shall be personally liable for the performance of Seller's obligations under this Agreement.

17. Brokers. Each party represents and warrants to the other that it has not dealt with any real estate broker, agent or finder in connection with this transaction. Buyer agrees to indemnify and hold Seller harmless from and against any and all Claims arising out of any claim to a commission or fee by any party claiming by or through Buyer. Seller agrees to indemnify and hold Buyer harmless from and against any and all Claims arising out of any claim to a commission or fee by any party claiming by or through Seller. This provision shall survive the termination of this Agreement and the Close of Escrow.

18. Assignment. Buyer shall not assign or transfer its rights or obligations under this Agreement either directly or indirectly (whether by outright transfer, transfer of ownership

interests or otherwise) without the prior written consent of Seller, which may be given or withheld in its sole and absolute discretion.

19. Notices. As used in this Agreement, notice includes but is not limited to, the communication of any notice, request, demand, approval, statement, report, acceptance, consent, waiver and appointment. All notices must be in writing. Notice is given either (i) when delivered in person to the person or company intended named below, (ii) when delivered via facsimile with confirmation from the receiving party via return fax; or (iii) when sent via reputable overnight courier (such as Federal Express), addressed by name and addressed to the party or persons intended, as follows:

To Seller:	City of Santa Paula P.O. Box 569 Santa Paula, CA 93061 Phone: (805) 933-4201
With copy to:	Best Best & Krieger LLP 300 S Grand Ave #25, Los Angeles, CA 90071 Phone:(909) 483-6657 Attention: Monica Castillo
To Buyer:	Santa Paula Materials Inc. 12240 East Santa Clara Attention: Michael Grbzic Phone: (310 748-5654

until such time as a party gives notice of the change of address in accordance with the terms of this Section.

20. Entire Agreement. This Agreement and the documents referenced herein contain the entire agreement between the parties to this Agreement and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.

21. Severability. If any part, term, portion, or provision of this Agreement is decided finally to be in conflict with any law of the United States or the State of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the Parties intended to enter into in the first instance and not change any material term of this Agreement.

22. Waivers. A waiver or breach of covenant or provision in this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving party. An extension of time for performance

of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act.

23. Construction. The Section headings and captions of this Agreement are, and the arrangement of this instrument is, for the sole convenience of the parties to this Agreement. The Section headings, captions, and arrangement of this instrument do not in any way affect, limit, amplify, or modify the terms and provisions of this Agreement. The singular form shall include plural, and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if both parties have prepared it. Unless otherwise indicated, all references to Sections are to this Agreement. All exhibits referred to in this Agreement are attached to it and incorporated in it by this reference.

24. Counterparts. This Agreement may be executed in one or more counterparts. Each shall be deemed an original and all, taken together, shall constitute one and the same instrument.

25. No Obligations to Third Parties. Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties hereto, to any person or entity other than the parties hereto.

26. Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

27. Time of the Essence. Time is of the essence in this Agreement.

28. Successors. This Agreement shall inure to the benefit of and shall be binding upon the parties to this Agreement and their respective heirs, successors, and assigns.

29. Governing Law and Venue. This Agreement and any dispute arising hereunder shall be governed by California law. Each party hereby consents to the exclusive jurisdiction of the state and federal courts sitting in the County of Ventura, State of California, in any action on a claim arising out of, under or in connection with this Agreement or the transactions contemplated by this Agreement. BUYER HEREBY ACKNOWLEDGES THAT THE FOREGOING VENUE PROVISIONS HAVE BEEN CHOSEN AS THE APPROPRIATE AND CONVENIENT FORUM FOR ANY SUCH ACTION AND WAIVES ANY RIGHT TO OBJECT TO JURISDICTION ON THE BASIS OF LACK OF PERSONAL JURISDICTION OR FORUM NON CONVENIENS.

30. Survival. All representations, warranties, covenants and indemnity obligations of the parties shall survive the Close of Escrow.

31. Cooperation. Buyer and Seller shall cooperate in good faith and execute such additional documents as may reasonably be requested to carry out the purpose and intent of this Agreement.

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement to be effective on and as of the Effective Date set forth in the preamble to this Agreement.

SELLER: **CITY OF SANTA PAULA, a municipal corporation and general law city** **By:** _____ **Dan Singer** **City Manager**	**BUYER:** **SANTA PAULA MATERIALS INC., a California Corporation** **By:** _____ **Michael Grbzic** **President**
Approved as to Form: **Best & Krieger LLP** **By:** _____\ **Monica Castillo** **City Attorney**	

EXHIBIT A
LEGAL DESCRIPTION

A LOT IDENTIFIED WITHIN THE COUNTY OF VENTURA, STATE OF CALIFORNIA, AS A SITE THAT EXENDS BETWEEN S. PALM AVENUE AND THE S. OLIVE STREET CUL-DE-SAC WHICH IS THE TERMINUS OF THE IMPROVED PORTION OF THE STREET, CITY OF SANTA PAULA

LEGAL DESCRIPTION: For purposes of this agreement the site is legally identified by the assessor's parcel numbers.

ASSESSORS PARCEL NUMBERS: **104-0-193-055, 095**

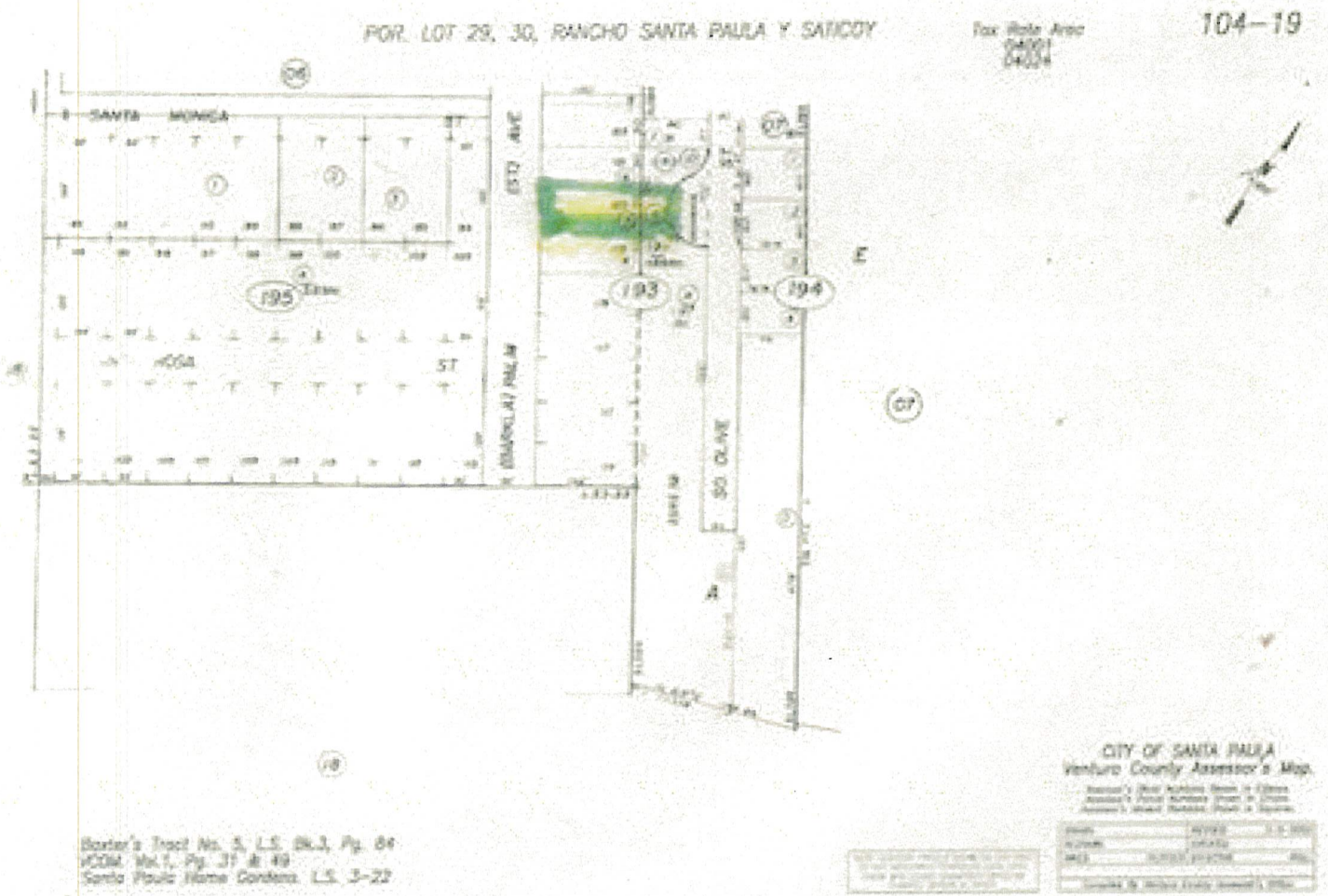

POR. LOT 29, 30, RANCHO SANTA PAULA Y SATICOY
Tax Rate Area
04001
04004
104-19
SANTA MONICA
ST
195
193
194
E
A
SO OLIVE
Barker's Tract No. 5, L.S. Bk.3, Pg. 84
VCSM Vol.1, Pg. 31 & 49
Santa Paula Home Condos. L.S. 3-22
CITY OF SANTA PAULA
Ventura County Assessor's Map

EXHIBIT B

FORM OF GRANT DEED

Recorded at request of and return to:

Santa Paula Materials Inc.
1224East Santa Clara Street
Santa, Paula, CA 93060
Attention: Michael Grbzic

FREE RECORDING
This instrument is for the benefit of the City of Santa Paula, and is entitled to be recorded without fee. (Govt. Code 27383)

(Space above this line reserved for Recorder's use)

APNS: **104-0-065-18**

GRANT DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the CITY OF SANTA PAULA, a municipal corporation and general law city, ("Grantor"), hereby GRANTS to SANTA PAULA MATERIALS, INC, a California corporation ("Grantee"), fee simple title to the real property in the County of Ventura, State of California, described in Exhibit "A" attached hereto and made a part hereof, together with all rights and easements appurtenant thereto including all water rights, mineral rights, all plans and specifications relating to the present or planned construction of improvements on the real property, all governmental permits or licenses, utility contracts, and other intangible property (if any) now or in the future owned by seller in connection with the ownership and development of the Property, and all of Seller's rights in and to any fees paid to any governmental agency or utility.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the___day of _____, 2024.

GRANTOR:

CITY OF SANTA PAULA

By:_____
Dan Singer,
City Manager

EXHIBIT ONLY – DO NOT SIGN
INSERT EXHIBIT "A"
ATTACH NOTARY ACKNOWLEDGEMENT

CERTIFICATE OF ACCEPTANCE

This is to certify that the real property conveyed by the **CITY OF SANTA PAULA**, on the Grant Deed dated _____, 2024 to **SANTA PAULA MATERIALS, INC**.(Grantee), is hereby accepted by the undersigned officer on behalf of the Grantee, pursuant to authority conferred by the Board of Directors, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2024

GRANTEE:

SANTA PAULA MATERIALS

By:_____
Michael Grbzic, President

ATTACHMENT C
Bolton Property Appraisal Report Summary

APPRAISAL REPORT

OF

VACANT PARCELS

SANTA PAULA, CALIFORNIA

Reference: Property 1: APN 104-0-065-185
Santa Monica Street

Property 2: APNs 104-0-193-055, 095 S. Palm Avenue

Client: **City of Santa Paula**

Date of Value: **October 16, 2023**

Date of Report: **October 19, 2023**

BOLTON & ASSOCIATES
Real Estate Appraisers
2230 Monaco Drive
Oxnard, California 93035
(805) 644-7431 Office
(805) 258-6339 Cell

DAVID
W. BOLTON, MAI
MEMBER APPRAISAL INSTITUTE

October 19, 2023

James Mason
Community & Economic Development Director
City of Santa Paula
200 S. Tenth Street
Santa Paula, CA 93061-0569

Re: Vacant Parcels
Santa Paula, CA

Dear Mr. Mason:

Pursuant to your authorization, I have made an appraisal of four vacant land parcels identified as follows for purposes of this report.

Property 1: APN 104-0-065-185
Santa Monica Street

Property 2: APNs 104-0-193-055, 095
S. Palm Avenue

Property rights appraised consist of the fee simple interest excepting mineral rights and any easement interests. The intended use of the appraisal is to assist the client in a potential sale of Properties 1 and 2

Based on the investigation and analysis conducted given the limiting conditions and scope of the appraisal, values for the subject as of October 19, 2023 are estimated as follows.

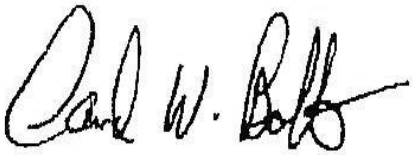
Property 1 $170,000

Property 2 $88,000

The scope of work necessary to develop credible opinions of value for this appraisal assignment is described in the Scope of Work section of this report. The reporting format used is a Summary Appraisal Report which is intended to comply with the requirements set forth under Standards Rule 2-2(a) of USPAP for an Appraisal Report. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinions of value. Supporting documentation concerning the data, reasoning and analyses, is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use of the appraisal.

Respectfully,

BOLTON & ASSOCIATES



David W. Bolton, MAI

DWB:pad

TABLE OF CONTENTS

INTRODUCTION **PAGE**

Letter of Transmittal 2
Table of Contents 4
Summary of Facts and Conclusions 6
Certification 7
Qualifications 8
Assumptions and Limiting Conditions..... 10
Purpose of the Appraisal 11
Intended Use and User 11
Property Rights Appraised 12
Date of Value and Inspection 12
Date of Report 12
Definitions 12
Scope of the Appraisal 14
Sale History 14

PROPERTIES 1 & 2

Location Map 16
Neighborhood Data 17
Zoning and General Plan Designation..... 19
Owner of Record 19
Assessment and Tax Data 19
Highest and Best Use 19
Comparable Sales 21

PROPERTY 1: APN 104-0-065-185

Assessor's Parcel Map 28
Identification 29
Site Data 29
Subject Photos 31

PROPERTY 2: APNs 104-193-055, 095

Assessor's Parcel Map 33
Identification 34
Site Data 34
Subject Photos 36

VALUATION – PROPERTIES 1 & 2

Valuation 38
Exposure and Marketing Period 39

SUMMARY OF FACTS AND CONCLUSIONS

Subject Properties: Vacant land parcels

Purpose of Appraisal: To estimate market value.

Intended Use & User: For the City of Santa Paula for potential sale and purchase purposes

Property Rights Appraised: 100% fee simple interest

Date of Value: October 16, 2023

Date of Report: October 19, 2023

Property Description and Final Value Estimates:

Prop.	Location	Use & Zoning	Size	Value Estimate
1	N/S Santa Monica Street (Unimproved)	Vacant Land - LI	18,850 SF	$170,000
2	Between S. Palm Ave & S. Olive Street	Vacant Land - LI	7,654 SF	$88,000

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.

2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and our personal, unbiased professional analyses, opinions, and conclusions.

3. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.

4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

5. The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of the loan.

6. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with (1) the Uniform Standards of Professional Appraisal Practice and (2) the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

7. I have made a personal inspection of the property that is the subject of this report.

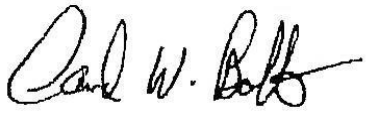
8. I have the knowledge and experience necessary to perform this appraisal and therefore meet the provisions of the Competency Provisions of USPAP.

9. No one provided significant professional assistance to the person signing this report.

10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

11. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

12. I have performed no services as an appraiser, or in any other capacity, regarding the property that is the subject of this report with the three year period immediately preceding the acceptance of this assignment.



David W. Bolton, MAI

APPRAISAL QUALIFICATIONS - DAVID W. BOLTON, MAI

EDUCATION

Bachelor of Science Degree in Finance at California State University at Northridge; Northridge, CA; 1967

24 Units completed toward M.S. Degree in Finance at California State University at Northridge.

Appraisal Institute examinations passed: 101, 1BA, 1BB, 2-1, 2-2, 2-3.

PROFESSIONAL AFFILIATIONS AND LICENSES

Member Appraisal Institute - Member Number 09827

EXPERIENCE

Independent Fee Appraiser - 1972 to Present

Associate Appraiser - Ventura County Assessor's Office - 1968-1972
Experience encompasses all classifications of real estate including commercial, industrial, residential, residential income, subdivision land, agricultural, rural and various special purpose properties such as mineral and aggregate interests.

Appraisals completed for all purposes including fair market value, eminent domain, loan purposes, asset management, partial interests, redevelopment, easements, estate and gift tax, insurance, property damage, Quimby fee, bankruptcy, foreclosure and economic rental matters.

Qualified as an expert witness in Ventura County Superior Court

Expert Witness - Ventura County Assessment Appeals Board

PARTIAL LIST OF CLIENTS

Public Agencies	Corporations
U.S. Post Office	GTE
U.S. Department of Navy	Southern California Edison
Cal Trans	Lawyers Title
FDIC	Circle K
City of Ventura	Offshore Crane
City of Oxnard	Salvation Army
City of Port Hueneme	McDonald's Corp.
City of Camarillo	Carl Karcher Enterprises
County of Ventura	Unocal
Simi Valley Parks & Recreation Dept.	Texaco Oil
Oxnard School District	Shell Western E & P
Simi Valley Unified School District	Republic Health

Ventura Co. Superintendent of Schools
USDA-Farm Service Agency
Oxnard Harbor District
Ojai Valley Land Conservancy
City of Santa Paula

St. John's Regional Medical Center
Riverbend Farms
Blue Star Ready Mix
Knightsbridge Holdings, Inc.
Rowell Ranches
Woods-Claeyssen Foundation

Financial Institutions

Community West Bank
Pacific Western Bank
Citizens Bank
Bank of the Sierra
American Riviera Bank
Farm Credit West
Duval & Buckingham
Rabobank
Wells Fargo Bank
Montecito Bank & Trust
County Commerce Bank
Valley Republic Bank
Ojai Community Bank

Developers

M.J. Brock & Sons
Trent, Inc.
Wittenberg-Livingston
Weston Communities
Downs Land & Development Michael
Towbes Dev.
Island Coast
City Ventures
Olsen Co.

Attorneys

Nordman Cormany Hair & Compton
Ferguson Case Orr Paterson
Hawthaway Perrett Webster et. al.
Lowthorp Richards McMillan et. al.
Waite, Jacobs & Atkinson
Benton Orr

Breon, O'Donnell, et. al.
Rupp & Zimmer
Frielich, Kaufman, et. al.
Angel & Neistat
Hogan & Hartson
Nelson Comis Kahn & Sepulveda
Strauss Law Group
Lindahl & Beck
Wennergren Law Offices
William D. Fairfield

ASSUMPTIONS AND LIMITING CONDITIONS

1. This is a Summary Appraisal report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. As such, it might not include full discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.

2. No responsibility is assumed for matters which are legal in character nor is any opinion on the condition of title rendered. Title is assumed to be good and transferable. Any liens, reservations, restrictions or encumbrances have been disregarded except where noted.

3. Factual data appearing in the report has been obtained from sources deemed reliable and was verified by recording information and other parties where possible. While this information is believed to be reliable, no warranty is given for its accuracy.

4. No title reports were provided to the appraiser. Two of the properties are impacted by Airport Safety Zone Overlays due to proximity to the Santa Paula Airport. These Zone Overlays restrict use of the property relevant to zoning. No other easements or encumbrances were readily observable at time of inspection which is a presumption upon which the appraisal is based.

5. No soil report was available. Soil conditions are assumed to be adequate for usage permitted in the existing zone. It is assumed there are no adverse soil conditions such as high water table or earthquake fault that would affect value. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

6. A Phase 1 environmental study was conducted in the area of Properties 1 and 2 several years ago. The extent of contamination, if any, of the subject properties is unknown. If any future environmental studies are conducted indicating significant site contamination, the appraisal is subject to review and revision.

7. No survey was provided. Parcel sizes, zoned areas and usable areas were based on information provided by the client, aerial photos plus a review of assessor's maps and public records. If a survey becomes available where the size of these area are determined, the appraisal is subject to revision.

8. The appraiser, by reason of this appraisement, shall not be required to give testimony or to be in attendance in court or at any government or other hearing with reference to the subject property without prior arrangements having been made with the appraiser relative to such additional employment.

9. Disclosure of the contents of the appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.

Neither all nor any part of the contents of this report, especially any conclusions as to value, the identify of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute, shall be disseminated to the public through a

sales media or any other public means of communication without written consent and approval of the author.

10. This appraisal excludes all mineral right interests which is typical for this property type in the immediate neighborhood.

11. This appraisal is prepared for the exclusive use of the client to assist in a potential sale or purchase of the properties.

12. This appraisal is subject to review and revision upon receipt of facts or information affecting value which were not disclosed or were unavailable as of the date of this appraisal. The right is reserved to revise/rescind the opinions expressed if the conditions are modified to any extent.

13. This appraisal was prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and any supplemental requirements of the City of Santa Paula.

14. The appraisal of Property 3 is based on the value to the general market assuming a passive use consistent with the zoning. It does not include any potential value that may exist due to a specific use for the benefit of the current owner.

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to provide the appraiser's best estimate of the current "as is" market value of the subject properties as of the effective date of value.

INTENDED USE AND USER

For use by the City of Santa Paula to assist in a potential sale of Properties 1 and 2 and potential purchase of Property 3.

PROPERTY RIGHTS APPRAISED

100% fee simple interest excepting mineral right and any easement interests

DATE OF VALUE AND INSPECTION

October 16,2023

DATE OF REPORT

October 19, 2023

\

DEFINITIONS

Market Value

The following is the definition of market value as set forth in Federal Register, 12 CFR Part 34, Subpart C, 34.42(g), dated August 24, 1990.

"Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specific date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;

2. Both parties are well informed or well advised and acting in what they consider their own best interests;

3. A reasonable time is allowed for exposure in the open market;

4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions grated by anyone associated with the sale.

The final value estimate is stated in terms equivalent to cash.

"Market Value As Is" means an estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions or qualifications as of the date of inspection.

Fee Simple

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power and taxation.

Leased Fee Estate

An ownership interest held by a landlord with the right of use and occupancy conveyed by lease to others; usually consists of the right to receive rent and the right to repossession at the termination of the lease.

Leasehold Estate

The right to use and occupy real estate for a stated term and under certain conditions; conveyed by a lease.

Highest and Best Use

Highest and best use is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."[1]
In market value estimates, highest and best use analysis identifies the most profitable, competitive use to which the property can be put. "Therefore, the analysis and interpretation of highest and best use is an economic study of market forces focused on the subject property."[2]

SCOPE OF THE APPRAISAL

The scope of the appraisal refers to the extent of the process of collecting, analyzing and reporting data in the context of the appraisal problem and the availability of data. The appraisal problem is to estimate the current market value of the subject.

In preparing this appraisal, the appraiser:

[1] Appraisal Institute. The Appraisal of Real Estate, Eleventh Edition, Appraisal Institute, 1996, page 297.
[2] Ibid. Pg. 298

1. Inspected the subject properties and the surrounding neighborhoods;

2. Confirmed zoning, land use designation, restrictions on use, availability of utilities, flood zone, etc. with various public agencies;

3. Reviewed assessor's parcels map, Google Earth maps and information provided by the client in order to estimate usable land areas, areas within each zoning and areas impacted by the Airport Safety Zone Overlays.

4. Gathered and confirmed information on comparable sales;

5. Applied the sales comparison approach to arrive at the final estimates of market value.

Although due diligence was exercised during the inspection of the property, the appraiser is NOT an expert in such matters as soil conditions, hazardous waste, or construction and no warranty is given or implied as to these or other elements outside of the analysis of market data. Inspections by various professionals within these fields may be recommended in order to complete the final estimates of market value for the subject property.

No title report, survey, soil report, environmental assessment or other engineering reports were provided for review. The appraisal report was completed in accordance with the standards and provisions of the Uniform Standards of Professional Appraisal Practice (USPAP). In the development of the appraisal, a complete investigation and analysis necessary to arrive at an estimate of value in conformance with Standards Rule 1 of USPAP was made. Therefore, this appraisal meets the requirements of a "Complete Appraisal". The reporting of the appraisal uses a summary format in accordance with Standards Rule 2-2(a) of USPAP.

SALE HISTORY

The properties have not sold or been listed for sale within three years prior to the effective date of value.

PROPERTIES 1 & 2

LOCATION MAP

Copyright © and (P) 1988–2012 Microsoft Corporation and/or its suppliers. All rights reserved. http://www.microsoft.com/streets/
Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved

NEIGHBORHOOD DATA

The subject properties are located south of the Santa Paula Freeway between the Santa Paula Airport and S. Steckel Drive in the City of Santa Paula in the County of Ventura. The City of Santa Paula is located at the center of the Santa Clara River Valley which consists primarily of agricultural land and the communities of Santa Paula, Fillmore and Piru. The location is approximately 15 miles inland from the coastal city of Ventura.

Santa Paula has a population of 31,000 which reflects a growth rate of approximately 7% from the year 2000. Median household income is $67,700. The median housing price is $625,000 with median rent reported at $1,500. There are 9,500 housing units in the city with 53% owner occupied, 47% rented and 5% vacant. The city's unemployment rate is reported at 4.8% compared to the Ventura County rate of 4.6% and the State rate at 5.1%. Santa Paula's economy is primarily agriculturally based focusing on citrus, avocados and truck crops with oil production also a major part of the city's economic base. The most common industries include agriculture (14%), construction (13%), wholesale and retail trade (12%), manufacturing (11%), Healthcare (11%), administration (10%) and education (7%). The most common occupations are agriculture/farming (16%), construction (14%), cleaning and maintenance (14%), production (7%), sales (7%) and administrative support (6%). There is no hospital in Santa Paula with the nearest hospital located in Ventura. However, adequate medical facilities are provided by private doctors, nurses and other health practitioners. Public schools are available at all levels including a high school. Nearby colleges include Ventura Community College and Cal State University at Channel Islands in Camarillo. Shopping facilities include one main shopping center, strip commercial centers and various retail shops, restaurants, specialty shops, service oriented businesses and office space most of which are located on Main Street and Harvard Boulevard. Santa Paula has very few large retail stores with the major shopping centers and big box retail stores located in Ventura.

The subject's general neighborhood is defined as the area south of Santa Maria Street and the Santa Paula Freeway from Steckel Drive east to Santa Paula Creek. This is a mixed use area of airport and industrial related uses with some older residences mostly circa 1920/1930 generally of fair to average quality and condition. Zoning is I (Industrial), LI (Light Industrial) and KO (Airport Operational). Industrial use includes light manufacturing, warehouse and storage buildings. A considerable portion of the land is used for open storage. The dominant use is the Santa Paula Airport, a small craft non-commercial and non-towered facility for private aircraft. This is a privately owned facility with a restaurant and privately owned hangers with ground leases. Parcels adjacent to the airport on the west and east have zoning overlays which restrict land use.

Much of the local industrial demand comes from the oil and agricultural industries. While oil related activity is down from its peak 10-20 years ago, there is still a strong oil presence in Ventura County and the Santa Clara River Valley around Santa Paula, Fillmore and Piru. While many of the large oil companies have left the area, smaller independent

producers and service companies are helping to fill the vacuum. The agricultural industry remains strong in the area but faces increased competition from foreign growers including Mexico, Chile, Argentina and Brazil where land costs and labor costs are far lower than the U.S.

The labor supply for semi-skilled and unskilled workers is very good in the surrounding Santa Clara Valley area and Ventura/Oxnard area. Public transit facilities are available. While the railroad line runs east-west north of the Santa Paula Freeway, the rail line does not have a major access and/or influence to this area. All normal utilities are available and street layout and traffic flow is good.

There are two projects that have the potential to stimulate significant growth and demand for real estate in Santa Paula and other communities in the Santa Clara River Valley depending on scope and timing of the build out.

In 2008, the East Area Specific Plan 1 was approved for approximately 500 acres of agricultural land located just east of the subject on the other side of Santa Paula Creek. The Specific Plan provides for mixed use development including single family and multifamily residential, neighborhood commercial, a school, parks and a hotel and golf course. In addition, 168 acres will be preserved for open space. Construction of the project began in late 2017 with tracts selling now beginning in the low $600,000's for single family residences. As part of the development, East Santa Paula Street, which now terminates at Grant Line Street, will eventually be extended east into the project area which will require a bridge crossing over Santa Paula Creek. Santa Paula Street will be one of two primary entrances into the project area. The other access is from Highway 126 and East Telegraph Road

A major project located in Los Angeles County adjacent to the Ventura County line along Highway 126 some 25 miles east of Santa Paula is in the planning stages. The development known as Newhall Ranch has been approved by the L.A. County Planning Commission. After much discussion, local opposition and legal challenges, the project was conceptually approved by the Ventura County Planning Commission. Encompassing 15,000 acres, this master planned community is planned for 21,500 homes upon final build out which will take an estimated 20-30 years at a cost of $12 billion in current dollars. If given final approval by all controlling agencies, the effect on the Santa Clara River Valley will be increased traffic and demand for public services, commercial facilities, etc.

Overall, this older mixed use area should continue to be relatively stable for the near future with the possibility of some growth with the potential build out of the Airpark Specific Plan.

ZONING AND GENERAL PLAN DESIGNATION

The parcels are zoned LI, Light Industrial., which allows low intensity industrial businesses. APNs 104-0-193-055 & 095 are situated within the Airport Inner Safety Zone. APN 104-0-065-185 is situated within the Airport Outer Safety Zone.

The General Plan Designation for the parcels is Industrial.

OWNER OF RECORD

City of Santa Paula

ASSESSMENT AND TAX DATA

Government entities are not assessed for property tax purposes. The property is located in tax rate area 04024 with corresponding tax rate of $1.149827 per $100 of assessed value for tax year 2023/2024. Based on the value estimated in this report, taxes would approximate $2,000 for Property 1 and $1,000 for Property 2.

HIGHEST AND BEST USE

There are four basic criteria that must be met in highest and best use of the property. Highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible and (4) maximally productive.

The property is zoned for low intensity industrial uses. Terrain is generally level and all utilities are available. There are no physical constraints to development other than those imposed by local building codes.

Legally permissible uses are constrained by Airport Safety Zones that encumber the property. APNs 104-0-193-055 & 095 are within the KS-IS or Inner Safety Subzone Land use within this subzone is intended to have few or no people and no buildings, structures or obstructions. Outdoor storage is permitted but must be in compliance with the guidelines outlined in the LI zone ordinance. Permitted uses include the storage of large scale construction equipment, building material, operating motor vehicles, transit and transportation equipment, vehicle sales and equipment rental. It is estimated that approximately 25 – 30% of APN 104-0-065-185 acres at the north end of the property is encumbered by the KS-OS or Outer Safety Subzone. Land use within this subzone is intended to have low population densities and reduced lot coverages. Uses allowed would include manufacturing, light industrial, research and development, business parks,

office, outdoor storage and automobile parking., Maximum building height is 35' with a maximum lot coverage of 25%.

A review of sales prices and land rents for industrial land indicate the uses dictated by the basic zoning and the subzones are financially feasible and maximally productive and therefore consistent with the highest and best use of the parcels.

COMPARABLE SALES

IDENTIFICATION

Location:

APN:

SALE NO. 1

130 E. Santa Maria Street, Santa Paula

104-0-065-195

LAND DATA

Size: 21,750 SF **Use:** Construction yard

Zoning: LI **General Plan:** Industrial

Topography: Level

Flood Hazard: 100 year flood hazard area

Offsites & Utilities: Utilities available. No offsites

Access: Poor

Exposure: Minimal

SALE DATA

Recording Date: 5/18/20 **Doc. No.:** 68192

Seller: City of Santa Paula **Buyer:** Derwin

Sale Price: $160,500 **Price PSF:** $7.38

IDENTIFICATION

Location:

APN:

Terms: Cash **DOM:** N/A

Verification: James Mason – City of Santa Paula

REMARKS

This sale is located adjacent to subject parcel 104-0-065-185. It has a Santa Maria Street address but is one parcel south of Santa Maria with access from Santa Monica Street, an unimproved dedicated right of way that extends west from improved S. Palm Avenue. Approximately 20 – 25% of the site is within the Airport Inner Safety Subzone with 20 – 25% in the Airport Outer Safety Subzone. No environmental studies were available for the site. The buyer was the tenant who had been leasing the property for 30+ years. The price was based on prior appraisals. Direct sale with no broker involvement.

SALE NO. 2

Santa Clara and Montebello Streets, Santa Paula

104-0-105-015, 025, 155, 175

LAND DATA

Size: 18,009 SF **Use:** Open storage

Zoning: Airpark-2 Subzone **General Plan:** Airpark Specific

IDENTIFICATION

Location:

APN:

Plan

Topography: Level

Flood Hazard: 100 year flood hazard area

Offsites & Utilities: Utilities available. Partial offsites

Access: Average

Exposure: Fair

SALE DATA

Recording Date:	11/8/19	**Doc. No.:**	138625
Seller:	City of Santa Paula	**Buyer:**	United Shah Corp.
Sale Price:	$129,500	**Price PSF:**	$7.19
Terms:	Cash	**DOM:**	N/A

Verification: James Mason – City of Santa Paula

REMARKS

These parcels are located east of the airport and are within the Airport Inner Safety Subzone. Three of the parcels are adjacent located between Santa Clara and Montebello Streets E/O S. Oak Street. The other parcel is non-contiguous located at the NWC of Montebello and Corto Streets. Uses proposed for the Airpark-2 Sobzone include light industrial and open storage uses. No environmental studies were available for the site. The price was based on prior appraisals. Direct sale with no broker involvement.

SALE NO. 3

IDENTIFICATION

Location:

APN:

Old Hallock Drive, Santa Paula

Portion 107-0-210-675, 695

LAND DATA

Size:	65,340 SF	**Use:**	Open storage
Zoning:	I - Industrial	**General Plan:**	Industrial

Topography: Level

Flood Hazard: 100 year flood hazard area

Offsites & Utilities: Utilities available. Partial offsites

Access: Average

Exposure: Good

SALE DATA

Recording Date:	8/22/22	**Doc. No.:**	86688
Seller:	Lindsey Trust	**Buyer:**	Henthorn Real Property Holdings
Sale Price:	$800,000	**Price PSF:**	$12.24
Terms:	Cash	**DOM:**	N/A
Verification:	Luana Lindsey - Seller		

IDENTIFICATION

Location:

APN:

REMARKS

This site is located in the Lemonwood Industrial Park adjacent to the Santa Paula Freeway. It is situated at the north end of the Park with good freeway exposure. Access is via a paved easement which is an extension of Old Hallock Drive. Buyer owns adjoining property and plans to use the site for open storage. Direct sale with no broker involvement.

SALE NO. 4

SWC E. Telegraph Road & Pacific Avenue, Piru

056-0-210-140

LAND DATA

Size: 78,408 SF **Use:** Vacant

Zoning: M-2 **General Plan:** Industrial

Topography: Level

Flood Hazard: 100 – 500 year flood hazard area

Offsites & Utilities: Utilities available. Partial offsites

Access: Good

Exposure: Good

SALE DATA

IDENTIFICATION

Location:

APN:

Recording Date:	6/23/22	**Doc. No.:**	69822
Seller:	Tello	**Buyer:**	Guardado Family Trust
Sale Price:	$1,000,000	**Price PSF:**	$12.75
Terms:	Cash	**DOM:**	2 ½ months
Verification:	Jeff Crocker - Agent		

REMARKS

Triangular shaped site located just south of the main part of the unincorporated community of Piru. The site has over 500' of frontage on E. Telegraph Road (Highway 126) which provides good highway exposure. The buyer plans to hold the property as an investment.

SALE NO. 5

4573 N. Ventura Avenue, Ventura
063-0-120-295, 305, 315

063-0-140-665

LAND DATA

Size:	126,809 SF	**Use:**	Vacant

IDENTIFICATION

Location:

APN:

Zoning: M-2 **General Plan:** Industrial

Topography: Level

Flood Zone: Zone X – Area of minimal flood risk. FEMA Map No. 06111CO733F dated 1/29/21.

Offsites & Utilities: Utilities available. No offsites

Access: Good

Exposure: Good

SALE DATA

Recording Date: 3/31/22 **Doc. No.:** 41339

Seller: Wasson Trust **Buyer:** North Scottsdale Self Storage LLC

Sale Price: $1,600,000 **Price PSF:** $12.62

Terms: Cash **DOM:** 6 months

Verification: John Aquino - Agent

REMARKS

Location is at the north end of Ventura Avenue north of Los Cabos Lane bordering the Ojai Freeway in an unincorporated area of Ventura. Location provides good freeway exposure. Somewhat irregular configuration with maximum frontage and narrow depth. Buyer plans to build a self storage facility on the site. Property was listed for $1,600,000 and sold at full price.

PROPERTY 1

APN 104-0-065-185

06111_10406_0Pq.png (PNG Image, 1031 × 1800 pixels) - Scaled (38%) https://www.parcelquestappraise.com/search/maps/06111_10406_0Pq.png

IDENTIFICATION

LOCATION: N/S Santa Monica Street W/O S. Palm Avenue, City of Santa Paula

LEGAL DESCRIPTION: Lots 74 & 75, Santa Paula Home Gardens, L.S. Bk. 3, Page 22

APN: 104-0-065-185

SITE DATA

Size

Rectangular shaped site containing 18,850 SF.

Topography and Drainage

Level site with drainage to the south.

Flood Zone

The site is in Zone AE which is subject to 100 year floods. See FEMA Map Nos. 060111CO777E dated 01/20/10.

Easements and Encumbrances

A title report and survey were not available for review. The AP map shows 25' wide encumbrances along the site's south and west property lines for street development which has not occurred and not expected in the near future. Refer to Zoning and Land Use Designation and Highest and Best Use sections for information on Airport Safety Zone restrictions.

Earthquake Hazard

A review of the State Division of Mines and Geology Map indicates the subject is not within an Alquist Priolo Special Studies Zone that identifies areas of recently active and potentially active faults. The nearest identified fault in the vicinity of the subject is the Oak Ridge Fault located approximately one-half mile south of the Santa Paula Freeway paralleling the south boundary of the Santa Clara River channel.

Utilities

All utilities are available to the property.

Street Improvements and Access

Access is from unimproved Santa Monica Street which has a proposed width of 50' and extends west from S. Palm Avenue. Palm Avenue is improved to 2 lanes with a dedicated width of 60'.

Environmental

The site has been used for open storage of vehicles, equipment, etc. The extent of any site contamination is unknown.

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Subject Photos



Unimproved Santa Monica Street looking west toward subject from S. Palm



S. Palm Avenue looking north from intersection with Santa Monica Street

PROPERTY 2

APNs 104-0-193-055, 095

06111_10419_0Pq.png (PNG Image, 1031 × 1800 pixels) - Scaled (38%) https://www.parcelquestappraise.com/search/maps/06111_10419_0Pq.png

IDENTIFICATION

LOCATION: The site extends between S. Palm Avenue and the S. Olive Street cul-de-sac which is the terminus of the improved portion of the street, City of Santa Paula

LEGAL DESCRIPTION: For purposes of the appraisal, the site is legally identified by the assessor's parcel numbers.

APN: 104-0-193-055, 095

SITE DATA

Size

Rectangular shaped site containing 7,654 SF.

Topography and Drainage

Level site with drainage to the streets.

Flood Zone

The site is in Zone AE which is subject to 100 year floods. See FEMA Map Nos. 060111CO777E dated 01/20/10.

Easements and Encumbrances

A title report and survey were not available for review. The appraisal assumes there are no existing easements that negatively impact property or utility. Refer to Zoning and Land Use Designation and Highest and Best Use sections for information on Airport Safety Zone restrictions.

Earthquake Hazard

A review of the State Division of Mines and Geology Map indicates the subject is not within an Alquist Priolo Special Studies Zone that identifies areas of recently active and potentially active faults. The nearest identified fault in the vicinity of the subject is the Oak Ridge Fault located approximately one-half mile south of the Santa Paula Freeway paralleling the south boundary of the Santa Clara River channel.

Utilities

All utilities are available to the property.

Street Improvements and Access

South Palm Avenue has a dedicated width of 60' and is paved for 2 lanes from Santa Maria Street south to APN 104-0-193-035 with curb and gutter on the east side of the street. There is no improvement of the west side of the street. South Olive Street as it exists has a dedicated width of 40' and is a one-half cul-de-sac street terminating at the north boundary of APN 104-0-194-035. It is improved with curb, gutter and sidewalk along both frontages. Although the improved portion of the street terminates at the culde-sac, the street dedication continues south for 350'.

The site can be accessed from both streets.

Environmental

The site has been used for open storage of vehicles, equipments, etc. The extent of any site contamination is unknown.

Subject Photos



Subject looking west from S. Olive Street cul-de-sac



S. Olive Street looking north from cul-de-sac

VALUATION – PROPERTIES 1 & 2

VALUATION

The sales comparison approach is the approach used by the market in the valuation of vacant land. In this approach, sales of vacant parcels are compared to the subject for various factors impacting value including date of sale, location, terrain, access, exposure, size, off sites, availability of utilities, highest and best use etc. The unit of comparison used by the market is price per square foot.

A search was made for sales of industrially zoned sites within the Santa Paula market. Two sales encumbered by the Airport Safety Zones were found. Other industrial zoned sites were found in Santa Paula but most were dated. To supplement the market data, more current sales in other market areas were included in the analysis. Sales researched were identified and physically inspected. Those considered most representative of the characteristics of the subject were further documented and verified with buyer, seller, broker and/or other interested party. Following is a summary those sales considered most useful in the valuation analysis. Complete data sheets on the sale can be found on pages 23 – 27.

Sale Summary

No.	*Location*	*Sale Date*	*Sale Price*	*Size*	*Price PSF*	*Zoning GP*	*Offsites/ Utilities*
1	130 E. Santa Maria Street Santa Paula	5/18/20	$160,500	21,750 SF	$7.38	LI Indust.	None Available
2	Santa Maria & Montebello Streets, Santa Paula	11/8/19	$129,500	18,009 SF	$7.19	AP-2 ASP	Partial Available
3	Old Hallock Drive Santa Paula	8/22/22	$800,000	65,340 SF	$12.24	I Indust.	Partial Available

4	E. Telegraph & Pacific Ave Piru	6/23/22	$1,000,000	78,408 SF	$12.75	M-2 Indust.	Partial Available
5	4573 N. Ventura Avenue Ventura	3/31/22	$1,600,000	126,809 SF	$12.62	M-2 Indust.	None Available

Analysis

The sales form a price range of $7.19 - $12.75 PSF. Factors impacting price and value in this market include date of sale, location, exposure, size, zoning and offsite improvements. A review of sales and market conditions indicate upward movement in industrial land prices from 2019 to 2023. The sales are all located in sub-prime industrial areas and represent the lower end of industrial land values. Those sites with frontage on primary arteries have superior exposure which can be beneficial depending on use. Generally speaking, as size decreases, price PSF increases within a certain size range. Zoning impacts type of development and outside storage allowed. Amount of offsite improvements can have an impact on development costs

The subject parcels represent the lower end of industrial land values due to location, access, lack of offsite improvements and Airport Safety Zone restrictions on use. Sales 1 and 2 at $7.38 and $7.19 PSF are similar to the subject parcels in location, access and size and are also impacted by the Airport Safety Zone restrictions. They are older sales requiring upward adjustment of approximately 20% for market conditions. Sales 3 – 5 at $12.24 - $12.75 PSF are more current sales but are superior to the subject due to location, exposure and access somewhat offset by the larger parcel sizes. Generally speaking, as size increases, price PSF decreases within a certain size range. This concept is applied to Subject Properties 1 and 2 with Property 2 smaller than Property 1. Considering the elements of comparison impacting values, the value of Property 1 is estimated at $9.00 PSF. Considering the smaller size and superior access, the value of Property 2 is estimated at $11.50 PSF.

Final Value Estimates

Property 1 18,850 SF @ $9.00 = $169,650 Rounded $170,000

Property 2 7,654 SF @ $11.50 = $88,020 Rounded $88,000

EXPOSURE AND MARKETING PERIOD

Given the definition of market value, the final estimates of value are as of the date of value of this report, which presupposes that the property has already been exposed to the

market for a reasonable period of time. This past exposure period prior to a hypothetical sale as of the date of value reflects market conditions and trends during the exposure period. The exposure period estimated in this report is based on the following data resources.

1. Statistical information on exposure periods of current sales used in the report and sales of other similar properties. The sales incurred marketing periods in a range of 2 ½ TO 6 months.

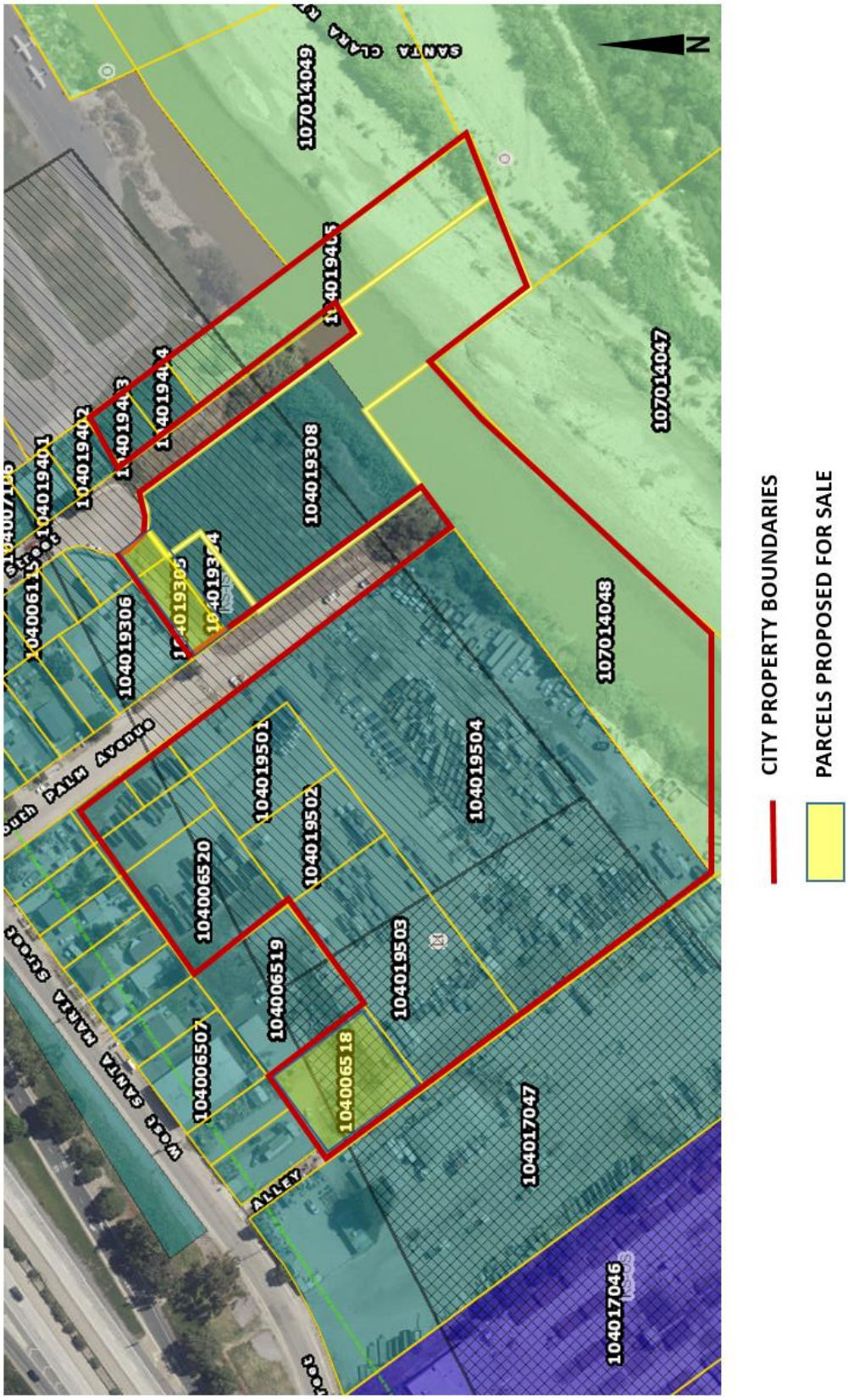
2. Interviews with brokers and other market participants.

3. Days on the market for listings.

A distinction is made between exposure period and marketing period. While exposure period is the time frame which occurs prior to the date of sale (hypothetical sale date), marketing period reflects the estimated time required to market the property from the date of value given a reasonable listing price. This marketing period can be similar to or different from the exposure period. The marketing period is based in part on past trends but also considers current market conditions and the appraiser's projections regarding future market conditions and trends. If market conditions or the entitlement status of the property changed during the future marketing period, the ultimate sale price or value at time of sale could vary from the estimate as of the date of value.

Marketing periods for this type of property can vary widely. The market can be thin for properties where uses are limited due to locational influences and specific site characteristics which can result in a long exposure period before the right buyer can be found. Given existing market conditions and site characteristics, an exposure period of 6 - 12 months is estimated for the subject properties assuming a reasonable listing price which forms the basis for the value estimate.

ATTACHMENT D:
South Palm Avenue City Properties



CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Caesar Hernandez, Management Analyst

Subject: CalAPP GRANT FOR SOLAR PERMITTING & SYMBIUM SOFTWARE AGREEMENT

Date: November 6, 2024

Agenda Item: 10.H

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize acceptance of a $40,000 grant from the California Energy Commission for the California Automated Permit Processing (CalAPP) Program for the Symbium solar permit software.
2. Amend the Fiscal Year 2024-25 budget by appropriating the $40,000 in grant revenue (321-4-7500-4277) and expenses (321-5-3001-207).
3. Authorize the City Manager to execute the Symbium Master Licensing Agreement.

BACKGROUND:

As part of California Senate Bill No. 121 (2021), the California Energy Commission (CEC) is administering a $20 million grant program for cities and counties to receive assistance for the California Automated Permit Processing (CalAPP) program. CalAPP is intended to encourage local governments like Santa Paula to further enhance permitting processes and accelerate processing and turnaround time with an automated system, particularly for residential solar installation permits such as Symbim. Symbium is a web-based platform that local governments are eligible to use for residential solar installation permits.

ANALYSIS:

Senate Bill No. 379 (SB 379) requires the City to implement an online, automated permitting platform that issue permits in real time for (1) a residential solar energy system that is no larger than 38.4 kilowatts alternating current nameplate rating and (2) a residential energy storage system, paired with a residential solar energy system that is no larger than 38.4 kilowatts alternating current nameplate rating. The bill establishes a compliance deadline of September 30, 2024.

To comply with SB 379, staff applied for the CalAPP grant earlier in the year and was awarded $40,000 to integrate Symbium into the City's existing building and planning permit application software. The award will largely be used for a $30,000 Symbium software licensing agreement, which has been negotiated with Symbium and approved by the City Attorney (Attachment B). Symbium will allow residents to submit and pay for their solar permit

application online, track their project, schedule inspections, and receive final sign-off after installation. This software will eliminate permitting delays, ensure solar building permit information is accurately integrated into City records, and standardize the permitting process between jurisdictions, with the goal of more solar installations, while also contributing to the City's ongoing effort to make more permits available online.

STRATEGIC PLAN:

Participation in the CalAPP program and receipt of the grant funding was not anticipated in the Strategic Plan. However, this effort does comply with Goal D. CONNECTED AND HEALTHY COMMUNITY, Objective No. 2 CRM Database - Explore options for customer relationship management (CRM) database to enhance communications with residents. Residents would benefit from the solar permit platform and take advantage of the convenient, online automated system.

FISCAL IMPACTS:

Requesting City Council acceptance of grant funds totaling $40,000 from the California State Energy Commission (CEC).

A budget allocation is needed to recognize revenues and expenses totaling $40,000 (GL 321-4-7500-4277 and 321-5-3001-207)

OPTIONS:

As an alternative to staff's recommendation, the City Council has the following options:

1. Decline to approve staff's recommendation or
2. Provide staff with alternate direction.

ATTACHMENTS:

Attachment A - Grant Contract.pdf
Attachment B - Symbium Master Licensing Agreement.pdf

ATTACHMENT A

GRANT CONTRACT

STATE OF CALIFORNIA
GRANT AGREEMENT
CEC-146 (Revised 3/2019)

CALIFORNIA ENERGY COMMISSION

RRECIPIENT	AGREEMENT NUMBER
City of Santa Paula	**APP-23-033**
ADDRESS	AGREEMENT TERM
970 E Ventura St Santa Paula, CA 93060	**06/05/2024 to 05/31/2027** The effective date of this Agreement is either the start date or the approval signature date by the California Energy Commission representative below, whichever is later. The California Energy Commission shall be the last party to sign. No work is authorized, nor shall any work begin, until on or after the effective date.

PROJECT DESCRIPTION

The parties agree to comply with the terms and conditions of the following Exhibits which are by this reference made a part of the agreement.

Exhibit A – Application with Scope of Work	Page(s): 4
Exhibit B – APP General Terms and Conditions	Page(s): 5
Exhibit C – Contact List	Page(s): 1

REIMBURSABLE AMOUNT	$40,000
MINIMUM MATCH SHARE REQUIRED	$0
TOTAL OF REIMBURSABLE AMOUNT AND MINIMUM MATCH	$40,000

The undersigned parties have read the attachments to this agreement and will comply with the standards and requirements contained therein.

CALIFORNIA ENERGY COMMISSION		CONTRACTOR	
AUTHORIZED SIGNATURE Adrienne Winuk	DATE 6/21/2024	AUTHORIZED SIGNATURE James Mason	DATE 6/21/2024
NAME Adrienne Winuk		NAME James Mason	
TITLE Contracts, Grants, and Loans Office Manager		TITLE Community & Economic Development Director	
CALIFORNIA ENERGY COMMISSION ADDRESS 715 P Street, MS 18, Sacramento, CA 95814			

ATTACHMENT 01
Grant Application Form – EXHIBIT A

California Automated Permit Processing (CalAPP) Program

1. APPLICANT INFORMATION (REQUIRED)

Jurisdiction Name (please use full legal name as it would appear on the executed grant): City of Santa Paula
Jurisdiction Type (select one): ☒ City ☐ County ☐ City and County
Current Estimated Population State of California Department of Finance Demographics (https://dof.ca.gov/forecasting/Demographics/): ☒ Less than 50,000 ☐ From 100,000 to 200,000 ☐ From 50,000 to 99,999 ☐ Greater than 200,000

Project Manager *(serves as point of contact for all communications)*	Name	Miguel Perez
	Street Address	970 E Ventura St
	City and Zip Code	Santa Paula 93060
	Phone Number	(805) 933-4214
	E-Mail Address	miperez@spcity.org

2. FUNDING (REQUIRED)

Assigned Maximum Grant Amount (select ***one***)

☒ **Group 1 ($40,000):** Population less than 50,000

☐ **Group 2 ($60,000):** Population from 50,000 to 99,999

☐ **Group 3 ($80,000):** Population from 100,000 to 200,000

☐ **Group 4 ($100,000):** Population greater than 200,000

3. PROJECT INFORMATION (REQUIRED)

A. Online, automated solar permitting platform to be adopted:

☐ SolarAPP+

☒ Other (Symbium, in-house software, etc.). If selected, complete Section 4 ("Additional Information")

B. Please select allowable budget item(s) anticipated to be used (Select at least one):

☒ Ongoing in-house staff labor costs associated directly with adoption and maintenance of the platform

☒ Ongoing third-party or consultant time associated directly with adoption and maintenance of the platform

☒ Ongoing staff training and education, specific to the platform

☒ Ongoing training events for local installers, specific to the platform

☒ Essential hardware or equipment necessary to support adoption of the platform

☒ Maintenance, such as adding support for energy storage paired with solar energy system permitting, and subscription cost for permit tracking software in support of adopted permitting platform

C. Estimated Project Timeline*

*Enter actual dates if activities already began

Activity	Date (Month/Year)
Begin Development/Pilot	7/1/2024
Full Adoption	9/30/2024
Staff Training	7/1/2024
Training for Local Installers	9/30/2024

4. ADDITIONAL INFORMATION (if applicable)

NOTE: Only complete this section if you implement a platform other than SolarAPP+

Please identify whether the following features are supported by the implemented platform. All features are required for the platform to qualify for funding. CEC staff will verify prior to payment approval.

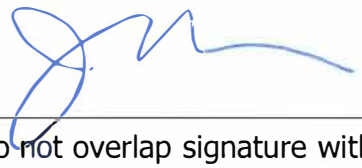
Performs an automated plan review for residential solar energy systems that completes automatic code compliance checks based on user inputs (such as a contractor), thereby enabling or otherwise issuing permits instantly when the project is confirmed as code compliant, without the need for human review	☒ Yes	☐ No
Supports online, immediate fee payment once an application is complete, which may include auto-invoicing of permit fee costs	☒ Yes	☐ No
Supports immediate generation of a permit job card following payment confirmation	☒ Yes	☐ No
Blocks noncompliant applications from receiving a permit	☒ Yes	☐ No
EITHER: 1) Stand-alone permitting tool; **OR** 2) Integrates with current software and inspection platform already in use	☒ Yes	☐ No

5. REPORTING (REQUIRED)

Following adoption and verification of a qualifying platform, the Energy Commission may request, and the Recipient will provide if requested, annual data on the number of permits issued for solar energy systems and a solar energy system paired with an energy storage system including relevant characteristics of those systems, such as system capacity. Please indicate your acceptance of these terms.	☒ Yes	☐ No

6. CERTIFICATION (REQUIRED)

- I am authorized to complete and sign this form on behalf of the applicant.
- I authorize the California Energy Commission to make any inquiries necessary to verify the information presented in this application.
- I have read and understand the terms and conditions contained in this solicitation. I accept the terms and conditions contained in this solicitation on behalf of the applicant, and the applicant is willing to enter into an agreement with the Energy Commission to conduct the proposed project according to the terms and conditions without negotiation.
- I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Name of Authorized Representative:	James Mason
Title:	Community and Economic Development Director
Phone Number:	(805) 933-4214
E-mail Address:	jmason@spcity.org
Date:	6/3/2024
Signature of Authorized Representative:	

NOTE: Do not overlap signature with surrounding border lines.

California Automated Permit Processing (CalAPP) Program
ATTACHMENT 2 – Terms and Conditions

Added language appears in **bold underlined** font and deleted language appears in strikethrough and within square brackets.

1. Background and Authority for this Grant

California Senate Bill 129 (2021) included an appropriation to the California Energy Commission (CEC) to support a grant program for cities, counties, or cities and counties to establish online solar permitting.

2. Documents Incorporated by Reference and Priority

Incorporated by reference into this agreement are the following documents:

A. Grant Funding Opportunity (GFO) 21-402.
B. Recipient's application to CalAPP.

As between and the incorporated documents and the remainder of this Agreement, the rest of this Agreement takes priority in case of a conflict.

3. Budget, Invoices, and Payments

a) The CEC is only obligated to reimburse the Recipient for paid costs that are (1) incurred during the Agreement Term; (2) invoiced within the required timeframes of this Agreement; (3) not more than this Agreement's budget; and (4) reasonable, actual, and allowable expenses under this Agreement.
b) Recipient acknowledges that the funds under this Agreement have a liquidation date of June 30, 2027, a legal timeframe after which the CEC has no authority to pay the funds. In addition, it takes the CEC administrative time to review, approve, work with the Recipient to correct any errors in, and request the State Controller's Office to pay invoices. Accordingly, Recipient acknowledges that if it does not submit accurate invoices by March 30, 2027, for all amounts due under the Agreement, it risks not receiving payment, and relinquishes all rights to such payments should the CEC not pay it by the liquidation date. Recipient acknowledges that time is of the essence in invoicing by March 30, 2027, for all amounts due under this Agreement.

The Recipient may request payment from the Energy Commission at any time during the term of this Agreement after successful adoption of a qualifying solar permitting platform as verified by the CEC, but no more frequently than monthly. Recipient must use the CAM provided template invoice spreadsheet.

c) If invoicing for in-house staff time, the template invoice spreadsheet must identify the employee's name, hours worked, and billing rate to be included as a reimbursable expense.

d) Unallowable costs include:
- Software not related to the adoption of a qualifying online, automated permitting platform.

- Any costs incurred or activities conducted prior to entering into a grant agreement with the Energy Commission or incurred after the grant agreement has ended.
- Typically excluded items such as food and beverages.
- Advertising costs.
- Fines and penalties.
- Permit processing fees charged by operator of an online platform.
- All other costs not identified as allowable.
- Unreasonable amounts or rates.

4. Certification

By signing this Agreement, Recipient hereby certifies that all funds received pursuant to this Agreement shall be spent exclusively for its CalAPP project in compliance with this Agreement. The Recipient further certifies that it shall comply with all applicable laws in performing this Agreement.

5. Nondiscrimination Statement of Compliance

During the performance of this Agreement, the Recipient and its subcontractors will not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition, age, marital status, or denial of family care leave. The Recipient and its subcontractors will ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

The Recipient and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Sections 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4.1 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part of it as if set forth in full. The Recipient and its subcontractors will give written notice of their obligations under this section to labor organizations with which they have a collective bargaining or other Agreement.

The Recipient shall include the nondiscrimination and compliance provisions of this section in all subcontracts to perform work under this Agreement.

6. Drug-Free Workplace Certification

By signing this Agreement, the Recipient certifies under penalty of perjury under the laws of the State of California that it will comply and will ensure its subcontractors will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.). In addition to any other rights and remedies available to the CEC, failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both, and the Recipient may be ineligible for any future state awards if the CEC determines that any of the following

has occurred: (1) the Recipient has made false certification, or (2) violates the certification by failing to carry out the requirements of the Act.

[~~By signing this Agreement, the Recipient certifies under penalty of perjury under the laws of the State of California that it will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:~~

1) ~~Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited, and specifying actions to be taken against employees for violations as required by Government Code Section 8355(a).~~

2) ~~Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b) to inform employees about all of the following:~~

   ~~• The dangers of drug abuse in the workplace;~~
   ~~• The person's or organization's policy of maintaining a drug-free workplace;~~
   ~~• Any available counseling, rehabilitation, and employee assistance programs; and~~
   ~~• Penalties that may be imposed upon employees for drug abuse violations.~~

3) ~~Provide, as required by Government Code Section 8355(c), that every employee who works on the proposed project:~~

   ~~• Will receive a copy of the company's drug-free policy statement; and~~
   ~~• Will agree to abide by the terms of the company's statement as a condition of employment on the project.~~]

~~In addition to any other rights and remedies available to the CEC, failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both, and the Recipient may be ineligible for any future state awards if the CEC determines that any of the following has occurred: (1) the Recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.~~

7. Americans With Disabilities Act

By signing this Agreement, the Recipient assures the CEC that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. Section 12101, et seq.), which prohibits discrimination on the basis of disability, as well as applicable regulations and guidelines issued pursuant to the ADA.

8. Accounting and Audit

The Recipient will keep separate, complete, and correct accounting of the costs involved in completing the Agreement. The Recipient agrees that the CEC, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Recipient agrees to maintain such records for possible audit for a minimum of three (3) years after the Agreement ends in any way. The Recipient

agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Recipient agrees to include a similar right of the CEC, the Bureau of State Audits, or their designated representative, to audit records and interview staff in any subcontract related to performance of this Agreement. These rights and responsibilities are in addition to and not restrictive of those in Section 16. Access to Sites and Records.

9. Public Works

The Recipient is responsible for complying with all applicable laws, which can include public works requirements under the Labor Code. Recipient acknowledges acceptance of Agreement funds may trigger public works laws (Labor Code Section 1720 et seq.), a requirement of which is to pay prevailing wages, applying to its entire project. If the project is public works then it is subject to compliance monitoring and enforcement by the Department of Industrial Relations. By signing this Agreement, Recipient certifies that it shall comply with all applicable Public Works laws and requirements.

10. Intellectual Property

As between the Recipient and the CEC, the Recipient owns all intellectual property it or its subcontractors create under this Agreement. The CEC has a no-cost, non-exclusive, transferable, irrevocable, royalty-free, worldwide, perpetual license to use, publish, translate, modify, and reproduce all intellectual property, such as the products identified in Section 2. above, for governmental purposes the Recipient or its subcontractors create under this agreement. The Recipient shall include a provision securing these rights for the CEC in all of its subcontractor agreements related to performance of this Agreement.

11. Amendment

No amendment or variation of this Agreement shall be valid unless made in writing and signed by both the Recipient and CEC.

12. Governing Law

This Agreement is governed by the laws of the State of California as to interpretation and performance.

13. Independent Capacity

In the performance of this Agreement, Recipient and its agents, subcontractors, and employees will act in an independent capacity and not as officers, employees, or agents of the CEC or the State of California.

14. Severability

If any provision of this Agreement is unenforceable or held to be unenforceable, all other provisions of this Agreement will remain in full force and effect.

15. Waiver

No waiver of any breach of this Agreement constitutes waiver of any other breach. All remedies in this Agreement will be taken and construed as cumulative, meaning in addition to every other remedy provided in the Agreement or by law.

16. Access to Sites and Records

The Recipient shall provide during the Agreement and for at least 3 years after the Agreement ends in any way to the CEC or its representatives reasonable access to all project sites and to all records related to this Agreement. These rights and responsibilities are in addition to and not restrictive of those in Section 8. Accounting and Audit.

17. Termination Without Cause

The CEC may terminate this Agreement without cause upon giving written notice to the Recipient. In this event, the Recipient will use all reasonable efforts to mitigate its expenses and obligations.

18. Third-Party Beneficiary

The Recipient shall in every subcontract under this Agreement include a provision indicating the CEC is a third-party beneficiary to the agreement.

19. Survival of Terms

The following terms survive this Agreement no matter how the agreement ends, such as by its own terms or via termination:

- 8. Accounting and Audit
- 9. Public Works
- 10. Intellectual Property
- 12. Governing Law
- 14. Severability
- 15. Waiver
- 16. Access to Sites and Records
- 18. Third-Party Beneficiary

Exhibit C
CONTACT LIST

California Energy Commission	Recipient
Commission Agreement Manager: Adam Van Winkle California Energy Commission 715 P Street, MS-45 Sacramento, CA 95814 Phone: (916) 891-9060 e-mail: adam.vanwinkle@energy.ca.gov	**Project Manager:** Miguel Perez City of Santa Paula 970 E Ventura St Santa Paula, CA, 93060 Phone: (805) 933-4214 e-mail: miperez@spcity.org
Confidential Deliverables/Products California Energy Commission Contracts, Grants, and Loans Officer 715 P Street MS-18 Sacramento, CA 95814	**Administrator:** Miguel Perez City of Santa Paula 970 E Ventura St Santa Paula, CA, 93060 Phone: (805) 933-4214 e-mail: miperez@spcity.org
Invoices, Progress Reports and Non-Confidential Deliverables to: California Energy Commission Accounting Officer 715 P Street MS-2 Sacramento, CA 95814 Email PDF of Payment Request invoice packet to: invoices@energy.ca.gov	**Accounting Officer:** Miguel Perez City of Santa Paula 970 E Ventura St Santa Paula, CA, 93060 Phone: (805) 933-4214 e-mail: miperez@spcity.org
Legal Notices: Tatyana Yakshina Grants Manager 715 P Street MS-18 Sacramento, CA 95814 Phone: (916) 827-9294 e-mail: tatyana.yakshina@energy.ca.gov	**Recipient Legal Notices:** Miguel Perez City of Santa Paula 970 E Ventura St Santa Paula, CA, 93060 Phone: (805) 933-4214 e-mail: miperez@spcity.org

ATTACHMENT B

SYMBIUM SOFTWARE LICENSE AGREEMENT

SYMBIUM MASTER LICENSING AGREEMENT

This Master Licensing Agreement (the "Agreement") is by and between Symbium Corp., with business offices located at 912 Cole St., #375 San Francisco, CA 94117, ("Symbium"), and the City of Santa Paula with business offices located at 200 S 10th Street, Santa Paula, CA 93060 (the "Licensee"). This Agreement shall be effective on the last signature date provided on the signature block hereto ("Effective Date"). Each of Symbium and Licensee is a "Party" and together they are the "Parties".

WHEREAS, Symbium has developed and maintains a range of cloud-based software-as-a-service ("SaaS") solutions to streamline certain planning, zoning, building, permitting, or other government-facing and constituent-facing processes. Symbium provides Services under the trade names identified in an applicable Order and as described on Symbium's Site.

WHEREAS, Symbium agrees to provide Services to Licensee pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, the Parties hereto, for good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, and intending to be legally bound, hereby agree as follows:

1. DEFINITIONS

In addition to the capitalized terms defined throughout this Agreement, the following terms when used herein shall have the respective meanings assigned to them below:

1.1. **"Affiliate"**, with respect to either Party, shall mean any entity, including and without limitation, any individual, corporation, company, partnership, limited liability company, or group, that directly, or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with such Party. Any references to Licensee herein shall also include reference to Licensee Affiliates.

1.2. **"API"** shall mean application programming interface, which shall enable Symbium to either read from and/or write into a third-party application.

1.3. **"End-User"** shall mean any individual who is authorized to use the Services.

1.4. **"Licensee Data"** shall mean any data, excluding Symbium Data, that is collected, used, maintained, processed, stored, or generated exclusively by or on behalf of Licensee.

1.5. **"Licensee Services"** shall mean Licensee's open data services, GIS services, and APIs with which the Solutions communicate in order to correctly perform the intended functionality.

1.6. **"Order"** shall mean either: (i) any specific sales quotations or orders as agreed to in writing and signed by the Parties from time to time; or (ii) as set forth in the applicable Symbium payment summary screen. Each Order is hereby incorporated by reference into this Agreement as Exhibit "A" and shall be numbered sequentially as Exhibit A-1; A-2; A-3 and so on. If there are any inconsistencies or conflicts between this Agreement and an Order, the inconsistent or conflicting terms of the Order shall govern.

1.7. **"Professional Services"** shall mean any live support, consulting, training, or development services or other services as specifically described and priced in the applicable Order.

1.8. **"Service Description"** shall mean any description of Symbium's Services that are advertised on Symbium's Site or in the applicable Order, Symbium's knowledge base, applicable operator and user manuals or guides, designs, technical reference manuals, flow diagrams, file descriptions, Service descriptions found on the Symbium site, and any other written materials pertaining to the use of the Solutions.

1.9. **"Services"** shall mean the Solutions and the Site, which are provided to Licensee by Symbium pursuant to the terms of this Agreement.

1.10. **"Site"** shall mean the Symbium website, located at www.symbium.com.

1.11. **"Solutions"** shall mean the cloud-based SaaS web applications, which are identified in the applicable Order, along with all associated updates.

1.12. **"Solution Updates"** shall mean any Solution-specific version updates that are deployed to ensure the functionality of the Solutions in accordance with the Services Descriptions. Solution Updates shall exclude additional or new Solutions, even if such additional or new Solutions contain similar functionality as other Solutions.

1.13. **"Support"** shall mean the email support services provided by Symbium to Licensee during the Term.

1.14. **"Symbium Data"** shall mean any electronic data and publicly accessible or available data and shall include all computable laws and regulations that are embedded in the Solutions but shall exclude Licensee Data.

1.15. **"Symbium Integrations"** shall mean any additional SaaS solutions that Symbium develops and deploys, which may be integrated into or linked from the Solutions.

1.16. **"Third-Party Services"** shall mean any third-party products or services, including but not limited to, software or materials incorporated into or provided as part of the Solutions or software that Symbium integrates into via an available API.

1.17. **"Transaction Services"** shall mean the public-facing permitting and incentives Services offered by Symbium.

2. SERVICES

2.1. Orders. Symbium shall provide the Services in accordance with the applicable Order.

2.2. Changes. No change to the Order shall be implemented unless it has been approved in writing signed by an authorized representative of each Party (each, a "Change Order Amendment"). Upon Licensee's and Symbium's execution of the Change Order Amendment, the Change Order Amendment shall be incorporated into and become part of the applicable Order.

3. LICENSE

3.1. License Grant. Subject to the terms and conditions of this Agreement, Symbium hereby grants Licensee a nonexclusive, nontransferable, worldwide license ("License") during the Term to access and use the Solutions. Symbium reserves all rights not expressly granted to Licensee. The License granted to Licensee pursuant to this Agreement will permit use of the Solutions that are set forth in the Order. Any Licensee Affiliate may also add additional Services under this Agreement via a new Order. LICENSEE SHALL BE RESPONSIBLE FOR THE FAILURE OF ANY LICENSEE AFFILIATE TO PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT.

3.2. Usage Restrictions. Except as permitted by this Agreement, the Solutions may not be decompiled, reverse engineered, disassembled, transferred, distributed in an unauthorized manner, resold, sublicensed, or used to create any derivative works. Licensees may not use any software (including network monitoring or discovery software) to determine the Site's or Service's architecture, or extract information about usage or individual identities of users. Licensee may not use any robot, spider, other automatic software or device, or manual process to monitor or copy the Services or any parts thereof. Except as expressly permitted in this Agreement, Licensee may not (i) license, sublicense, sell, resell, transfer, assign, distribute or otherwise commercially exploit the Services in any way; (ii) modify or make derivative works based upon the Services; (iii) "frame" or "mirror" any Solutions on any other server or wireless or Internet-based device. Licensee may use the Solutions only for its intended purposes and shall not: (i) send spam or otherwise excessive, duplicative, or unsolicited messages; (ii) send, store, or transmit any infringing, obscene, threatening, libelous, or otherwise unlawful or tortuous material, including material harmful to children or material in violation of third party privacy rights; (iii) send or store material containing software viruses, worms, Trojan horses or other harmful computer code, files, scripts, agents or programs; (iv) interfere with or disrupt the integrity or performance of the Services or the data contained therein; (v) attempt to gain unauthorized access to the Services or its related systems or networks; or (vi) permit direct or indirect access to or use of any Service in a way that circumvents a contractual usage limit.

3.3. Third-Party Services. In the event that Symbium agrees to certain integrations to Third-Party Services, Licensee shall secure the necessary permissions, when applicable, for Symbium to perform its mutually agreed-upon tasks. Symbium is not responsible for any modification, loss, usage, disclosure, transmission, or deletion of any Licensee Data resulting from its access to a Third-Party Service or any outputs generated by the Solutions for uploading into Third-Party

Services. Licensee shall be responsible for all third-party costs resulting from its requested integrations with any Third-Party Service. In the event that Licensee wishes to use a Symbium-developed API, Symbium cannot warrant or guarantee that a Third-Party Service will continue to make access available to Symbium via such API.

4. PROFESSIONAL SERVICES

4.1. Professional Services. As mutually agreed by the Parties, and in conjunction with the Services, Symbium may perform certain Professional Services, which may include certain implementation, training, or other expert services. Such Professional Services shall be provided for a separate fee, which will be specified in an applicable Order in accordance with the terms and conditions of this Agreement. Such Professional Services shall be provided in a manner that is consistent with applicable industry standards, and if such standards are not met (with a reasonable opportunity to cure following written notice from Licensee), Licensee's sole remedy shall be the re-performance of such Professional Services.

5. SUPPORT

5.1. Support. Symbium will provide Support during the Term of this Agreement as set forth in the Order. Any Support requests should be directed to the following: support@symbium.com.

6. LICENSEE OBLIGATIONS FOR CONFIGURED OR IMPLEMENTED SERVICES

Where Symbium is configuring or implementing Services for Licensee, the following shall apply:

6.1. Designation of Licensee Project Manager. Licensee shall designate a project manager who shall be accessible by email throughout the Term of the Agreement and shall provide reasonably prompt responses to Symbium's requests and communications.

6.2. Testing Period and Feedback. Licensee will be provided with an opportunity to provide feedback and request functional changes to the Solutions prior to public launch. Symbium shall also perform any requested bug fixes during this period and on an ongoing basis.

6.3. Hosting Link to Solutions. Upon the public launch of any public-facing Solutions that are configured or implemented for Licensee, Licensee shall place a prominent link and dedicated landing page to such Solutions on its public-facing website at the location where End-Users would normally visit for information on related services. This link and landing page shall be maintained by Licensee during the Term of the Agreement with support from Symbium.

6.4. Notification of Changes. Where Solutions are configured using laws or regulations provided by Licensee, Licensee shall cooperate with Symbium to help identify the publicly accessible online publications of those regulations and Symbium shall then establish a protocol to ensure timely notifications of changes to the regulations underlying the applicable Solutions and the data provided by the applicable Third-Party Services. In the absence of publicly accessible regulations that are published online, Licensee shall notify Symbium in writing (email is sufficient) of such changes.

7. PROPRIETARY RIGHTS

7.1. Symbium Properties. The Services and any underlying platform technology ("Symbium IP") are owned or licensed by Symbium and protected by U.S. and international copyright, trademark, service mark, trade secret, patent and/or other proprietary rights and laws. All Solutions shall be hosted on Symbium's designated servers at all times and Symbium will retain control over all user experience or user interface design of Solutions. Except as expressly provided in this Agreement, nothing contained herein shall be construed as conferring to Licensee any license or right under copyright or other intellectual property right law. No part of the Symbium IP may be altered, copied, photocopied, reproduced, translated or reduced to any electronic medium or machine-readable form, in whole or in part, except as specifically provided in this Agreement. Licensee shall not take any action that shall interfere with or diminish Symbium's right in any of the Symbium IP. Symbium shall retain ownership and title of any Solutions that it creates, even if created on a custom basis for Licensee.

7.2. Licensee Data and Symbium Data. As between Symbium and Licensee, Licensee shall, at all times, own or obtain the appropriate permissions to use the Licensee Data and shall be responsible for the accuracy and adequacy of any and all Licensee Data as well as establishing any required legal terms and conditions prior to the use of any Licensee

Data. Licensee shall obtain all prior consents, internally or from relevant third parties, prior to uploading and using any Licensee Data to the Solutions. Licensee grants to Symbium a non-exclusive, royalty-free, worldwide license during the Term to access and use the Licensee Data for the purpose of delivering the Services, which may include the aggregation of such data in an anonymized manner for benchmarking and other purposes. Symbium's right to use Symbium Data shall be governed by its own policies, including its Privacy Policy, available at https://symbium.com/privacy ("Privacy Policy").

7.3. Symbium Integrations. Nothing shall prevent Symbium from developing and deploying Symbium Integrations, which Symbium may do at any time in its sole discretion. Symbium Integrations shall not diminish or degrade the functionality of the Solutions in the applicable Order at any time.

7.4. License to Use Feedback. Licensee grants to Symbium an irrevocable, royalty-free, worldwide license of unlimited duration to use, modify, and incorporate into the Services any feedback, suggestions, requests, or recommendations relating to the Services.

7.5. Usage Data. Licensee grants to Symbium an irrevocable, royalty-free, worldwide license of unlimited duration to use, modify, and incorporate into its own support offering, product development, operational plans, and sales or marketing materials, any anonymous usage data acquired from Licensee's account and use of the Solutions.

7.6. References to Licensee / Press Release. Upon execution of this Agreement, Symbium may make references to Licensee and Licensee's URL and may use Licensee's designated trademark and logo for the limited purpose of publishing it on Symbium's current list of Licensees located on the Symbium Site. Symbium may also respond to any inquiry regarding whether Licensee is a licensee and user of the Services. Additionally, upon execution of this Agreement, each Party may issue a press release announcing the Parties' relationship under this Agreement.

8. FEES AND PAYMENTS

8.1. Fees. Symbium shall charge either Licensee or End-Users, as applicable, for the Services provided by Symbium hereunder as specified in the applicable Order.

8.2. Payment Methods. Symbium accepts payments for its Services from Licensee via check or electronic funds transfer and will cooperate, in good faith, to accommodate Licensee's preference in either case. Payments for Transaction Services by End-Users shall be made by credit card.

8.3. Payment Terms. All pricing and payments are and shall be in U.S. dollars.

8.3.1. With respect to fees charged to Licensee, Licensee shall pay each invoice as stated in the Order or, if no due date is stated, within 30 days of receipt unless it has a bona fide dispute with respect to payment of such invoice or portion thereof. If there is a bona fide dispute regarding any invoice rendered or amount paid, the disputing Party shall notify the other by written notice thereof, and the Parties shall use their best efforts to resolve such dispute expeditiously. If an aggrieved Party notifies the other in writing of a disputed invoice or payment, and there is a good faith basis for such dispute, the time for paying the portion of the invoice in dispute shall be extended by a period of time equal to the time between receipt of such notice and the resolution of such dispute. Undisputed portions of any invoice shall be paid as stated above.

8.3.2. Symbium's fees to End-Users for Transaction Services shall be inclusive of Symbium's Service fees (E.g., a per-permit fee), as stated in the applicable Order, in addition to all fees that would otherwise be payable directly to Licensee by End-User (E.g., government fees).

8.4. Payment Processing Fees. Fees charged to End-Users for Symbium's Transaction Services are non-refundable. As between Symbium and Licensee, Symbium shall assume any credit card fees charged by Symbium's third-party payment processors for Transaction Services that are processed on Symbium. As applicable, Symbium may pass through to End-Users any credit card processing fees charged by either of Symbium's or Licensee's payment processor (I.e., in cases where the Licensee charges $100 + $5 credit card processing fee for a total of $105, Symbium may pass through the $5 additional Licensee processing fee directly to the End-User.).

8.5. Taxes. Licensee shall be financially responsible for all sales or services taxes that are assessed on the provision of the Services to Licensee, excluding any withholding or export taxes or taxes based upon Symbium's income. To the extent Symbium is required to collect such taxes under applicable Law, Symbium, to the extent legally or otherwise required, shall separately state the amount of tax due on its invoices to Licensee. Licensee and Symbium shall cooperate to segregate the fees into: (i) those for taxable Services and (ii) those for nontaxable Services. The Parties shall reasonably cooperate with each other to more accurately determine each Party's tax liability and to minimize such liability, to the

extent legally permissible. In addition, Symbium shall provide and make available to Licensee any information regarding the computation of any such taxes as reasonably requested by Licensee. Symbium shall not pay any taxes based on the Services that Licensee and Symbium disagree on as to whether a tax is due without affording Licensee a reasonable amount of time after being called upon by the taxing authority to pay such tax to dispute the payment of such tax, at Licensee's expense, in the appropriate legal forum.

9. CONFIDENTIALITY

9.1. Confidentiality. Except as set forth in Sections 9.2 and 9.3, as applicable, Each Party agrees to maintain the confidentiality of the other Party's Confidential Information as defined herein. "Confidential Information" means all information concerning a Party's business not generally known to the public, whether or not marked as confidential. By way of illustration only, Confidential Information may include Licensee Data, trade secrets, know-how, inventions, contractual disclosures, techniques, processes, algorithms, software programs, schematics, software source documents, contracts, customer lists, financial information, sales and marketing plans, information and business plans and other proprietary information, whether or not such information is marked as confidential. Confidential Information shall not include, even if it is marked as such, information that: (i) is already known to the receiving Party at the time of disclosure, which knowledge the receiving Party shall have the burden of proving; (ii) is, or, through no act or failure to act of the receiving Party, becomes publicly known; (iii) is readily observable and / or duplicable by the public; (iv) is legally received by receiving Party from a third party without restriction on disclosure; (v) is independently developed by receiving Party without reference to the Confidential Information of the disclosing Party; or (vi) is approved for release by written authorization of the disclosing Party. In maintaining the confidentiality of the other Party's Confidential Information, each Party shall use at least the same standard that Party uses for its own confidential information of similar type, and shall take necessary precautions not to disclose such information to any person except its officers, employees or subcontractors, who have a need to know in order to comply with the obligations of this Agreement. Each Party's officers, employees, and subcontractors shall be bound by the terms of this Section or a similar written agreement with terms no less protective of either Party's Confidential Information than this Agreement. Each Party acknowledges that any actual or threatened violation of this Section may cause irreparable, non-monetary injury to the disclosing Party, the extent of which may be difficult to ascertain, and therefore agrees that the disclosing Party shall be entitled to seek injunctive relief in addition to all other remedies available at law and/or in equity. Nothing in this Section shall prohibit Symbium from disseminating aggregated information that contains no Confidential Information of Licensee.

9.2. Public Agency Exceptions and CPRA. This Section 9.2 shall apply to any Licensee that is a public agency subject to the disclosure requirements of the California Public Records Act ("CPRA") or substantially similar requirements (the "Public Agency Exceptions"). Notwithstanding any other obligations set forth in Section 9, Licensee is not obligated to act in any way that is contrary to any requirements under the CPRA or Public Agency Exceptions. Symbium shall identify information that is protected under the CPRA or Public Agency Exceptions and shall clearly mark such information as "CONFIDENTIAL AND PROPRIETARY", including identification of the specific lines containing such confidential and proprietary information subject to nondisclosure. In the event of a request for such information, Licensee will provide written notice to Symbium prior to such disclosure. For information that Symbium wishes to protect from public disclosure, Symbium must obtain a protective order, injunctive relief or other appropriate remedy from a court of law in either San Francisco County or the Licensee's County before the Licensee is required to respond to the CPRA request. If Symbium fails to obtain such remedy within the time the Licensee is required to respond to the CPRA or Public Agency Exceptions request, Licensee may disclose the requested information.

9.3. Cooperation. In the event of any unauthorized use or disclosure or loss of any Confidential Information of the disclosing Party, the receiving Party shall promptly, at its own expense: (i) notify the disclosing Party in writing; (ii) take such actions as may be necessary or reasonably requested by the disclosing Party to minimize the violation or the damage resulting therefrom; and (iii) cooperate in all reasonable respects with the disclosing Party to minimize the violation and any damage resulting therefrom.

9.4. Limitation. Notwithstanding the provisions of this Section, Symbium may disclose Licensee's Confidential Information, which includes personally identifying information and End-user activity: (i) in accordance with a judicial or other governmental subpoena, warrant or order; provided that Symbium shall comply with any applicable protective order or equivalent and, unless prohibited by law, Symbium will employ commercially reasonable efforts to provide Licensee with prior written notice, so that Licensee has an opportunity to intervene at its own expense and to protect the confidentiality of its information; (ii) to law enforcement officials and regulators if it reasonably suspects unlawful activity; and (iii) to other Parties that are identified by Licensee for that purpose.

10. REPRESENTATIONS AND WARRANTIES

10.1. Power and Authorization. Each Party hereby represents, warrants, and covenants to the other Party that (i) it is duly organized, validly existing and in good standing under the Laws of the state of its domicile and is in good standing in each other jurisdiction in which such qualification is required by Law; (ii) it has power and authority to transact the business it transacts and proposes to transact and to execute and deliver this Agreement and to perform the obligations under this Agreement, and (iii) its entry into this Agreement does not violate or constitute a breach of any agreement to which it is a Party or otherwise bound.

10.2. Compliance with Law. Each Party hereby represents, warrants, and covenants to the other Party that in performing its obligations and exercising its rights under this Agreement, it will comply (and shall require all of its personnel providing Services hereunder to comply) with all applicable Laws.

10.3. By Licensee. Licensee hereby represents, warrants, and covenants to Symbium that: (i) it has obtained all the appropriate consents required by law to ensure that Licensee and Symbium have the right to use the Licensee Data in association with the Services and, if applicable, as described in Symbium's Privacy Policy; and (ii) it will not use the Service to collect, upload, retrieve, transmit, send, and/or store any sensitive personally identifiable information in violation of any applicable laws. Symbium reserves the right to delete any Licensee Data that is in violation of any terms in this Agreement or of any applicable laws.

10.4. By Symbium. Symbium warrants with respect to any software that such software, when installed by Symbium and used as permitted and in accordance with the instructions of Symbium, will operate substantially as described in this Agreement and the applicable Order. Symbium does not warrant that the Licensee's use of the software will be error free or uninterrupted. Symbium will, at its own expense and as its sole obligation and Licensee's exclusive remedy for any breach of this warranty, use commercially reasonable efforts to correct any reproducible error in the software reported to Symbium by Licensee in writing prior to the expiration or termination of the Order for such software. Any such error correction provided to Licensee will not extend the term of such Order

10.5. Disclaimer of Additional Warranties. THE SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS AND, UNLESS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, SYMBIUM EXPRESSLY DISCLAIMS, ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SYMBIUM MAKES NO REPRESENTATIONS OR WARRANTIES ABOUT FUTURE PRODUCT FEATURES OR FUNCTIONALITY.

11. INDEMNITIES

11.1. General Indemnities. Each Party ("Indemnifying Party") shall defend, indemnify and hold the other Party ("Indemnified Party") and its Affiliates and their respective officers, directors, employees, agents, contractors, successors, and assigns harmless from and against any and all damages, losses, fines, penalties, costs, and other amounts (including reasonable attorney's fees and expenses) (collectively, "Losses") arising from or in connection with any actual judicial causes of actions by third parties (each a "Claim") to the extent such Claim is based on or arises from or relates to (i) any breach or default of any provision of this Agreement by the Indemnifying Party; or (ii) negligent or intentional acts or omissions caused by the Indemnifying Party or its Affiliates and their respective officers, directors, employees, agents, contractors, successors and assigns. Further, Licensee shall defend, indemnify, and hold Symbium harmless from any Losses arising from or in connection with any Claims to the extent that such Claim is based on or arises from or relates to Licensee's misappropriation or misuse of any Licensee Data or any of Licensee's obligations to third parties relating to such Licensee Data.

11.2. Intellectual Property Indemnity. Symbium will defend, at its own expense, any action against Licensee or its or any of its agents, officers, director, or employees ("Licensee Parties") brought by a third party alleging that Symbium's software infringes any U.S. patents or any copyrights or misappropriate any trade secrets of a third party, and Symbium will pay those costs and damages finally awarded against the Licensee Parties in any such action that are specifically attributable to such claim or those costs and damages agreed to in a monetary settlement of such action. The foregoing obligations are conditioned on Licensee: (a) notifying Symbium promptly in writing of such claim or action; (b) giving Symbium sole control of the defense thereof and any related settlement negotiations; and (c) cooperating with Symbium and, at Symbium's request and expense, assisting in such defense. If any of the software becomes, or in Symbium's opinion is likely to become, the subject of an infringement claim, Symbium may, at its sole option and expense, either: (i) procure for Licensee the right to continue using it; or (ii) modify it, or replace it with a substantially similar software or service so that it becomes non-infringing. Notwithstanding the foregoing, Symbium will have no obligation under this Section or otherwise with respect to any infringement claim based upon: (1) use of any of the

software not in accordance with this Agreement; (2) any use of any software in combination with equipment, software, services or data not supplied by Symbium if such infringement would have been avoided but for the combination with other equipment, software, services or data; (3) the failure of Licensee to implement any replacements, corrections or modifications made available by Symbium for any software including, but not limited to, any use of any release of the software other than the most current release made commercially available by Symbium; or (4) any modification of any software or use thereof by any person other than Symbium or its authorized agents or subcontractors.

11.3. Indemnification Procedure. Each Indemnified Party shall provide the Indemnifying Party with prompt written Notice of any Claim for which the Indemnified Party is seeking or may seek indemnification hereunder (provided that the failure of the Indemnified Party to promptly notify the indemnifying Party hereunder shall not relieve the Indemnifying Party of any liability with respect to the Claim, except to the extent the Indemnifying Party demonstrates that the defense of the Claim is prejudiced by such failure). The Indemnified Party shall provide reasonable cooperation (at the Indemnifying Party's expense) and retain full authority to defend or settle the Claim. The Indemnifying Party shall keep the Indemnified Party fully informed concerning the status of any litigation, negotiations or settlements of any such Claim. The Indemnified Party shall be entitled, at its own expense, to participate in any such litigation, negotiations and settlements with counsel of its own choosing. The Indemnifying Party shall not have the right to settle any Claim if such settlement arises from or is part of any criminal action or proceeding, or contains a stipulation to, or an admission or acknowledgement of, any wrongdoing (whether in tort or otherwise) on the part of the Indemnified Party without the prior written consent of such Indemnified Party.

12. LIMITATION OF LIABILITY

12.1. THE LIABILITY OF SYMBIUM AND LICENSEE TO EACH OTHER FOR ANY AND ALL CAUSE(S) OF ACTION, REGARDLESS OF THE FORM OF ACTION (INCLUDING CONTRACT, TORT, NEGLIGENCE OR ANY OTHER), ARISING OUT OF OR RESULTING FROM THE PERFORMANCE OR BREACH OF THIS AGREEMENT WILL IN NO EVENT EXCEED THE INSURANCE POLICY LIMITS. LICENSEE ACKNOWLEDGES THAT THE ESSENTIAL PURPOSE OF THIS SECTION 12.1 IS TO ALLOCATE THE RISKS UNDER THIS AGREEMENT BETWEEN THE PARTIES AND LIMIT POTENTIAL LIABILITY GIVEN THE FEES, WHICH WOULD HAVE BEEN SUBSTANTIALLY HIGHER IF SYMBIUM WERE TO ASSUME ANY FURTHER LIABILITY OTHER THAN AS SET FORTH HEREIN. SYMBIUM HAS RELIED ON THESE LIMITATIONS IN DETERMINING WHETHER TO PROVIDE LICENSEE WITH THE RIGHTS TO ACCESS AND USE THE SERVICES PURSUANT TO THIS AGREEMENT.

12.2. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY OR TO ANY THIRD PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, CONSEQUENTIAL DAMAGES, OR DAMAGES FROM LOST PROFITS, LOST USE, OR ANY OTHER DAMAGES OF ANY KIND WHATSOEVER (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES) IN ANY WAY DUE TO, RESULTING FROM, OR ARISING IN CONNECTION WITH THIS AGREEMENT OR THE USE OF OR INABILITY TO USE THE SERVICES, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

12.3. NOTWITHSTANDING THE FOREGOING, SECTION 12.1 AND SECTION 12.2 WILL NOT APPLY TO: (I) CLAIMS FOR GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FRAUD, OR CRIMINAL ACTS OR OMISSIONS; (II) BREACH OF CONFIDENTIALITY OR INTELLECTUAL PROPERTY; (III) ANY THIRD PARTY CLAIMS SUBJECT TO THE INDEMNIFICATION PROVISIONS OF THIS AGREEMENT; OR (IV) THE BREACH BY EITHER PARTY OF THEIR REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 10.

13. COOPERATION

13.1. Cooperation. Each Party shall inform the other Party of any legal claims, demands or complaints brought: (i) by a third party relating to the Services or products provided by Symbium to Licensee under this Agreement; or (ii) to any regulatory body relating to this Agreement or anything acquired hereunder. The Parties shall cooperate with each other with respect to the resolution of such complaints. For the avoidance of doubt, the Party against whom the complaint was made shall control the response to any regulatory body, if any, with respect to any such complaint.

14. TERM AND TERMINATION

14.1. Term. The initial term of this Agreement shall be as set forth in the applicable Order ("Initial Term") and shall thereafter be renewed by the Parties for recurring one (1) year periods ("Subsequent Term") unless either Party provides the other Party with at least thirty (30) days prior written notice of termination or intention not to renew prior to

the commencement of the next annual period. The Initial Term and Subsequent Term may collectively be referred to as the "Term".

14.2. Termination for Breach. Either Party may terminate this Agreement upon written notice to the other Party if such other Party commits a material breach of this Agreement and does not cure such breach within fifteen (15) days following its receipt of notice thereof from the terminating Party. No refunds shall be issued to Licensee in the event of termination under this Section 14.2 by Symbium for an uncured material breach by Licensee. Symbium shall issue a prorated refund of prepaid but unused fees to Licensee in the event that Licensee terminates this Agreement under this Section 14.2 for an uncured material breach by Symbium. "Material breaches" include: (i) failure by Symbium to deliver the Services as agreed under this Agreement; (ii) any breach of Section 7 (Proprietary Information); (iii) any failure by Licensee to pay fees when due; (iii) or any breaches by either Party of Sections 3 (License), 9 (Confidentiality), 10 (Representations and Warranties), 11 (Indemnities), or 13 (Cooperation). Any termination of this Agreement will automatically terminate any incorporated Orders.

14.3. Suspension of Services. Any unauthorized access, use of passwords or Services, or other abuse or impermissible activity on Symbium's Site or in connection with Symbium's Services may result in immediate suspension of access to certain Solutions or termination of this Agreement with no refund and without limitation of any other available legal remedies. Symbium may suspend Licensee's access to any Services until all overdue payments are paid in full. Delinquent invoices are subject to interest of one percent (1.0%) per month on any outstanding balance, or the maximum permitted by law, whichever is less, plus all expenses of collection. Licensee will continue to be charged for the remainder of the term for any delinquent accounts. Licensee acknowledges and agrees that, unless otherwise required in this Agreement, Symbium has no obligation to retain any data on behalf of Licensee and that such data, if any, may be irretrievably deleted upon termination of this Agreement.

14.4. Remedies Not Limiting. The remedies provided in this Section 14 are in no way limiting of one another or of any other rights and remedies granted to either Party under this Agreement. Symbium may choose to, but is not required to, place Licensee's account on suspension in lieu of termination where termination is permitted under the terms of this Agreement or take other appropriate action.

15. MISCELLANEOUS

15.1. Notices. Any demand, notice, or other communication required or permitted hereunder shall be effective if in writing and either sent by trackable courier or email to the recipients listed in the Order. Notices by courier shall be effective upon proof of delivery by either Party. Email notices shall be effective upon confirmation of receipt by the receiving Party. Either Party may change its notice address by providing the other Party with notice of the change in the same manner required in this Section 15.1.

15.2. Assignment; Binding Effect. Neither Party shall assign or transfer this Agreement nor delegate any of its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, upon written notice to Licensee, Symbium may assign this Agreement to the surviving entity in a merger or consolidation in which it participates or to a purchaser of all or substantially all of its assets. Any assignment, transfer or delegation of rights or obligations hereunder in contravention of this Section shall be null and void. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the Parties to this Agreement and their respective successors and permitted assigns.

15.3. Dispute Resolution; Equitable Relief. The Parties agree that, in the event of a dispute or alleged breach, they shall first work together in good faith to resolve the matter internally through negotiations and, if necessary, by escalating it to higher levels of management. The foregoing shall not apply to, and shall not prevent a Party from seeking immediate relief in the event of, disputes involving the confidentiality or data protection provisions of this Agreement or infringement of intellectual property rights (in which case either Party shall be free to seek available remedies in a court of competent jurisdiction in accordance with the Governing Law Section of this Agreement).

15.4. Entire Agreement; Amendment. This Agreement sets forth the entire understanding between the Parties with respect to the subject matter hereof. This Agreement supersedes all prior or contemporaneous representations, discussion, negotiations, letters, proposals agreements and understandings between the Parties hereto with respect to the subject matter hereof, whether written or oral. This Agreement may be amended, modified or supplemented only in a writing duly executed by an authorized representative of each of Licensee and Symbium.

15.5. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California, without giving effect to its conflict of laws provisions. For any disputes that are not resolved by way

of good faith negotiations and settlement, the Parties hereby consent to the exclusive venue and jurisdiction for actions concerning or relating to this Agreement in the federal or state courts of County of Ventura, California.

15.6. Headings. The section headings in this Agreement are for reference and convenience only and do not explain, modify, interpret, or expand the provisions of this Agreement.

15.7. Independent Contractors. In making and performing under this Agreement, the Parties are acting and shall act as independent contractors and not that of master and servant or partnership. Neither Party is, nor will be deemed to be, an agent, legal representative, joint venture, or partner of the other Party for any purpose. Neither Party shall have any authority to act for or to bind the other Party in any respect, nor shall either Party hold itself out as having such authority. Each Party agrees to assume complete responsibility for its own employees with regard to federal or state employer's liability, worker's compensation, social security, unemployment insurance, and Occupational Safety and Health Administration requirements, and other laws.

15.8. Severability. If any of the provisions of this Agreement are declared to be invalid or unenforceable by a court of competent jurisdiction, such provisions shall be ineffective to the extent of such invalidity or unenforceability while the other provisions hereof shall remain in full force and effect.

15.9. Waiver. No term or provision of this Agreement shall be deemed waived and no breach excused, unless such waiver or consent is in writing and signed on behalf of the Party against whom it is asserted. Any consent by any Party to, or waiver of, a breach of the other, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any continuing, different, or subsequent breach of this Agreement by such Party.

15.10. Survival. The provisions of this Agreement, which by their nature survive expiration or termination of this Agreement, shall survive, including, but not limited to the following Sections: 7 (Proprietary Rights), 9 (Confidentiality), 10 (Representations and Warranties), 11 (Indemnities), and 12 (Limitation of Liability).

15.11. Controlling Document. Notwithstanding any inconsistent or additional terms and conditions which may be contained in a purchase order, invoice, voucher or other similar document issued by either Party, such document shall be for issuing Party's internal purposes only and the terms and conditions of this Agreement shall prevail. Therefore, even if such document is acknowledged or accepted by the receiving Party and regardless of any statement to the contrary which may be contained therein, the inconsistent or additional terms and conditions of such purchase order, invoice, voucher or other similar document shall have no force or effect on this Agreement.

15.12. Interpretation; Construction. Unless the context of this Agreement clearly requires otherwise, (i) references to the plural include the singular, the singular the plural, the part the whole, (ii) references to any gender include all genders, (iii) "or" has the inclusive meaning frequently identified with the phrase "and/or," (iv) "including" has the inclusive meaning frequently identified with the phrase "but not limited to," and (v) references to "hereunder" or "herein" relate to this Agreement. The Parties agree that this Agreement is the result of careful negotiations between sophisticated Parties and thus any principle of construction or rule of law that provides that an agreement shall be construed against the drafter of the agreement in the event of any inconsistency or ambiguity in such agreement shall not apply to the terms and conditions of this Agreement.

15.13. Signature/Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and both of which, taken together, shall constitute one agreement binding on both Parties. A facsimile signature or electronic signature (or e-signature) shall have the force and effect of an original signature, and in the absence of an original signature, shall constitute the original signature.

15.14. Insurance. Symbium shall comply with the insurance provisions attached hereto as Exhibit "B" and incorporated herein.

THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ THE AGREEMENT, UNDERSTAND IT AND AGREE TO BE BOUND BY ITS TERMS, AND THE PERSON SIGNING ON BEHALF OF EACH HAS BEEN AUTHORIZED TO DO SO. THE PARTIES FURTHER AGREE THAT THIS AGREEMENT IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES.

SYMBIUM CORP.	**CITY OF SANTA PAULA**
By:	By:
Name:	Name: Monica Castillo
Title:	Title: City Attorney
Email:	Email: mcastillo@spcity.org
Date:	Date:

EXHIBIT A-1 – ORDER

This Order, once executed, is governed by the Symbium Master Licensing Agreement between Symbium Corp. ("Symbium") and the City of Santa Paula ("Licensee") (the "Agreement"). All fees set forth herein are due pursuant to the terms of the Agreement. All capitalized terms used but not defined herein will have the meaning assigned to them in the Agreement. This Order shall control in the event of any conflict between this Order and the Agreement.

Prepared For: City of Santa Paula	**Order No.:** SANTAPAULA-001	**Make Payment to:** Symbium Corp.
City of Santa Paula Dan Schultz, Chief Building Official Building and Safety Division 200 S 10th Street Santa Paula, CA 93060 Dschultz@spcity.org	**Initial Term:** 2 years **Payment Frequency:** N/A	**Symbium Corp.** 912 Cole St., #375 San Francisco, CA 94117 support@symbium.com

SaaS Solution / Service	Description	Billing
Symbium's Citizen's Dashboard for SB379 Compliance	● Web-based public-facing automated compliance checks for solar energy systems as required by SB379 ● $25 Symbium service fee per permit or revision document, charged to applicants at point of sale.	$0
Symbium Express Permits	● Web-based public-facing automated compliance checks for additional permits, as requested by Licensee. ● $25 Symbium service fee per permit or revision document, charged to applicants at point of sale.	$0
Included Integrations	Read-write integrations into existing permit tracking system (PTS), given available APIs.	$30,000 (CalAPP funds)
Ongoing Support and Maintenance	Quarterly updates	$0
	Total	$30,000

Additional Terms and Conditions:

1. Unless noted otherwise, the pricing above includes initial implementation and training to ensure proper use and shall be invoiced upon execution of the Agreement.
2. Symbium shall be the exclusive provider of the Services for Licensee during the Term.
3. Any additional Solutions or Services requested by Licensee that exceed the scope of this Order shall be subject to a separate signed Order between the Parties. No CalAPP grant fees shall be due to Symbium in the event that Licensee is unable to procure such grant funds.
4. Support is available by email: support@symbium.com.

ACCEPTED AND AGREED BY:

Symbium Corp.	**City of Santa Paula**
BY: DATE:	BY: DATE:
NAME: Leila Banijamali	NAME: Daniel Singer
TITLE: CEO	TITLE: City Manager
EMAIL: leila@symbium.com	EMAIL: dsinger@spcity.org

EXHIBIT B - INSURANCE

Symbium shall obtain, and shall require any consultant or contractor performing services under this Agreement on its behalf to obtain insurance of the types and in the amounts described below and satisfactory to the Licensee.

A. **Commercial General Liability Insurance**. Symbium shall maintain occurrence version commercial general liability insurance or equivalent form with a combined single limit of not less than two million dollars ($2,000,000) per occurrence and the general aggregate limit not less than four million dollars ($4,000,000). Such insurance shall:

1. Include the Licensee its officials, officers, employees, agents, and consultants as additional insureds with respect to this Agreement and shall contain no special limitations on the scope of coverage or the protection afforded to the additional insureds;

2. Be primary with respect to any insurance or self-insurance programs covering the Licensee, its officials, officers, employees, agents and consultants; and

3. Contain standard separation of insured provisions.

4. Contain a waiver of subrogation that waives any right the insurer has against Licensee for any claims or suits.

B. **Workers' Compensation Insurance**. Symbium shall maintain workers' compensation insurance with statutory limits and employers' liability insurance with limits of not less than $1,000,000 per occurrence.

C. **Automobile Liability**. Symbium shall maintain automobile liability insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Licensee with limits of not less than $1,000,000 combined single limit.

D. **Privacy/Network Security (Cyber).** Symbium shall maintain privacy/network security insurance, in a form and with insurance companies acceptable to the Licensee, for: (1) privacy breaches, (2) system breaches, (3) denial or loss of service, and (4) the introduction, implantation or spread of malicious software code, in a form and with insurance companies acceptable to Licensee with limits of not less than $1,000,000 per occurrence and aggregate.

E. **Certificates of Insurance**. Symbium shall, prior to performing services under this Agreement, furnish the Licensee with properly executed certificates of insurance and, if requested by the Licensee, certified copies of endorsements and policies, which clearly evidence all insurance required under this Agreement and provide that such insurance shall be not canceled, allowed to expire or be materially reduced in coverage, except on thirty (30) days' prior written notice to the Agreement. The Licensee shall have the sole discretion to determine whether the certificates and endorsements presented comply with the provisions of this Agreement.

F. **Coverage Maintenance**. Symbium shall replace certificates, policies and endorsements for any insurance expiring prior to the termination of this Agreement. Unless otherwise provided for in this Agreement, Symbium shall maintain such insurance from the execution of this Agreement until a period of three (3) years after the termination of this Agreement.

G. **Licensed Insurer**. Symbium shall place such insurance with insurers having A.M. Best Company ratings of no less than A:VIII and licensed to do business in California, unless otherwise approved, in writing, by the Licensee.

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Tom Tarantino, Planning & Economic Development Manager

Subject: INTRODUCTION OF ORDINANCE NO. 1340 AMENDING SPMC CHAPTER 16.227 - ACCESSORY DWELLING UNITS

Date: November 6, 2024

Agenda Item: 11.A

RECOMMENDATION:

Staff recommends that the City Council:

1. Open the public hearing.
2. Waive first reading, read by title only, and introduce Ordinance No. 1340, entitled " An Ordinance of the City Council of the City of Santa Paula Amending Chapter 16.227 of the City of Santa Paula Municipal Code Relating to Accessory Dwelling Units a nd Junior Accessory Dwelling Units and Finding the Action to be Statutorily Exempt from CEQA under Public Resources Code § 21080.17."

BACKGROUND:

In recent years, the California Legislature has approved, and the Governor has signed into law, a number of bills that, among other things, amended various sections of the Government Code to impose new limits on local authority to regulate ADUs and JADUs. In 2024, the California Legislature approved, and the Governor signed into law, two new bills — AB 2533 and SB 1211 — that further amend state ADU law as summarized below.

AB 2533 – Unpermitted ADUs and JADUs

Subject to limited exceptions, existing state law prohibits a city from denying a permit to legalize an unpermitted ADU that was constructed before January 1, 2018, if the denial is based on the ADU not complying with applicable building, state, or local ADU standards. One exception allows a city to deny a permit to legalize if the city makes a written finding that correcting the violation is necessary to protect the health and safety of the public or the occupants of the structure.

AB 2533 changes this by: (1) expanding the above prohibition to also include *JADUs*; (2) moving the construction-cutoff date from January 1, 2018, to *January 1, 2020*; and (3) replacing the above exception with a requirement that local agencies find that correcting the violation is necessary to *comply with the standards specified in Health and Safety Code section 17920.3 (Substandard Buildings).* (See amended Gov. Code, § 66332(a)–(f).)

SB 1211 – Replacement Parking Requirements; Multifamily ADUs

Replacement Parking

Existing state law prohibits the City from requiring off-street parking spaces to be replaced when a garage, carport, or covered parking structure is demolished in conjunction with the construction of, or conversion to, an ADU.

SB 1211 amends this prohibition to now also prohibit a city from requiring replacement parking when an *uncovered* parking space is demolished for or replaced with an ADU. (See amended Gov. Code, § 66314(d)(11).)

Multifamily ADUs

SB 1211 further defines *livable space* in connection with converted ADUs inside a multifamily dwelling structure. Existing state law requires the City to ministerially approve qualifying building-permit applications for ADUs within "portions of existing multifamily dwelling structures that are not used as livable space, including, but not limited to, storage rooms, boiler rooms, passageways, attics, basements, or garages …." The term "livable space" is not defined by existing state ADU law.

SB 1211 changes this by *adding a new definition*: "'Livable space' means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation." (See amended Gov. Code, § 66313(e).)

SB 1211 also increases the number of detached ADUs that lots with an existing multifamily dwelling can have. Existing state law allows a lot with an existing or proposed multifamily dwelling to have up to two detached ADUs.

Under SB 1211, a lot with an *existing* multifamily dwelling can have up to *eight* detached ADUs, or as many detached ADUs as there are primary dwelling units on the lot, whichever is less. (See amended Gov. Code, § 66323(a)(4)(A)(ii).) SB 1211 does not alter the number of ADUs that a lot with a *proposed* multifamily dwelling can have — the limit remains at two. (See amended Gov. Code, § 66323(a)(4).)

Best Practice Alignment & Clerical Updates

Best, Best & Krieger ("BBK") with whom the City is contracted to handle the ongoing update of the Municipal Code over the next several years, provided staff with a model update of the current SPMC Chapter 16.227 language. This model provided the necessary language updates for alignment with AB 2533 and SB 1211, and also incorporated suggested best practice and clerical updates for the rest of Chapter 16.227 in order to bring the entire code section up to date.

Staff reviewed the best practice and clerical suggestions for compatibility with prior Council direction, and incorporated these relatively minor changes wherever possible, as reflected in the BBK-provided redline (Attachment B). Although only the aforementioned AB 2533 and SB 1211 updates require enactment by cities no later than January 1, 2025, staff felt it prudent to include all of the Chapter 16.227 updates together, in order to expedite this portion of the ongoing Municipal Code update process.

ANALYSIS:

Both AB 2533 and SB 1211 take effect January 1, 2025. To remain valid, the City's ADU ordinance (SPMC Chapter 16.227) must comply with the requirements of AB 2533 and SB 1211 that impose new limits on local authority to regulate Accessory Dwelling Units ("ADUs") and Junior Accessory Dwelling Units ("JADUs") by said date. The introduction of Ordinance No. 1340 (Attachment A) tonight and its adoption by November 20, 2024 (Council's next regular meeting) ensures the City's ADU ordinance will comply with AB 2533 and SB 1211 before January 1, 2025.

The Planning Commission reviewed the proposed changes to the City's ADU ordinance and adopted Resolution No. 3862 (Attachment C) at their regular meeting on October 22, 2024, recommending the City Council consider approval of Ordinance No. 1340 and finding the ordinance statutorily exempt from CEQA.

Environmental Review

Under California Public Resources Code section 21080.17, CEQA does not apply to the adoption of an ordinance by a city or county implementing the provisions of Article 2 of Chapter 13 of Division 1 of Title 7 of the Government Code, which is California's ADU law and which also regulates JADUs, as defined by section 66313. Therefore, the adoption of the proposed ordinance is statutorily exempt from CEQA in that it implements state ADU law.

STRATEGIC PLAN:

Reviewing the City's municipal code for updates to reduce irrelevancy directly relates to Strategic Plan Goal *G.2 Municipal Code.*

FISCAL IMPACTS:

There are no direct fiscal impacts from this code update. Relatively minor increase in property tax revenues is possible if the number of ADUs increases due to reduced restrictions. Construction of an ADU does not trigger reassessment of the main property, so any property tax increase would be based on the value of the ADU itself.

OPTIONS:

In addition to the recommended action, the City Council has available to it the following alternative options:

1. Do not introduce proposed Ordinance No. 1340, amending Chapter 16.22 *Accessory Dwelling Units* of the City's Municipal Code, which may result in misalignment with state housing law as of January 1, 2025.
2. Direct staff to modify the proposed Ordinance No. 1340 and bring back the modified ordinance to Council for reintroduction.

ATTACHMENTS:

A - CC Ord 1340.pdf

B - PC Resolution No. 3862.pdf
C - SPMC Chapter 16.227 Redline.pdf

ATTACHMENT A

ORDINANCE NO. 1340
&
EXHIBIT A-1: REVISED SPMC CHAPTER 16.227

ORDINANCE NO. 1340

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA PAULA AMENDING CHAPTER 16.227 OF THE CITY OF SANTA PAULA MUNICIPAL CODE RELATING TO ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS AND FINDING THE ACTION TO BE STATUTORILY EXEMPT FROM CEQA UNDER PUBLIC RESOURCES CODE § 21080.17

WHEREAS, the City of Santa Paula, California ("City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, state law authorizes cities to act by ordinance to provide for the creation and regulation of accessory dwelling units ("ADUs") and junior accessory dwelling units ("JADUs"); and

WHEREAS, in recent years, the California Legislature has approved, and the Governor has signed into law, numerous bills that, among other things, amend various sections of the Government Code to impose new limits on local authority to regulate ADUs and JADUs; and

WHEREAS, in 2024, the California Legislature approved, and the Governor signed into law, Assembly Bill 2533 ("AB 2533") and Senate Bill 1211 ("SB 1211"), which further amend state ADU law; and

WHEREAS, AB 2533 and SB 1211 take effect on January 1, 2025, and for the City's ADU ordinance to remain valid, it must be amended to reflect the requirements of AB 2533 and SB 1211; and

WHEREAS, the City desires to amend its local regulatory scheme for the construction of ADUs and JADUs to reflect AB 2533's and SB 1211's changes to state law and current best practices; and

WHEREAS, on October 22, 2024, the Planning Commission held a duly-noticed public hearing and considered the staff report, recommendations by staff, and public testimony concerning this proposed Ordinance. Following the public hearing, the Planning Commission voted to forward the Ordinance to the City Council with a recommendation in favor of its adoption; and

WHEREAS, on November 6, 2024, the City Council held a duly-noticed public hearing to consider the Ordinance, including: (1) the public testimony and agenda reports prepared in connection with the Ordinance, (2) the policy considerations discussed therein, and (3) the consideration and recommendation by the City's Planning Commission; and

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

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

SECTION 1. Incorporation. The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2. CEQA. Under California Public Resources Code section 21080.17, the California Environmental Quality Act ("CEQA") does not apply to the adoption of an ordinance by a city or county implementing the provisions of Article 2 of Chapter 13 of Division 1 of Title 7 of the California Government Code, which is California's ADU law and which also regulates JADUs, as defined by section 66313. Therefore, adoption of the Ordinance is statutorily exempt from CEQA in that it implements state ADU law.

SECTION 3. General Plan. The City Council hereby finds that the adoption of the Ordinance is consistent with the General Plan as a matter of law under Government Code section 66314(c).

SECTION 4. Code Amendment. Chapter 16.227 of the Santa Paula Municipal Code is hereby amended and restated to read in its entirety as provided in Exhibit "A-1," attached hereto and incorporated herein by reference.

SECTION 5. Effective Date. This Ordinance takes effect 30 days after its adoption.

SECTION 6. HCD Submittal. In accordance with Government Code section 66326, the City Clerk is directed to submit a copy of this Ordinance to the California Department of Housing and Community Development within 60 days after adoption.

SECTION 7. Publication. The City Clerk is directed to certify to the adoption of this Ordinance and post or publish this Ordinance as required by law.

SECTION 8. Custodian of Records. The custodian of records for this Ordinance is the City Clerk and the records comprising the administrative record are located at 970 E. Ventura Street, Santa Paula, California, 93060.

SECTION 9. Severability. If any provision of this Ordinance or its application to any person or circumstance is held to be invalid by a court of competent jurisdiction, such invalidity has no effect on the other provisions or applications of the Ordinance that can be given effect without the invalid provision or application, and to this extent, the provisions of this Ordinance are severable. The City Council declares that it would have adopted this Ordinance irrespective of the invalidity of any portion thereof.

(Continues on next page)

PASSED, APPROVED AND ADOPTED by the City Council of the City of Santa Paula, California, at a regular meeting of the City Council held on the ____ day of _____, 2024 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF SANTA PAULA

_____
Leslie Cornejo, Mayor

ATTEST:

_____
Julie Latshaw, City Clerk

APPROVED AS TO FORM:

BEST BEST & KRIEGER LLP

_____
Monica Castillo, City Attorney

EXHIBIT A-1

Amended ADU Regulations

(follows this page)

Chapter 16.227 – Accessory Dwelling Units

§ 16.227.010 Accessory Dwelling Units

(a) **Purpose.** The purpose of this section is to allow and regulate accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) in compliance with Chapter 13 of Division 1 of Title 7 of the California Government Code.

(b) **Effect of Conforming.** An ADU or JADU that conforms to the standards in this section will not be:

(1) Deemed to be inconsistent with the city's general plan and zoning designation for the lot on which the ADU or JADU is located.

(2) Deemed to exceed the allowable density for the lot on which the ADU or JADU is located.

(3) Considered in the application of any local ordinance, policy, or program to limit residential growth.

(4) Required to correct a nonconforming zoning condition, as defined in subsection (c)(8) below. This does not prevent the city from enforcing compliance with applicable building standards in accordance with Health and Safety Code section 17980.12.

(c) **Definitions.** As used in this section, terms are defined as follows:

(1) "Accessory dwelling unit" or "ADU" means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit also includes the following:

(A) An efficiency unit, as defined by section 17958.1 of the California Health and Safety Code; and

(B) A manufactured home, as defined by section 18007 of the California Health and Safety Code.

(2) "Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.

(3) “Complete independent living facilities” means permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.

(4) “Efficiency kitchen” means a kitchen that includes all of the following:

(A) A cooking facility with appliances.

(B) A food preparation counter and storage cabinets that are of a reasonable size in relation to the size of the JADU.

(5) “Junior accessory dwelling unit” or “JADU” means a residential unit that satisfies all of the following:

(A) It is no more than 500 square feet in size.

(B) It is contained entirely within an existing or proposed single-family structure. An enclosed use within the residence, such as an attached garage, is considered to be a part of and contained within the single-family structure.

(C) It includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed single-family structure.

(D) If the unit does not include its own separate bathroom, then it contains an interior entrance to the main living area of the existing or proposed single-family structure in addition to an exterior entrance that is separate from the main entrance to the primary dwelling.

(E) It includes an efficiency kitchen, as defined in subsection (c)(4) above.

(6) “Livable space” means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.

(7) “Living area” means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.

(8) “Nonconforming zoning condition” means a physical improvement on a property that does not conform with current zoning standards.

(9) “Passageway” means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU.

(10) “Proposed dwelling” means a dwelling that is the subject of a permit application and that meets the requirements for permitting.

(11) “Public transit” means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

(12) “Tandem parking” means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

(d) **Approvals.** The following approvals apply to ADUs and JADUs under this section:

(1) **Building-Permit Only.** If an ADU or JADU complies with each of the general requirements in subsection (e) below, it is allowed with only a building permit in the following scenarios:

(A) **Converted on Single-Family Lot:** One ADU as described in this subsection (d)(1)(A) and one JADU on a lot with a proposed or existing single-family dwelling on it, where the ADU or JADU:

(i) Is either: within the space of a proposed single-family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress; and

(ii) Has exterior access that is independent of that for the single-family dwelling; and

(iii) Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.

(iv) The JADU complies with the requirements of Government Code sections 66333 through 66339.

(B) **Limited Detached on Single-Family Lot:** One detached, new-construction ADU on a lot with a proposed or existing single-family dwelling (in addition to any JADU that might otherwise be established on the lot under subsection (d)(1)(A) above), if the detached ADU satisfies each of the following limitations:

(i) The side- and rear-yard setbacks are at least four feet.

(ii) The total floor area is 800 square feet or smaller.

(iii) The peak height above grade does not exceed the applicable height limit in subsection (e)(2) below.

(C) **Converted on Multifamily Lot:** One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. Under this subsection (d)(1)(C), at least one converted ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.

(D) **Limited Detached on Multifamily Lot:** No more than two detached ADUs on a lot with a proposed multifamily dwelling, or up to eight detached ADUs on a lot with an existing multifamily dwelling, if each detached ADU satisfies all of the following:

(i) The side- and rear-yard setbacks are at least four feet. If the existing multifamily dwelling has a rear or side yard setback of less than four feet, the city will not require any modification to the multifamily dwelling as a condition of approving the ADU.

(ii) The peak height above grade does not exceed the applicable height limit provided in subsection (e)(2) below.

(iii) If the lot has an existing multifamily dwelling, the quantity of detached ADUs does not exceed the number of primary dwelling units on the lot.

(2) **ADU Permit.**

(A) Except as allowed under subsection (d)(1) above, no ADU may be created without a building permit and an ADU permit in compliance with the standards set forth in subsections (e) and (f) below.

(B) The city may charge a fee to reimburse it for costs incurred in processing ADU permits, including the costs of adopting or amending the city's ADU ordinance. The ADU-permit processing fee is determined by the Community & Economic Development Director or his or her designee and approved by the City Council by resolution.

(3) **Process and Timing.**

(A) An ADU permit is considered and approved ministerially, without discretionary review or a hearing.

(B) The city must approve or deny an application to create an ADU or JADU within 60 days from the date that the city receives a completed application. If the city has not approved or denied the completed

application within 60 days, the application is deemed approved unless either:

(i) The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or

(ii) When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot, the city may delay acting on the permit application for the ADU or JADU until the city acts on the permit application to create the new single-family or multifamily dwelling, but the application to create the ADU or JADU will still be considered ministerially without discretionary review or a hearing.

(C) If the city denies an application to create an ADU or JADU, the city must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period established by subsection (d)(3)(B) above.

(D) A demolition permit for a detached garage that is to be replaced with an ADU is reviewed with the application for the ADU and issued at the same time.

(e) **General ADU and JADU Requirements.** The following requirements apply to all ADUs and JADUs that are approved under subsections (d)(1) or (d)(2) above:

(1) **Zoning.**

(A) An ADU subject only to a building permit under subsection (d)(1) above may be created on a lot in a residential, commercial or mixed-use zone.

(B) An ADU subject to an ADU permit under subsection (d)(2) above may be created on a lot that is zoned to allow single-family dwelling residential use or multifamily dwelling residential use.

(C) In accordance with Government Code section 66333(a), a JADU may only be created on a lot zoned for single-family residences.

(2) **Height.**

(A) Except as otherwise provided by subsections (e)(2)(B) and (e)(2)(C) below, a detached ADU created on a lot with an existing or proposed single family or multifamily dwelling unit may not exceed 16 feet in

height. Alternatively, an ADU in compliance with the underlying zone setbacks is permitted to use the underlying zone height regulations.

(B) A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or high quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit. Alternatively, an ADU that meets the requirements of this subsection (e)(2)(B) that complies with the underlying zone setbacks is permitted to use the underlying zone height regulations.

(C) A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height, unless it meets the setback requirements of the underlying zone, except as provided in subsection (e)(2)(B) above.

(D) An ADU that is attached to the primary dwelling may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection (e)(2)(D) may not exceed two stories.

(E) For purposes of this subsection (e)(2), height is measured from existing legal grade or base flood elevation, whichever is higher, to the peak of the structure, as determined by the Community & Economic Development Director or his or her designee.

(3) **Fire Sprinklers.**

(A) Fire sprinklers are required in an ADU if sprinklers are required in the primary residence.

(B) The construction of an ADU does not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.

(4) **Rental Term.** No ADU or JADU may be rented for a term that is shorter than 30 days. This prohibition applies regardless of when the ADU or JADU was created.

(5) **No Separate Conveyance.** An ADU or JADU may be rented, but, except as otherwise provided in Government Code section 66341, no ADU or JADU may be sold or otherwise conveyed separately from the lot and the

primary dwelling (in the case of a single-family lot) or from the lot and all of the dwellings (in the case of a multifamily lot).

(6) **Septic System.** If the ADU or JADU will connect to an onsite wastewater-treatment system, the owner must include with the application a percolation test completed within the last five years or, if the percolation test has been recertified, within the last 10 years.

(7) **Owner Occupancy.**

(A) ADUs created under this section on or after January 1, 2020 are not subject to an owner-occupancy requirement.

(B) As required by state law, all JADUs are subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or JADU, as the person's legal domicile and permanent residence. However, the owner-occupancy requirement in this subsection (e)(7)(B) does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.

(8) **Deed Restriction.** Prior to issuance of a certificate of occupancy for an ADU or JADU, a deed restriction must be recorded against the title of the property in the County Recorder's office and a copy filed with the city's Community & Economic Development Department. The deed restriction must run with the land and bind all future owners. The form of the deed restriction will be provided by the city and must provide that:

(A) Except as otherwise provided in Government Code section 66341, the ADU or JADU may not be sold separately from the primary dwelling.

(B) The ADU or JADU is restricted to the approved size and to other attributes allowed by this section.

(C) The deed restriction runs with the land and may be enforced against future property owners.

(D) The deed restriction may be removed if the owner eliminates the ADU or JADU, as evidenced by, for example, removal of the kitchen facilities. To remove the deed restriction, an owner may make a written request of the Community & Economic Development Director, providing evidence that the ADU or JADU has in fact been eliminated. The Community & Economic Development Director or his or her designee may then determine whether the evidence supports the claim that the ADU or JADU has been eliminated. Appeal may be taken from the Community & Economic Development Director's, or his or her designee's, determination consistent with other

provisions of this Code. If the ADU or JADU is not entirely physically removed, but is only eliminated by virtue of having a necessary component of an ADU or JADU removed, the remaining structure and improvements must otherwise comply with applicable provisions of this Code.

(E) The deed restriction is enforceable by the Community & Economic Development Director or his or her designee for the benefit of the city. Failure of the property owner to comply with the deed restriction may result in legal action against the property owner, and the city is authorized to obtain any remedy available to it at law or equity, including, but not limited to, obtaining an injunction enjoining the use of the ADU or JADU in violation of the recorded restrictions or abatement of the illegal unit.

(9) **Building & Safety.**

(A) **Must comply with building code.** Subject to subsection (e)(9)(B) below, all ADUs and JADUs must comply with all local building code requirements.

(B) **No change of occupancy.** Construction of an ADU does not constitute a Group R occupancy change under the local building code, as described in Section 310 of the California Building Code, unless the city's Community & Economic Development Director, or his or her designee, makes a written finding based on substantial evidence in the record that the construction of the ADU could have a specific, adverse impact on public health and safety. Nothing in this subsection (e)(9)(B) prevents the city from changing the occupancy code of a space that was uninhabitable space or that was only permitted for nonresidential use and was subsequently converted for residential use in accordance with this section.

(f) **Specific ADU Requirements.** The following requirements apply only to ADUs that require an ADU permit under subsection (d)(2) above.

(1) **Maximum Size.**

(A) The maximum size of a detached or attached ADU subject to this subsection (f) is 850 square feet for a studio or one-bedroom unit and 1,200 square feet for a unit with two or more bedrooms.

(B) An attached ADU that is created on a lot with an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling.

(C) Application of other development standards in this subsection (f), such as lot coverage, might further limit the size of the ADU, but no

application of the percent-based size limit in subsection (f)(1)(B) above or of a front setback, lot coverage limit, or open-space requirement may require the ADU to be less than 800 square feet.

(2) **Setbacks.**

(A) ADUs that are subject to this subsection (f) must conform to 4-foot side and rear setbacks. ADUs that are subject to this subsection (f) must conform to 20-foot front setbacks, subject to subsection (f)(1)(C) above.

(B) No setback is required for an ADU that is subject to this subsection (f) if the ADU is constructed in the same location and to the same dimensions as an existing structure.

(3) **Lot Coverage.** No ADU subject to this subsection (f) may cause the total lot coverage of the lot to exceed the underlying zone, subject to subsection (f)(1)(C) above.

(4) **Minimum Open Space.** No ADU subject to this subsection (f) may cause the total percentage of open space of the lot to fall below the underlying zone, subject to subsection (f)(1)(C) above.

(5) **Passageway.** No passageway, as defined by subsection (c)(9) above, is required for an ADU.

(6) **Parking.**

(A) No off-street parking spaces are required for any new or converted ADU.

(B) No Replacement. When a garage, carport, covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an ADU or converted to an ADU, those off-street parking spaces are not required to be replaced.

(7) **Architectural Requirements.**

(A) The materials and colors of the exterior walls, roof, windows and doors must be compatible with the appearance and architectural design of those of the primary dwelling.

(B) The roof slope must match that of the dominant roof slope of the primary dwelling. The dominant roof slope is the slope shared by the largest portion of the roof.

(C) The exterior lighting must be limited to down-lights or as otherwise required by the building or fire code.

(D) The ADU must have an independent exterior entrance, apart from that of the primary dwelling.

(E) The interior horizontal dimensions of an ADU must be at least 10 feet wide in every direction, with a minimum interior ceiling height of not less than seven feet, as determined by the Community & Economic Development Director or his or her designee.

(F) No window or door of the ADU may have a direct line of sight to an adjoining residential property. Each window and door must either be located where there is no direct line of sight or screened using fencing, landscaping, or privacy glass to prevent a direct line of sight.

(G) All windows and doors in an ADU less than 30 feet from a property line that is not a public right-of-way line must either be (for windows) clerestory with the bottom of the glass at least six feet above the finished floor, or (for windows and for doors) utilize frosted or obscure glass.

(8) **Landscape Requirements.** Evergreen landscape screening must be planted and maintained between the ADU and adjacent parcels as follows:

(A) At least one 15-gallon size plant must be provided for every five linear feet of exterior ADU wall. Alternatively, at least one 24" box size plant must be provided for every ten linear feet of exterior ADU wall.

(B) Plant specimens must be at least six feet tall when installed. As an alternative, a solid fence of at least six feet in height may be installed.

(C) All landscaping must be drought-tolerant and compliant with MWELO standards.

(9) **Historical Protections.** An ADU that is on or within 600 feet of real property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right-of-way.

(10) **Allowed Stories.** No ADU subject to this subsection (f) may have more than one story, except that an ADU that is attached to the primary dwelling may have the stories allowed under subparagraph (e)(2)(D) of this section.

(g) **Fees.** The following requirements apply to all ADUs that are approved under subsections (d)(1) or (d)(2) above.

(1) Impact Fees.

(A) No impact fee is required for <u>one</u> ADU that is less than 750 square feet in size. For purposes of this subsection (g)(1), "impact fee"

means a “fee” under the Mitigation Fee Act (Gov. Code § 66000(b)) and a fee under the Quimby Act (Gov. Code § 66477). “Impact fee” here does not include any connection fee or capacity charge for water or sewer service.

(B) Any impact fee that is required for an ADU that is 750 square feet or larger in size must be charged proportionately in relation to the square footage of the primary dwelling unit. (E.g., the floor area of the ADU, divided by the floor area of the primary dwelling, times the typical fee amount charged for a new dwelling.)

(2) **Utility Fees.**

(A) If an ADU is constructed with a new single-family home, a separate utility connection directly between the ADU and the utility and payment of the normal connection fee and capacity charge for a new dwelling are required.

(B) Except as described in subsection (g)(2)(A), converted ADUs on a single-family lot that are created under subsection (d)(1)(A) above are not required to have a new or separate utility connection directly between the ADU and the utility. Nor is a connection fee or capacity charge required.

(C) Except as described in subsection (g)(2)(A), all ADUs that are not covered by subsection (g)(2)(B) require a new, separate utility connection directly between the ADU and the utility for any utility that is provided by the city. All utilities that are not provided by the city are subject to the connection and fee requirements of the utility provider.

(i) The connection is subject to a connection fee or capacity charge that is proportionate to the burden created by the ADU based on either the floor area or the number of drainage-fixture units (DFU) values, as defined by the Uniform Plumbing Code, upon the water or sewer system.

(ii) The portion of the fee or charge that is charged by the city may not exceed the reasonable cost of providing this service.

(h) **Nonconforming Zoning Code Conditions, Building Code Violations, and Unpermitted Structures**.

(1) **Generally.** The city will not deny an ADU or JADU application due to a nonconforming zoning condition, building code violation, or unpermitted structure on the lot that does not present a threat to the public health and safety and that is not affected by the construction of the ADU or JADU.

(2) **Unpermitted ADUs and JADUs constructed before 2020.**

(A) **Permit to Legalize.** As required by state law, the city may not deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if denial is based on either of the following grounds:

(i) The ADU or JADU violates applicable building standards, or

(ii) The ADU or JADU does not comply with state ADU or JADU law or this ADU ordinance (Chapter 16.227).

(B) **Exceptions:**

(i) Notwithstanding subsection (h)(2)(A) above, the city may deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if the city makes a finding that correcting a violation is necessary to comply with the standards specified in California Health and Safety Code section 17920.3.

(ii) Subsection (h)(2)(A) above does not apply to a building that is deemed to be substandard in accordance with California Health and Safety Code section 17920.3.

(i) **Nonconforming ADUs and Discretionary Approval.** Any proposed ADU or JADU that would otherwise be allowed under this section but that does not conform to the objective design or development standards set forth in subsections (a) through (h) of this section may be allowed by the city with a conditional use permit, in accordance with the other provisions of this title.

ATTACHMENT B

PC RESOLUTION NO. 3862
(SIGNED)

RESOLUTION NO. 3862

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SANTA PAULA, CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE AMENDING CHAPTER 16.227 OF THE SANTA PAULA MUNICIPAL CODE RELATING TO ACCESSORY DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS IN THE CITY, AND FINDING THE ACTION TO BE STATUTORILY EXEMPT FROM CEQA UNDER PUBLIC RESOURCES CODE § 21080.17

WHEREAS, the Planning and Zoning Law authorizes cities to act by ordinance to provide for the creation and regulation of accessory dwelling units ("ADUs") and junior accessory dwelling units ("JADUs"); and

WHEREAS, in recent years, the California Legislature has approved, and the Governor has signed into law, a number of bills that, among other things, amend various sections of the Government Code to impose new limits on local authority to regulate ADUs and JADUs; and

WHEREAS, in 2024, the California Legislature approved, and the Governor signed into law, Assembly Bill 2533 ("AB 2533") and Senate Bill 1211 ("SB 1211"), which further amend state ADU law;

WHEREAS, AB 2533 and SB 1211 take effect on January 1, 2025, and for the City's ADU ordinance to remain valid, it must be amended to reflect the requirements of AB 2533 and SB 1211; and

WHEREAS, the City desires to amend its local regulatory scheme for the construction of ADUs and JADUs to reflect AB 2533's and SB 1211's changes to state law; and

WHEREAS, on October 22, 2024, the Planning Commission held a duly-noticed public hearing to consider the attached Ordinance; and

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

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF SANTA PAULA DOES RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. Incorporation. The recitals above are true and correct and are each incorporated by reference and adopted as findings by the Planning Commission.

SECTION 2. CEQA. The Planning Commission recommends that the City Council find that, under California Public Resources Code section 21080.17, the California Environmental Quality Act ("CEQA") does not apply to the adoption of an ordinance by a city or county implementing the provisions of Article 2 of Chapter 13 of Division 1 of Title 7 of the California Government Code, which is California's ADU law and which also regulates JADUs, as defined by section 66313. Therefore, adoption of the proposed ordinance is statutorily exempt from CEQA in that it implements state ADU law.

SECTION 3. General Plan. The Planning Commission hereby finds that the adoption of the Ordinance is consistent with the General Plan as a matter of law under Government Code section 66314(c).

SECTION 4. Recommendation. Given the foregoing, and based on the entire record before the Planning Commission, the Planning Commission hereby recommends that the City Council adopt the ordinance attached hereto as Exhibit "A."

SECTION 5. Effective Date. This Resolution takes effect immediately upon adoption.

Section 6. Certification; Records. The Planning Commission Secretary shall attest as to the adoption of this Resolution and cause the same to be maintained in the permanent records of the City.

APPROVED AND ADOPTED THIS 22nd DAY OF OCTOBER, 2024, BY THE SANTA PAULA PLANNING COMMISSION.

By: Aaron Dunkel
AARON DUNKEL, Chair

ATTEST: JM
JAMES MASON, Secretary

(Continued on next page)

I, **JAMES MASON**, the Planning Commission Secretary of the City of Santa Paula, do hereby certify that the foregoing Resolution was duly adopted by the Planning Commission at a regular meeting conducted on the 22nd day of October, 2024, by the following vote, to-wit:

AYES: DUNKEL, KELLY, AUGER, HERBER, KIESEWETTER

NOES: NONE

ABSENT: NONE

ABSTAINED: NONE

ATTACHMENT C

SPMC CHAPTER 16.227
REDLINE

Section

Chapter 16.227 – Accessory Dwelling Units

§ 16.227.010 Accessory dwelling unitsDwelling Units

§ 16.227.010 ACCESSORY DWELLING UNITS.

(a) (A) **Purpose.** The purpose of this section is to allow and regulate accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) in compliance with Cal. Gov't Code §§ 65852.2 and 65852.22Chapter 13 of Division 1 of Title 7 of the California Government Code.

(b) (B) **Effect of conformingConforming.** An ADU or JADU that conforms to the standards in this section will not be:

(1) (1) Deemed to be inconsistent with the city'scity's general plan and zoning designation for the lot on which the ADU or JADU is located.

(2) (2) Deemed to exceed the allowable density for the lot on which the ADU or JADU is located.

(3) (3) Considered in the application of any local ordinance, policy, or program to limit residential growth.

(4) (4) Required to correct a nonconforming zoning condition, as defined in subsection (C)(7) below(c)(8) below. This does not prevent the city from enforcing compliance with applicable building standards in accordance with Cal. Health and Safety Code §section 17980.12.

(c) (C) **Definitions.** As used in this section, terms are defined as follows:

(1) (1) ACCESSORY DWELLING UNIT"Accessory dwelling unit" or "ADU" means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit also includes the following:

(A) (a) An efficiency unit, as defined by Cal.section 17958.1 of the California Health and Safety Code § 17958.1; and

(B) ~~(b)~~ A manufactured home, as defined by ~~Cal.~~section 18007 of the California Health and Safety Code ~~§ 18007~~.

(2) ~~(2) ACCESSORY STRUCTURE~~"Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.

(3) ~~(3) COMPLETE INDEPENDENT LIVING FACILITIES~~"Complete independent living facilities" means permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.

(4) ~~(4) EFFICIENCY KITCHEN~~"Efficiency kitchen" means a kitchen that includes all of the following:

(A) ~~(a)~~ A cooking facility with appliances.

(B) ~~(b)~~ A food preparation counter and storage cabinets that are of a reasonable size in relation to the size of the JADU.

(5) ~~(5) JUNIOR ACCESSORY DWELLING UNIT or~~ "Junior accessory dwelling unit" or "JADU" means a residential unit that satisfies all of the following:

(A) ~~(a)~~ It is no more than 500 square feet in size.

(B) ~~(b)~~ It is contained entirely within an existing or proposed single-family structure. An enclosed use within the residence, such as an attached garage, is considered to be a part of and contained within the single-family structure.

(C) ~~(c)~~ It includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed single-family structure.

(D) ~~(d)~~ If the unit does not include its own separate bathroom, then it contains an interior entrance to the main living area of the existing or proposed single-family structure in addition to an exterior entrance that is separate from the main entrance to the primary dwelling.

(E) ~~(e)~~ It includes an efficiency kitchen, as defined in subsection ~~(C)(4) above~~(c)(4) above.

(6) "Livable space" means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.

(7) ~~(6) LIVING AREA~~"Living area" means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.

(8) ~~(7) NONCONFORMING ZONING CONDITION~~"Nonconforming zoning condition" means a physical improvement on a property that does not conform with current zoning standards.

(9) ~~(8) PASSAGEWAY~~"Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU.

(10) ~~(9) PROPOSED DWELLING~~"Proposed dwelling" means a dwelling that is the subject of a permit application and that meets the requirements for permitting.

(11) ~~(10) PUBLIC TRANSIT~~"Public transit" means a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

(12) ~~(11) TANDEM PARKING~~"Tandem parking" means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

(d) ~~(D)~~ **Approvals.** The following approvals apply to ADUs and JADUs under this section:

(1) ~~(1) Building permit only~~**Building Permit Only.** If an ADU or JADU complies with each of the general requirements in subsection ~~(E) below~~(e) below, it is allowed with only a building permit in the following scenarios:

(A) ~~(a)~~ **Converted on** ~~single-family lot~~**Single-Family Lot:** One ADU as described in this subsection ~~(D)(1)(a)~~(d)(1)(A) and one JADU on a lot with a proposed or existing single-family dwelling on it, where the ADU or JADU:

(i) ~~(i)~~ Is either: within the space of a proposed single-family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress; and

(ii) ~~(ii)~~ Has exterior access that is independent of that for the single-family dwelling; and

(iii) ~~(iii)~~ Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.

(iv) ~~(iv)~~ The JADU complies with the requirements of ~~Cal. Gov't~~Government Code ~~§ 65852.22~~sections 66333 through 66339.

(B) ~~(b)~~ **Limited** ~~detached on single-family lot~~**Detached on Single-Family Lot:** One detached, new-construction ADU on a lot with a proposed or existing single-family dwelling (in addition to any JADU that might otherwise be established on the lot under subsection ~~(D)(1)(a) above~~(d)(1)(A) above), if the detached ADU satisfies each of the following limitations:

(i) ~~(i)~~ The side- and rear-yard setbacks are at least four feet.

(ii) ~~(ii)~~ The total floor area is 800 square feet or smaller.

(iii) ~~(iii)~~ The peak height above grade does not exceed the applicable height limit in subsection ~~(E)(2)~~(e)(2) below.

(C) ~~(c)~~ **Converted on** ~~multifamily lot~~**Multifamily Lot:** One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. Under this subsection ~~(D)(1)(c)~~(d)(1)(C), at least one converted ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25~~%~~ percent of the existing multifamily dwelling units.

(D) ~~(d)~~ **Limited** ~~detached on multifamily lot~~**Detached on Multifamily Lot:** No more than two detached ADUs on a lot ~~that has an existing or~~with a proposed multifamily dwelling, or up to eight detached ADUs on a lot with an existing multifamily dwelling, if each detached ADU satisfies ~~both~~all of the following ~~limitations~~:

(i) ~~(i)~~ The side- and rear-yard setbacks are at least four feet. If the existing multifamily dwelling has a rear or side yard setback of less than four feet, the city will not require any modification to the multifamily dwelling as a condition of approving the ADU.

(ii) ~~(ii)~~ The peak height above grade does not exceed the applicable height limit provided in subsection ~~(E)(2)~~(e)(2) below.

(iii) If the lot has an existing multifamily dwelling, the quantity of detached ADUs does not exceed the number of primary dwelling units on the lot.

(2) ~~(2)~~ **ADU ~~permit~~Permit.**

(A) ~~(a)~~ Except as allowed under subsection ~~(D)(1) above~~(d)(1) above, no ADU may be created without ~~both~~ a building permit and an ADU permit in compliance with the standards set forth in subsections ~~(E)~~(e) and ~~(F) below~~(f) below.

(B) ~~(b)~~ The city may charge a fee to reimburse it for costs incurred in processing ADU permits, including the costs of adopting or amending the ~~city's~~city's ADU ordinance. The ~~ADU permit~~ADU permit processing fee is determined by the ~~Planning~~Community & Economic Development Director or his or her designee and approved by the City Council by resolution.

(3) ~~(3)~~ **Process and ~~timing~~Timing.**

(A) ~~(a)~~ An ADU permit is considered and approved ministerially, without discretionary review or a hearing.

(B) ~~(b)~~ The city must approve or deny an application to create an ADU or JADU within 60 days from the date that the city receives a completed application. If the city has not approved or denied the completed application within 60 days, the application is deemed approved unless either:

(i) ~~(i)~~ The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or

(ii) ~~(ii)~~ When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot, the city may delay acting on the permit application for the ADU or JADU until the city acts on the permit application to create the new single-family or multifamily dwelling, but the application to create the ADU or JADU will still be considered ministerially without discretionary review or a hearing.

(C) ~~(c)~~ If the city denies an application to create an ADU or JADU, the city must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period established by subsection ~~(D)(3)(b)~~(d)(3)(B) above.

(D) ~~(d)~~ A demolition permit for a detached garage that is to be replaced with an ADU ~~shall be~~is reviewed with the application for the ADU and issued at the same time.

(e) ~~(E)~~ **General ADU and JADU** ~~requirements~~**Requirements.** The following requirements apply to all ADUs and JADUs that are approved under subsections ~~(D)(1) or (D)(2) above~~(d)(1) or (d)(2) above:

(1) ~~(1)~~ **Zoning.**

(A) ~~(a)~~ An ADU ~~or JADU~~ subject only to a building permit under subsection ~~(D)(1) above~~(d)(1) above may be created on a lot in a residential, commercial or mixed-use zone.

(B) ~~(b)~~ An ADU ~~or JADU~~ subject to an ADU permit under subsection ~~(D)(2) above~~(d)(2) above may be created on a lot that is zoned to allow single-family dwelling residential use or multifamily dwelling residential use.

(C) In accordance with Government Code section 66333(a), a JADU may only be created on a lot zoned for single-family residences.

(2) ~~(2)~~ **Height.**

(A) ~~(a)~~ Except as otherwise provided by subsections ~~(E)(2)(b) and (E)(2)(c)~~(e)(2)(B) and (e)(2)(C) below, a detached ADU created on a lot with an existing or proposed ~~single-family~~single family or multifamily dwelling unit may not exceed 16 feet in height. Alternatively, an ADU in compliance with the underlying zone setbacks is permitted to use the underlying zone height regulations.

(B) ~~(b)~~ A detached ADU ~~that does not meet the setbacks of the underlying zone~~ may be up to 18 feet in height if it is created on a lot with an existing or proposed ~~single-family~~single family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or ~~a~~ high quality transit corridor, as those terms are defined in ~~§~~Section 21155 of the ~~Cal.~~ Public Resources Code~~. The~~, and the ADU may be up to two additional feet in height (for a

maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit. Alternatively, an ADU that meets the requirements of this subsection (~~E~~e)(2)(~~b~~B) that complies with the underlying zone setbacks is permitted to use the underlying zone height regulations.

(C) ~~(c)~~ A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height, unless it meets the setback requirements of the underlying zone, except as provided in subsection (~~E~~e)(2)(~~b~~B) above.

(D) ~~(d)~~ An ADU that is attached to the primary dwelling ~~and does not meet the setbacks of the underlying zone~~ may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection ~~(E)(2)(d)~~(e)(2)(D) may not exceed two stories.

(E) ~~(e)~~ For purposes of this subsection ~~(E)(2)~~(e)(2), height is measured ~~above~~from existing legal grade or base flood elevation, whichever is higher, to the peak of the structure, as determined by the Community & Economic Development Director or his or her designee.

(3) ~~(3)~~ **Fire** ~~sprinklers~~**Sprinklers.**

(A) ~~(a)~~ Fire sprinklers are required in an ADU if sprinklers are required in the primary residence.

(B) ~~(b)~~ The construction of an ADU does not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.

(4) ~~(4)~~ **Rental** ~~term~~**Term.** No ADU or JADU may be rented for a term that is shorter than 30 days. This prohibition applies regardless of when the ADU or JADU was created.

(5) ~~(5) No separate conveyance~~**No Separate Conveyance.** An ADU or JADU may be rented, but, except as otherwise provided in ~~Cal. Gov't~~Government Code ~~§ 65852.26~~section 66341, no ADU or JADU may be sold or otherwise conveyed separately from the lot and the primary dwelling (in the case of a single-family lot) or from the lot and all of the dwellings (in the case of a multifamily lot).

(6) ~~(6)~~ **Septic ~~system~~System.** If the ADU or JADU will connect to an onsite wastewater-treatment system, the owner must include with the application a percolation test completed within the last five years or, if the percolation test has been recertified, within the last 10 years.

(7) ~~(7)~~ **Owner ~~occupancy~~Occupancy.**

(A) ADUs created under this section on or after January 1, 2020 are not subject to an owner-occupancy requirement.

(B) ~~(a)~~ As required by state law, all JADUs are subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or JADU, as the ~~person's~~person's legal domicile and permanent residence. However, the owner-occupancy requirement in this subsection (e)(7)(B) does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.

(8) **Deed Restriction.** Prior to issuance of a certificate of occupancy for an ADU or JADU, a deed restriction must be recorded against the title of the property in the County Recorder's office and a copy filed with the city's Community & Economic Development Department. The deed restriction must run with the land and bind all future owners. The form of the deed restriction will be provided by the city and must provide that:

(A) Except as otherwise provided in Government Code section 66341, the ADU or JADU may not be sold separately from the primary dwelling.

(B) The ADU or JADU is restricted to the approved size and to other attributes allowed by this section.

(C) The deed restriction runs with the land and may be enforced against future property owners.

(D) The deed restriction may be removed if the owner eliminates the ADU or JADU, as evidenced by, for example, removal of the kitchen facilities. To remove the deed restriction, an owner may make a written request of the Community & Economic Development Director, providing evidence that the ADU or JADU has in fact been eliminated. The Community & Economic Development Director or his or her designee may then determine whether the evidence supports the claim that the ADU or JADU has been eliminated. Appeal may be taken from the Community & Economic Development Director's, or his or her designee's, determination consistent with other provisions of this Code. If the

ADU or JADU is not entirely physically removed, but is only eliminated by virtue of having a necessary component of an ADU or JADU removed, the remaining structure and improvements must otherwise comply with applicable provisions of this Code.

(E) The deed restriction is enforceable by the Community & Economic Development Director or his or her designee for the benefit of the city. Failure of the property owner to comply with the deed restriction may result in legal action against the property owner, and the city is authorized to obtain any remedy available to it at law or equity, including, but not limited to, obtaining an injunction enjoining the use of the ADU or JADU in violation of the recorded restrictions or abatement of the illegal unit.

(9) ~~(8)~~ **Building & ~~safety~~Safety.**

(A) ~~(a)~~ **Must comply with building code.** Subject to subsection ~~(E)(8)(b)~~(e)(10)(B) below, all ADUs and JADUs must comply with all local building code requirements.

(B) ~~(b)~~ **No change of occupancy.** Construction of an ADU does not constitute a Group R occupancy change under the local building code, as described in Section 310 of the California Building Code, unless the ~~building official or building and safety officer~~city's Community & Economic Development Director, or his or her designee, makes a written finding based on substantial evidence in the record that the construction of the ADU could have a specific, adverse impact on public health and safety. Nothing in this subsection ~~(E)(8)(b)~~(e)(10)(B) prevents the city from changing the occupancy code of a space that was uninhabitable space or that was only permitted for nonresidential use and was subsequently converted for residential use in accordance with this section.

(f) ~~(F)~~ **Specific ADU ~~requirements~~Requirements.** The following requirements apply only to ADUs that require an ADU permit under subsection ~~(D)(2) above~~(d)(2) above.

(1) ~~(1)~~ **Maximum ~~size~~Size.**

(A) ~~(a)~~ The maximum size of a detached or attached ADU subject to this subsection ~~(F)~~(f) is 850 square feet for a studio or one-bedroom unit and 1,200 square feet for a unit with two or more bedrooms.

(B) ~~(b)~~ An attached ADU that is created on a lot with an existing primary dwelling is further limited to 50~~%~~ percent of the floor area of the existing primary dwelling.

(C) ~~(c)~~ Application of other development standards in this subsection ~~(F)~~(f), such as ~~FAR or~~ lot coverage, might further limit the size of the ADU, but no application of the percent-based size limit in subsection ~~(F)(1)(b) above~~(f)(1)(B) above or of ~~an FAR,~~a front setback, lot coverage limit, or open-space requirement may require the ADU to be less than 800 square feet.

(2) ~~(2)~~ **Setbacks.**

(A) ADUs that are subject to this subsection (f) must conform to 4-foot side and rear setbacks. ADUs that are subject to this subsection (f) must conform to 20-foot front setbacks, subject to subsection (f)(1)(C) above.

~~(a) An ADU that is subject to this subsection (F) must conform to a 20-foot front yard setback, subject to subsection (F)(1)(c) above.~~

~~(b) An ADU that is subject to this subsection (F) must conform to 4-foot side and rear yard setbacks.~~

(B) ~~(c)~~ No setback is required for an ADU that is subject to this subsection ~~(F)~~(f) if the ADU is constructed in the same location and to the same dimensions as an existing structure.

(3) ~~(3)~~ **Lot** ~~coverage~~**Coverage.** No ADU subject to this subsection ~~(F)~~(f) may cause the total lot coverage of the lot to exceed the underlying zone, subject to subsection ~~(F)(1)(c) above~~(f)(1)(C) above.

(4) ~~(4)~~ **Minimum** ~~open space~~**Open Space.** No ADU subject to this subsection ~~(F)~~(f) may cause the total percentage of open space of the lot to fall below the underlying zone, subject to subsection ~~(F)(1)(c) above~~(f)(1)(C) above.

(5) ~~(5)~~ **Passageway.** No passageway, as defined by subsection ~~(C)(8) above~~(c)(9) above, is required for an ADU.

(6) ~~(6)~~ **Parking.**

(A) ~~(a)~~ No off-street parking spaces are required for any new or converted ADU.

(B) ~~(b) No replacement~~No Replacement. When a garage, carport, ~~or~~ covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an ADU or converted to an ADU, those off-street parking spaces are not required to be replaced.

(7) ~~(7)~~ **Architectural** ~~requirements~~**Requirements.**

(A) ~~(a)~~ The materials and colors of the exterior walls, roof, ~~and~~ windows and doors must ~~match~~be compatible with the appearance and architectural design of those of the primary dwelling.

(B) ~~(b)~~ The roof slope must match that of the dominant roof slope of the primary dwelling. The dominant roof slope is the slope shared by the largest portion of the roof.

(C) ~~(c)~~ The exterior lighting must be limited to down-lights or as otherwise required by the building or fire code.

(D) ~~(d)~~ The ADU must have an independent exterior entrance, apart from that of the primary dwelling.

(E) The interior horizontal dimensions of an ADU must be at least 10 feet wide in every direction, with a minimum interior ceiling height of not less than seven feet, as determined by the Community & Economic Development Director or his or her designee.

(F) ~~(e) Windows and doors~~No window or door of the ADU may ~~not~~ have a direct line of sight to an adjoining residential property. ~~Fencing~~Each window and door must either be located where there is no direct line of sight or screened using fencing, landscaping, or privacy glass ~~may be used to provide screening and~~to prevent a direct line of sight.

(G) ~~(f)~~ All windows and doors in an ADU ~~that are~~ less than 30 feet from a property line that is not a public right-of-way line must either be (for windows) clerestory with the bottom of the glass at least six feet above the finished floor, or (for windows and for doors) utilize frosted or obscure glass.

(8) ~~(8)~~ **Landscape** ~~requirements~~**Requirements.** Evergreen landscape screening must be planted and maintained between the ADU and adjacent parcels as follows:

(A) ~~(a)~~ At least one 15-gallon size plant ~~shall~~must be provided for every five linear feet of exterior ADU wall. Alternatively, at least one

24"" box size plant ~~shall~~must be provided for every ten linear feet of exterior ADU wall.

(B) ~~(b)~~ Plant specimens must be at least six feet tall when installed. As an alternative, a solid fence of at least six feet in height may be installed.

(C) ~~(c)~~ All landscaping must be drought-tolerant and compliant with MWELO standards.

(9) ~~(9)~~ **Historical ~~protections~~Protections.** An ADU that is on or within 600 feet of real property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right-of-way.

(10) **Allowed Stories.** No ADU subject to this subsection (f) may have more than one story, except that an ADU that is attached to the primary dwelling may have the stories allowed under subparagraph (e)(2)(D) of this section.

(g) ~~(G)~~ **Fees.** The following requirements apply to all ADUs that are approved under subsections ~~(D)(1) or (D)(2) above~~(d)(1) or (d)(2) above.

(1) ~~(1)~~ Impact ~~fees~~Fees.

(A) ~~(a)~~ No impact fee is required for ~~an~~one ADU that is less than 750 square feet in size. For purposes of this subsection ~~(G)(1),~~ ""(g)(1), "impact fee"" means a ""fee"" under the Mitigation Fee Act (~~Cal~~Gov. ~~Gov't~~ Code § 66000(b)) and a fee under the Quimby Act (~~Cal~~Gov. ~~Gov't~~ Code § 66477). ""Impact fee"" here does not include any connection fee or capacity charge for water or sewer service.

(B) ~~(b)~~ Any impact fee that is required for an ADU that is 750 square feet or larger in size must be charged proportionately in relation to the square footage of the primary dwelling unit. (~~e~~E.g., the floor area of the ADU, divided by the floor area of the primary dwelling, times the typical fee amount charged for a new dwelling~~)~~.)

(2) ~~(2)~~ **Utility ~~fees~~Fees.**

(A) ~~(a)~~ If an ADU is constructed with a new single-family home, a separate utility connection directly between the ADU and the utility and payment of the normal connection fee and capacity charge for a new dwelling are required.

(B) ~~(b)~~ Except as described in subsection ~~(G)(2)(a)~~(g)(2)(A), converted ADUs on a single-family lot that are created under subsection ~~(D)(1)(a) above~~(d)(1)(A) above are not required to have a new or separate utility connection directly between the ADU and the utility~~, nor~~. Nor is a connection fee or capacity charge required.

(C) ~~(c)~~ Except as described in subsection ~~(G)(2)(A)~~(g)(2)(A), all ADUs that are not covered by subsection ~~(G)(2)(B)~~(g)(2)(B) require a new, separate utility connection directly between the ADU and the utility~~.~~ for any utility that is provided by the city. All utilities that are not provided by the city are subject to the connection and fee requirements of the utility provider.

(i) ~~(i)~~ The connection is subject to a connection fee or capacity charge that is proportionate to the burden created by the ADU based on either the floor area or the number of drainage-fixture units (DFU) values, as defined by the Uniform Plumbing Code, upon the water or sewer system.

(ii) ~~(ii)~~ The portion of the fee or charge that is charged by the city may not exceed the reasonable cost of providing this service.

(h) ~~(H)~~ **Nonconforming Zoning Code ~~conditions~~Conditions, Building Code ~~violations, and unpermitted structures~~Violations, and Unpermitted Structures**.

(1) ~~(1)~~ **Generally.** The city will not deny an ADU or JADU application due to a nonconforming zoning condition, building code violation, or unpermitted structure on the lot that does not present a threat to the public health and safety and that is not affected by the construction of the ADU or JADU.

(2) ~~(2)~~ **Unpermitted ADUs and JADUs constructed before ~~2018~~2020.**

(A) ~~(a)~~ **Permit to ~~legalize~~Legalize.** As required by state law, the city may not deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, ~~2018~~2020, if denial is based on either of the following grounds:

(i) ~~(i)~~ The ADU or JADU violates applicable building standards, or

(ii) ~~(ii)~~ The ADU or JADU does not comply with ~~the~~ state ADU or JADU law ~~(Cal. Gov't Code § 65852.2)~~ or this ADU ordinance (Chapter 16.227).

(B) ~~(b)~~ **Exceptions:**

(i) ~~(i)~~ Notwithstanding subsection ~~(H)(2)(a) above~~(h)(2)(A) above, the city may deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, ~~2018~~2020, if the city makes a finding that correcting a violation is necessary to ~~protect the health and safety of the public or of occupants of the structure~~comply with the standards specified in California Health and Safety Code section 17920.3.

(ii) ~~(ii)~~ Subsection ~~(H)(2)(A) above~~(h)(2)(A) above does not apply to a building that is deemed to be substandard in accordance with ~~Cal.~~California Health and Safety Code ~~§~~section 17920.3.

(i) ~~(I)~~ **Nonconforming ADUs and** ~~discretionary approval~~**Discretionary Approval.** Any proposed ADU or JADU that would otherwise be allowed under this section but that does not conform to the objective design or development standards set forth in subsections ~~(A)~~(a) through ~~(H)~~(h) of this section may be allowed by the city with a conditional use permit, in accordance with ~~all~~the other ~~applicable~~ provisions of this title.

~~(Ord. 1323, passed 12-21-22)~~

Summary report: Litera Compare for Word 11.10.0.38 Document comparison done on 10/17/2024 1:11:10 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: santapaula-ca-1.docx	
Modified filename: ADU Template - Model Code Amendments (19 Sept 2024)-c1TT (clean).docx	
Changes:	
Add	326
~~Delete~~	267
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	593

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Christy Ramirez, Finance Director

Subject: ANNUAL AUDIT - FY 22/23

Date: November 6, 2024

Agenda Item: 12.A

RECOMMENDATION:

Staff recommends the City Council receive and place on file the Annual Audited Financial Statements for the Fiscal Year ended June 30, 2023.

Presented by: Christy Ramirez, Finance Director

BACKGROUND:

The City engaged Rogers, Anderson, Mallody, and Scott (RAMS) to perform an annual financial audit of the City and the eligible federal grant programs for the period ended June 30, 2023. On October 31, 2024, the audit firm will issue the final report of the City's financial records. At the front of these reports is an Independent Auditors' Report that shares with the reader their opinion that "the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Paula as of June 30, 2023…." This means that the City has properly accounted for City finances without any major misstatements.

ANALYSIS:

For the purposes of this audit, the General Fund is made up of 8 funds (General, General Reserve, General Fund FEMA Program, General Fund-Measure T, General Recreation, Refuse Reserve, Equipment Maintenance, and Miscellaneous Deposits). Of the $12,510,369 General Funds balance, $1,272,415 is nonspendable, restricted and/or committed with the unassigned fund balance being $11,237,954.The General Fund Operating Reserve consists of two funds (General Reserve and General Reserve - Measure T) totaling $3,859,598, which have been set aside to be held "in the event of an emergency, disaster, or other extraordinary circumstance." These reserves make up a significant portion of the unassigned fund balance noted above. The draft audit has been included as an attachment to this report, with a final version to be presented at the Council meeting.

STRATEGIC PLAN:

FISCAL IMPACTS:

None.

OPTIONS:

The Council may decide to defer the matter back to staff with further direction.

ATTACHMENTS:

Financial Statements Draft.pdf

DRAFT -
SUBJECT TO CHANGES

City of Santa Paula, California

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

TABLE OF CONTENTS

Page

Independent Auditor's Report 1

Management's Discussion and Analysis 4

Basic Financial Statements:

Government-wide Financial Statements:
- Statement of Net Position 13
- Statement of Activities 14

Fund Financial Statements:
- Balance Sheet - Governmental Funds 15
- Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 17
- Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds 18
- Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 20
- Statement of Net Position - Proprietary Funds 21
- Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds 22
- Statement of Cash Flows - Proprietary Funds 23
- Statement of Fiduciary Net Position 24
- Statement of Changes in Fiduciary Net Position 25

Notes to Financial Statements 26

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
- General Fund 66
- Federal Grants – Major Special Revenue Fund 67

Schedule of Changes in the City's Total OPEB Liability and Related Ratios 68
Schedule of the City's Proportionate Share of the Net Pension Liability 69
Schedule of Plan Contributions 70
Notes to Required Supplementary Information 71

TABLE OF CONTENTS (Continued)

Page

Supplementary Information

Combining and Individual Fund Statements and Schedules:
- Combined Balance Sheet - Nonmajor Governmental Funds 74
- Combining Balance Sheet - Nonmajor Special Revenue Funds 75
- Combining Balance Sheet - Nonmajor Capital Projects Funds 78
- Combining Balance Sheet - Nonmajor Permanent Funds 80
- Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds 81
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds 82
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds 85
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Fund 87

DRAFT -
SUBJECT TO CHANGES

The Honorable City Council
City of Santa Paula, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Paula (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that required supplementary information, such as management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October xx, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

San Bernardino, California
October xx, 2024

As management of the City of Santa Paula (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022-23 by $103,831,793 (*net position)*.

- The City's total net position increased by $22,986,103 from the 2021-22 fiscal year mainly attributable to regular current operating activities along with an decrease in construction in progress related expenses.

- As of the close of fiscal year 2022-23, the City's governmental activities reported combined ending Net Position of $43,128,592 an increase of $14,740,915 from the ending balance of 2022, which was $28,387,677. The net position of $193,147 is expendable funds and $842,830 is nonexpendable funds (endowments/trusts), $18,888,898 restricted net position (grant funds and bond proceeds), and $(12,513,085) negative is (unrestricted net position) available for spending with some government discretion.

- At the end of fiscal year 2022-23, unrestricted fund balance (the total of the committed and unassigned components of fund balance) for the General Fund is $12,513,085 or 76.3% of total General Fund expenditures. This is an increase of $1,550,625 from fiscal year 2021-22 largely due to reclassifications of committed funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activitie*s) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets, economic development, and culture and recreation. The business-type activities of the City include Water and Sewer enterprises.

The government-wide financial statements include not only the City itself (known as *the primary government),* but also a legally separate Financing Authority for which the City of Santa Paula is financially accountable. Financial information for *these component units* is included in the financial information presented for the primary government itself. The Water and Sewer enterprises, function for all practical purposes as departments of the City, and therefore have been included as an integral part of the *primary* government. Also, as of February 1, 2012 the Santa Paula Redevelopment Agency became the Designated Local Authority for the former Santa Paula Redevelopment Agency, a Successor Agency Private purpose trust fund with the City reporting as fiduciary funds.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains twenty-three individual active governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in the fund balances for the General Fund (which is made up of nine separate internal funds), and the Federal Grants Fund and the Facility Capital Projects Fund which are considered to be major funds of the City. Data from the twenty active governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report. The City adopts an annual appropriated budget for its General Fund, and the major special revenue funds. Budgetary comparison statements have been provided for the General Fund and the major special revenue funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 15-20 of this report.

Proprietary funds. The City maintains three different types of proprietary funds: *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer operations. These funds are reported separately as Proprietary Funds.

Internal Service funds are accounting devices used to accumulate and allocate costs internally among the City's various functions. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer operations, which are considered to be major funds of the City. The internal service fund for Equipment Maintenance is combined into the General Fund classification, aggregated presentation in the governmental fund financial statements.

The basic proprietary fund financial statements can be found on pages 21-23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains two different types of fiduciary funds. The Custodial Funds account for funds held in trust for specific purposes and the Private Purpose Trust Fund accounts for the Successor agency for the Santa Paula Redevelopment agency.

The basic Fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26-65 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's General Fund, and Major Special Revenue Funds' Actual to Budget comparisons. Required supplementary information can be found on pages 66-71 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 74-87 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $103,831,793 at the close of fiscal year 2022-23.

Government-Wide Financial Statements
Table 1: Summary of Net Position

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets						
Current and other assets	$ 38,042,537	$ 41,029,357	$ 79,071,894	$ 32,713,671	$ 41,303,929	$ 74,017,600
Capital assets (net of depreciating)	35,716,802	132,672,822	168,389,624	29,806,590	126,915,376	156,721,966
Total Assets	73,759,339	173,702,179	247,461,518	62,520,261	168,219,305	230,739,566
Deferred Outflows of Resources						
Deferred charges on refundings	-	10,484,945	10,484,945	-	10,809,222	10,809,222
Pension related	11,140,089	1,447,004	12,587,093	6,025,811	575,605	6,601,416
OPEB related	415,678	124,866	540,544	503,450	149,532	652,982
Total Deferred Outflows of Resources	11,555,767	12,056,815	23,612,582	6,529,261	11,534,359	18,063,620
Liabilities						
Long-term liabilities outstanding	31,332,825	119,149,922	150,482,747	20,850,437	121,049,710	141,900,147
Other liabilities	5,776,325	4,763,221	10,539,546	4,714,080	3,804,566	8,518,646
Total Liabilities	37,109,150	123,913,143	161,022,293	25,564,517	124,854,276	150,418,793
Deferred Inflows of Resources						
Pension actuarial amounts	2,971,654	510,115	3,481,769	13,557,631	1,966,060	15,523,691
OPEB actuarial amounts	2,105,710	632,535	2,738,245	1,539,697	457,315	1,997,012
Total Deferred Inflows of Resources	5,077,364	1,142,650	6,220,014	15,097,328	2,423,375	17,520,703
Net investment in capital assets	35,716,802	31,323,330	67,040,132	29,806,590	22,504,154	52,310,744
Restricted	19,924,875	3,225,290	23,150,165	16,975,837	3,129,960	20,105,797
Unrestricted	(12,513,085)	26,154,581	13,641,496	(18,394,750)	26,841,899	8,447,149
Total Net Position	$ 43,128,592	$ 60,703,201	$103,831,793	$ 28,387,677	$ 52,476,013	$ 80,863,690

A large portion (almost all) of the City's net position include $67,040,132 (64.5 percent) as its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (22.3%) represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the City is able to report a positive balance in net position for Investments in Capital Assets and restricted purposes. Separately, the City's governmental *unrestricted net position* shows a negative balance of $(12,513,085), which is an increase in net position of $5,881,665 from the previous year.

The business-type activities *unrestricted net position* show a positive balance of $26,154,581 an decrease of $687,318 over the fiscal year 2022-23's balance of $26,841,899. These unrestricted funds can only be used for Water and Sewer activities. The Water fund has $3,125,290 restricted under Cash with Fiscal Agent while the Sewer Fund has $100,000 for rate stabilization. These funds are related to the Bond Issues.

Government-Wide Financial Statements
Table 2: Summary of Changes in Net Position

	June 30, 2023			June 30, 2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
Charges for services	$ 2,016,967	$ 25,424,733	$ 27,441,700	$ 3,667,349	$ 24,554,604	$ 28,221,953
Operating grants	7,633,164	-	7,633,164	7,990,377	-	7,990,377
Capital grants	5,336,436	-	5,336,436	3,970,014	-	3,970,014
General revenues:					-	
Property taxes	5,078,541	-	5,078,541	4,694,785	-	4,694,785
Sales taxes	8,499,611	-	8,499,611	7,893,048	-	7,893,048
Other taxes	1,299,097	-	1,299,097	1,035,231	-	1,035,231
Investments	309,583	662,067	971,650	(96,154)	(116,318)	(212,472)
Other revenues	655,798	210,425	866,223	364,961	209,000	573,961
Total Revenues	30,829,197	26,297,225	57,126,422	29,519,611	24,647,286	54,166,897
Expenses						
General administration	1,389,631	-	1,389,631	1,942,125	-	1,942,125
Building and safety	1,029,527	-	1,029,527	1,015,760	-	1,015,760
Community services	992,275	-	992,275	3,706,990	-	3,706,990
Financial services	381,609	-	381,609	1,027,458	-	1,027,458
Fire	260,072	-	260,072	1,468,684	-	1,468,684
Planning	1,040,387	-	1,040,387	1,812,509	-	1,812,509
Police	7,513,654	-	7,513,654	9,447,479	-	9,447,479
Public works	3,481,127	-	3,481,127	3,797,678	-	3,797,678
Water	-	7,956,508	7,956,508	-	9,050,652	9,050,652
Sewer	-	10,113,529	10,113,529	-	10,021,551	10,021,551
Total Expenses	16,088,282	18,070,037	34,158,319	24,218,683	19,072,203	43,290,886
Change in Net Position	14,740,915	8,227,188	22,968,103	5,300,928	5,575,083	10,876,011
Beginning Net Position	28,387,677	52,476,013	80,863,690	23,086,749	46,900,930	69,987,679
Ending Net Position	$ 43,128,592	$ 60,703,201	$ 103,831,793	$ 28,387,677	$ 52,476,013	$ 80,863,690

Governmental activities. Governmental activities increased the City's net position by $14,740,915 for the current year. The increases in net position are explained in further detail on page 14 of the report. Expenses for governmental activities decreased from $24,218,683 in 2022 to $16,088,282 in 2023, a decrease of $8,130,401. The decrease is largely due a decrease in public works related construction in progress related expenditures.

Business-type activities. Business-type activities increased the City's net position by $8,227,188.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spending* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined total ending fund balances of $31,987,940.

The General Fund is the chief operating fund of the City. At June 30, 2023, the unassigned fund balance for the General Fund was $11,237,954, while total fund balance reached $12,510,369. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 68.6 percent of the total General Fund expenditures, while total fund balance represents 76.3 percent of that same amount. The City's unassigned General Fund balance, increased by $1,229,634 during the current fiscal year.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position of the Water and Sewer enterprises at the end of the year amounted to $60,703,201 an increase of $8,227,188 from the fiscal year ended 2021-22. The net position for the proprietary funds - water increased $5,307,887 and sewer increased $2,919,301. Other factors concerning the finances of these funds are addressed in the discussion of the City's business-type activities.

Statement of Revenues, Expenses and Changes in Net Position
Table 3: Proprietary Funds

	Water	Sewer	Total
Operating revenues	$ 12,326,253	$ 13,098,480	$ 25,424,733
Operating expenses	6,788,318	7,229,103	14,017,421
Operating income (loss)	5,537,935	5,869,377	11,407,312
Total Non-Operating Revenues (Expenses)	(472,239)	(2,707,885)	(3,180,124)
Transfers in	242,191	-	242,191
Transfers out	-	(242,191)	(242,191)
Change in Net Position	5,307,887	2,919,301	8,227,188
Total Net Position, Beginning	26,802,939	25,673,074	52,476,013
Total Net Position, Ending	$ 32,110,826	$ 28,592,375	$ 60,703,201

General Fund Budgetary Highlights

The actual General Fund revenue ended $174,555 under the final budgeted amount. There were minor budget adjustments during the fiscal year to the final revenue budget. Revenues overall were approximately 0.9% below the budgeted estimates. The General Fund revenue final budget vs. actual breakdown is as follows:

- Taxes $125,150 under budget estimates primarily due to decreased sales tax.
- Licenses and Permits are $517 under budget estimates due to slightly decreased building activity compared to projected amounts.
- Intergovernmental $36,161 over budget estimates primarily due to an unexpected increase from property related revenue.
- Charges for Services came in at 147,724 above budgeted figures due to increased development activity.
- Fines and Forfeitures $3,962 over budget estimates due to revenue from vehicle code fines slightly exceeding expectations.
- Investment Earnings excess of $152,318 due to a transition to a diversified investment portfolio.

Differences between the final budget and the actual expenditures for the operating departments varied considerably.

- General Governmental $67,352 under budget estimates due to savings from delayed projects.
- Building & Safety $161,914 under budget estimates due to staffing shortages.
- Community Services $580,120 under budget estimates about half of which was due to part time staffing costs not being realized until after the fiscal year end.
- Financial Services $65,377 under budget estimates due to salary savings from staffing shortages.
- Planning $347,934 under budget estimates due to salary savings from staffing shortages (building inspector, permit tech, and half a year of the Chief Building Official).
- Police $874,018 under budget estimates due to salary savings from multiple vacant positions.
- Public Works $4,212,819 under budget estimates due to capital improvement projects not being fully completed, most notably the Police Department remodel which had over a million-dollar budget with minimal expenses.

Overall, the General Fund expenditures came in under budget by $6,309,534 or 27.8% of budgeted estimates.

General Fund Budgetary Highlights (continued)

General Fund Budgetary Highlights
Table 4

Revenues	
Taxes	$ (125,150)
Licenses and permits	(517)
Intergovernmental	36,161
Charges for services	147,724
Fines and forfeitures	3,962
Investment earnings	152,318
Other revenue	(39,943)
Total Revenue Over/(Under) Budget	$ 174,555
Expenditures	
General government	$ 67,352
Building and safety	161,914
Community services	580,120
Financial services	65,377
Planning	347,934
Police	874,018
Public works	4,212,819
Total Expenditures (Over)/Under Budget	$ 6,309,534

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of June 30, 2023, amounts to $168,389,624 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements other than buildings, machinery and equipment, as well as construction in progress.

The value of the City's assets increased by $11,667,658 during this reporting period. Additional information on the City's capital assets can be found in Note 5 on pages 40-41 in this report.

Capital Assets
Table 5

	(Net of Depreciation)		
	Governmental Activities	Business-Type Activities	Total
Land	$ 489,183	$ 7,104,082	$ 7,593,265
Construction in progress	10,752,759	15,647,769	26,400,528
Buildings and system	1,552,050	67,682,347	69,234,397
Machinery and equipment	1,639,237	27,497,982	29,137,219
Water rights	-	13,834,827	13,834,827
Improvements other than buildings	21,283,573	905,815	22,189,388
Total Capital Assets	$ 35,716,802	$ 132,672,822	$ 168,389,624

Capital Asset and Debt Administration (continued)

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of $114,959,727 (excluding pension/OPEB liabilities, compensated absences and claims liability). This is a decrease of $3,290,677 from the prior year's level of $118,250,404. Governmental activities has no outstanding debt. Business-Type activities decreased by $3,290,677, largely due to refunding of debt and principal payments for the Enterprise Revenue bonds.

Additional information on the City's long-term debt can be found in Note 7 on pages 43-48 of this report.

Outstanding Debt
Table 6

	Business-Type Activities	Total
Lease Revenue Bonds:		
Water 2019	$ 31,830,000	$ 31,830,000
Add: Premium	5,626,404	5,626,404
Wastewater 2015A	8,345,000	8,345,000
Wastewater 2020A	3,765,000	3,765,000
Add: Premium	691,823	691,823
Wastewater 2020B	64,205,000	64,205,000
Notes payable	496,500	496,500
Total	$ 114,959,727	$ 114,959,727

Next Year's Budgets and Rates

In 2019 the Council adopted a five-year water and sewer rate increase. The first increase went into effect on January 1, 2020. Additional increases will occur at the start of every fiscal year through July 1, 2024.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City, Finance Director, P. O. Box 569, Santa Paula, CA 93061.

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SUBJECT TO CHANGES

BASIC FINANCIAL STATEMENTS

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Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	$ 34,965,023	$ 33,320,073	$ 68,285,096
Cash - restricted	4	3,134,991	3,134,995
Receivables:			
Accounts	2,743,580	4,180,701	6,924,281
Loans, net of allowance	333,930	-	333,930
Prepaids	-	393,592	393,592
Capital assets, not being depreciated	11,241,942	36,586,678	47,828,620
Capital assets, net of accumulated depreciation	24,474,860	96,086,144	120,561,004
Total Assets	73,759,339	173,702,179	247,461,518
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refundings	-	10,484,945	10,484,945
Pension related	11,140,089	1,447,004	12,587,093
OPEB related	415,678	124,866	540,544
Total Deferred Outflows of Resources	11,555,767	12,056,815	23,612,582
LIABILITIES			
Accounts payable and accrued liabilities	3,415,702	3,094,511	6,510,213
Accrued interest payable	-	1,668,710	1,668,710
Deposits	2,360,623	-	2,360,623
Noncurrent Liabilities:			
Due within one year	656,452	3,092,666	3,749,118
Due more than one year	656,452	111,914,727	112,571,179
Net pension liability	28,544,987	3,699,474	32,244,461
Total OPEB liability	1,474,934	443,055	1,917,989
Total Liabilities	37,109,150	123,913,143	161,022,293
DEFERRED INFLOWS OF RESOURCES			
Pension related	2,971,654	510,115	3,481,769
OPEB related	2,105,710	632,535	2,738,245
Total Deferred Inflows of Resources	5,077,364	1,142,650	6,220,014
NET POSITION			
Net investment in capital assets	35,716,802	31,323,330	67,040,132
Restricted for:			
Capital projects	213,828	3,125,290	3,339,118
Development	6,068,040	-	6,068,040
Public safety	70,702	-	70,702
Rate stabilization	-	100,000	100,000
Street projects	6,251,559	-	6,251,559
Transportation and other purposes	6,284,769	-	6,284,769
Trust and endowments:			
Expendable	193,147	-	193,147
Nonexpendable	842,830	-	842,830
Unrestricted	(12,513,085)	26,154,581	13,641,496
Total Net Position	$ 43,128,592	$ 60,703,201	$ 103,831,793

The accompanying notes are an integral part of these financial statements.

DRAFT -
SUBJECT TO CHANGES

Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental Activities:							
General government	$ 1,389,631	$ 206,002	$ 3,754,873	$ 2,545,912	$ 5,117,156	$ -	$ 5,117,156
Building and safety	1,029,527	685,074	-	-	(344,453)	-	(344,453)
Community services	992,275	452,320	241,375	687,311	388,731	-	388,731
Financial services	381,609	21,755	-	-	(359,854)	-	(359,854)
Fire	260,072	-	-	-	(260,072)	-	(260,072)
Planning	1,040,387	43,404	-	-	(996,983)	-	(996,983)
Police	7,513,654	182,026	195,526	9,328	(7,126,774)	-	(7,126,774)
Public works	3,481,127	426,386	3,441,390	2,093,885	2,480,534	-	2,480,534
Total Governmental Activities	16,088,282	2,016,967	7,633,164	5,336,436	(1,101,715)	-	(1,101,715)
Business-type Activities:							
Water	7,956,508	12,326,253	-	-	-	4,369,745	4,369,745
Sewer	10,113,529	13,098,480	-	-	-	2,984,951	2,984,951
Total Business-type Activities	18,070,037	25,424,733	-	-	-	7,354,696	7,354,696
Total Government	$ 34,158,319	$27,441,700	$ 7,633,164	$ 5,336,436	(1,101,715)	7,354,696	6,252,981
General Revenues:							
Property taxes					5,078,541	-	5,078,541
Sales taxes					8,499,611	-	8,499,611
Transient occupancy taxes					139,493	-	139,493
Franchise taxes					1,159,604	-	1,159,604
Business license taxes					150,884	-	150,884
Unrestricted investment earnings					309,583	662,067	971,650
Miscellaneous revenues					498,664	-	498,664
Gain on disposal					6,250	210,425	216,675
Transfers					-	-	-
Total General Revenues and Transfers					15,842,630	872,492	16,715,122
Change in Net Position					14,740,915	8,227,188	22,968,103
Net Position, Beginning					28,387,677	52,476,013	80,863,690
Net Position, Ending					$ 43,128,592	$ 60,703,201	$ 103,831,793

The accompanying notes are an integral part of these financial statements.

DRAFT -
SUBJECT TO CHANGES

Balance Sheet
Governmental Funds
June 30, 2023

	General	Federal Grants	Facility Capital Projects
ASSETS			
Cash and investments	$ 13,931,846	$ 5,199,086	$ 5,485,131
Cash - restricted	4	-	-
Receivables			
Accounts	2,016,537	29,610	40,939
Loans receivable	4,430	112,936	-
Due from other funds	165,527	-	-
Total Assets	$ 16,118,344	$ 5,341,632	$ 5,526,070
LIABILITIES			
Accounts payable and accrued liabilities	$ 1,247,352	$ 268,121	$ 1,654,384
Deposits	2,360,623	-	-
Due to other funds	-	-	-
Total Liabilities	3,607,975	268,121	1,654,384
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	-	-	-
Total Deferred Inflows of Resources	-	-	-
FUND BALANCE (DEFICITS)			
Nonspendable	4,430	112,936	-
Restricted	4	4,960,575	3,871,686
Committed	1,267,981	-	-
Unassigned	11,237,954	-	-
Total Fund Balances	12,510,369	5,073,511	3,871,686
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 16,118,344	$ 5,341,632	$ 5,526,070

The accompanying notes are an integral part of these financial statements.

DRAFT -
SUBJECT TO CHANGES

Non-major Governmental Funds	Total Governmental Funds
$ 10,348,960	$ 34,965,023
-	4
656,494	2,743,580
216,564	333,930
-	165,527
$ 11,222,018	$ 38,208,064
$ 245,845	$ 3,415,702
-	2,360,623
165,527	165,527
411,372	5,941,852
278,272.00	278,272
278,272	278,272
842,830	960,196
9,858,576	18,690,841
-	1,267,981
(169,032)	11,068,922
10,532,374	31,987,940
$ 11,222,018	$ 38,208,064

DRAFT -
SUBJECT TO CHANGES

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Fund balances of governmental funds		$ 31,987,940
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		35,716,802
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		278,272
Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability and Total OPEB Liability are not reported in the funds.		
Deferred outflows related to pensions	$ 11,140,089	
Deferred inflows related to pensions	(2,971,654)	
Deferred outflows related to OPEB	415,678	
Deferred inflows related to OPEB	(2,105,710)	6,478,403
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(653,320)	
Claims liabilities	(659,584)	
Net pension liability	(28,544,987)	
Total OPEB liability	(1,474,934)	(31,332,825)
Net position of governmental activities		$ 43,128,592

The accompanying notes are an integral part of these financial statements.

City of Santa Paula

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Federal Grants	Facility Capital Projects
REVENUES			
Taxes	$ 14,598,598	$ -	$ 2,996,594
Licenses and permits	473,983	-	-
Intergovernmental	675,858	3,637,844	-
Charges for services	1,223,750	400	-
Fines and forfeitures	114,647	-	-
Investment earnings	294,318	105,472	136,577
Other revenues	294,793	7,061	-
Total Revenues	17,675,947	3,750,777	3,133,171
EXPENDITURES			
Current:			
General government	1,766,567	315,995	68,888
Building and safety	589,263	-	-
Community services	2,303,501	530,236	4,659,228
Financial services	651,896	1,675	-
Planning	677,063	2,139	-
Fire	-	-	-
Police	8,921,881	119,296	-
Public works	1,483,552	674,939	-
Total Expenditures	16,393,723	1,644,280	4,728,116
Excess (Deficiency) of Revenues over Expenditures	1,282,224	2,106,497	(1,594,945)
OTHER FINANCING SOURCES (USES)			
Sale of property	6,250	-	-
Transfers in	-	-	-
Transfers out	(24,437)	-	-
Total Other Financing Sources (Uses)	(18,187)	-	-
Net Change in Fund Balances	1,264,037	2,106,497	(1,594,945)
Fund Balances, Beginning, as restated	11,246,332	2,967,014	5,466,631
Fund Balances, Ending	$ 12,510,369	$ 5,073,511	$ 3,871,686

The accompanying notes are an integral part of these financial statements.

DRAFT -
SUBJECT TO CHANGES

Non-major Governmental Funds	Total Governmental Funds
$ 159,746	$ 17,754,938
-	473,983
4,360,623	8,674,325
1,329,462	2,553,612
-	114,647
128,967	665,334
5,982	307,836
5,984,780	30,544,675
89,265	2,240,715
-	589,263
109,559	7,602,524
5,831	659,402
638,978.00	1,318,180
-	-
13,371.00	9,054,548
2,939,453	5,097,944
3,796,457	26,562,576
2,188,323	3,982,099
-	6,250
376,594	376,594
(352,157)	(376,594)
24,437	6,250
2,212,760	3,988,349
8,319,614	27,999,591
$ 10,532,374	$ 31,987,940

DRAFT -
SUBJECT TO CHANGES

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balances-total governmental funds		$ 3,988,349
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay of $1,698,762 exceeded depreciation and loss on disposals of $1,920,397 and $0, respectively, in the current period.		5,910,212
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		278,272
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Change in Net Pension Liability	$ 4,318,505	
Change in Total OPEB Liability	(535)	4,317,970
Claims and judgments expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		266,336
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The following represents the net change in compensated absences in the current period.		(20,224)
Change in net position of governmental activities		$ 14,740,915

The accompanying notes are an integral part of these financial statements.

DRAFT -
SUBJECT TO CHANGES

Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities - Enterprise Funds		
	Utility Authority		
	Water	Sewer	Totals
ASSETS			
Current assets:			
Cash and investments	$ 21,769,832	$ 11,550,241	$ 33,320,073
Receivables	2,233,812	1,946,889	4,180,701
Prepaids	80,289	313,303	393,592
Total Current Assets	24,083,933	13,810,433	37,894,366
Noncurrent assets:			
Restricted cash:			
Cash with fiscal agents	3,125,290	9,701	3,134,991
Capital Assets:			
Land	2,356,451	4,747,631	7,104,082
Water rights	13,834,827	-	13,834,827
Buildings	12,251,164	74,097,756	86,348,920
Improvements	28,574,721	8,264,092	36,838,813
Machinery and equipment	2,767,451	246,761	3,014,212
Construction in progress	5,401,913	10,245,856	15,647,769
Less: Accumulated depreciation	(16,489,094)	(13,626,707)	(30,115,801)
Total Capital Assets (Net of Accumulated Depreciation)	48,697,433	83,975,389	132,672,822
Total Noncurrent Assets	51,822,723	83,985,090	135,807,813
Total Assets	75,906,656	97,795,523	173,702,179
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refundings	-	10,484,945	10,484,945
Pension related	1,447,004	-	1,447,004
OPEB related	124,866	-	124,866
Total Deferred Outflows of Resources	1,571,870	10,484,945	12,056,815
LIABILITIES			
Current liabilities:			
Accounts payable	1,475,116	1,619,395	3,094,511
Interest payable	606,835	1,061,875	1,668,710
Compensated absences	47,666	-	47,666
Bonds payable - current	1,660,000	1,385,000	3,045,000
Total Current Liabilities	3,789,617	4,066,270	7,855,887
Noncurrent liabilities			
Bonds payable	35,796,404	75,621,823	111,418,227
Notes payable	496,500	-	496,500
Net pension liability	3,699,474	-	3,699,474
Total OPEB liability	443,055	-	443,055
Total Noncurrent Liabilities	40,435,433	75,621,823	116,057,256
Total Liabilities	44,225,050	79,688,093	123,913,143
DEFERRED INFLOWS OF RESOURCES			
Pension related	510,115	-	510,115
OPEB related	632,535	-	632,535
Total Deferred Inflows of Resources	1,142,650	-	1,142,650
NET POSITION			
Net investment in capital assets	13,869,819	17,453,511	31,323,330
Restricted for:			
Capital projects	3,125,290	-	3,125,290
Rate stabilization	-	100,000	100,000
Unrestricted	15,115,717	11,038,864	26,154,581
Total Net Position	$ 32,110,826	$ 28,592,375	$ 60,703,201

The accompanying notes are an integral part of these financial statements.

DRAFT -
SUBJECT TO CHANGES

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds		
	Utility Authority		
	Water	Sewer	Totals
OPERATING REVENUES			
Water sales	$ 12,321,252	$ -	$ 12,321,252
Sewer sales	-	13,009,598	13,009,598
Other revenues	5,001	88,882	93,883
Total Operating Revenues	12,326,253	13,098,480	25,424,733
OPERATING EXPENSES			
Cost of sales	2,584,069	4,116,900	6,700,969
Administration	3,107,100	1,950,317	5,057,417
Depreciation	1,097,149	1,161,886	2,259,035
Total Operating Expenses	6,788,318	7,229,103	14,017,421
Operating Income (Loss)	5,537,935	5,869,377	11,407,312
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	485,526	176,541	662,067
Interest expense	(1,168,190)	(2,884,426)	(4,052,616)
Gain/(Loss) on disposal of capital assets	210,425	-	210,425
Total Nonoperating Revenues (Expenses)	(472,239)	(2,707,885)	(3,180,124)
Income Before Transfers and Capital Contributions	5,065,696	3,161,492	8,227,188
Transfers in	242,191	-	242,191
Transfers out	-	(242,191)	(242,191)
Total Transfers	242,191	(242,191)	-
Change in Net Position	5,307,887	2,919,301	8,227,188
Total Net Position, Beginning	26,802,939	25,673,074	52,476,013
Total Net Position, Ending	$ 32,110,826	$ 28,592,375	$ 60,703,201

The accompanying notes are an integral part of these financial statements.

DRAFT -
SUBJECT TO CHANGES

City of Santa Paula

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Utility Authority		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 12,294,040	$ 13,364,231	$ 25,658,271
Payments to suppliers	(3,750,022)	(5,464,961)	(9,214,983)
Payments to employees for salaries and benefits	(1,874,885)	(377,241)	(2,252,126)
Net cash provided by (used for) operating activities	6,669,133	7,522,029	14,191,162
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	242,191	-	242,191
Transfers out	-	(242,191)	(242,191)
Net cash provided by (used for) noncapital financing activities	242,191	(242,191)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(3,042,227)	(4,974,254)	(8,016,481)
Proceeds from sale of property	210,425	-	210,425
Interest paid in capital debt	(1,540,490)	(2,598,636)	(4,139,126)
Principal paid on capital debt	(1,585,000)	(1,344,999)	(2,929,999)
Net cash provided by (used for) capital and related financing activities	(5,957,292)	(8,917,889)	(14,875,181)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	485,526	176,541	662,067
Net cash provided by (used for) investing activities	485,526	176,541	662,067
Net increase (decrease) in cash and cash equivalents	1,439,558	(1,461,510)	(21,952)
Cash and cash equivalents, beginning	23,455,564	13,021,452	36,477,016
Cash and cash equivalents, ending	$ 24,895,122	$ 11,559,942	$ 36,455,064
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	$ 5,537,935	$ 5,869,377	$ 11,407,312
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	1,097,149	1,161,886	2,259,035
(Increase) decrease in receivables	(32,213)	265,751	233,538
(Increase) decrease in prepaids	9,683	9,399	19,082
(Increase) decrease in deferred outflows - pensions	(871,399)	-	(871,399)
(Increase) decrease in deferred outflows - OPEB	24,666	-	24,666
Increase (decrease) in accounts payable	793,148	215,616	1,008,764
Increase (decrease) in compensated absences	6,128	-	6,128
Increase (decrease) in deferred inflows - pension	(1,455,945)	-	(1,455,945)
Increase (decrease) in deferred inflows - OPEB	175,220	-	175,220
Increase (decrease) in net pension liability	1,573,812	-	1,573,812
Increase (decrease) in total OPEB liability	(189,051)	-	(189,051)
Net cash provided by (used for) operating activities	$ 6,669,133	$ 7,522,029	$ 14,191,162

The accompanying notes are an integral part of these financial statements.

DRAFT -
SUBJECT TO CHANGES

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Harvest CFD East Area 1 Custodial Fund	PBID Custodial Fund	Successor Agency Private-purpose Trust Fund
ASSETS			
Cash and investments	$ 1,224,371	$ 215,232	$ 544,851
Restricted cash and investments	1,587,105	-	296,746
Receivables			
Accounts	69,356	707	-
Interest	2,680	954	1,611
Loans, net	-	-	940
Total Assets	2,883,512	216,893	844,148
LIABILITIES			
Accounts payable	-	15,000	-
Interest payable	474,738	-	6,301
Bonds payable	20,105,329	-	584,303
Total Liabilities	20,580,067	15,000	590,604
NET POSITION (DEFICIT)			
Net position held for other agencies	$ (17,696,555)	$ 201,893	$ 253,544

The accompanying notes are an integral part of these financial statements.

DRAFT -
SUBJECT TO CHANGES

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Harvest CFD East Area 1 Custodial Fund	PBID Custodial Fund	Successor Agency Private-purpose Trust Fund
ADDITIONS			
Property tax collections for other agencies	$ 1,802,529	$ 83,795	$ 353,780
Interest income	79,706	2,201	19,983
Total Additions	1,882,235	85,996	373,763
DEDUCTIONS			
Administrative costs	46,391	16,023	2,803
Payments to others on behalf of other agencies	1,285,926	-	44,011
Total Deductions	1,332,317	16,023	46,814
Change in Net Position	549,918	69,973	326,949
Net Position (Deficit), Beginning,	(18,246,473)	131,920	(73,405)
Net Position, Ending	$ (17,696,555)	$ 201,893	$ 253,544

The accompanying notes are an integral part of these financial statements.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Reporting Entity

The City of Santa Paula (the City) is a municipal corporation operating as a general law city governed by a city council of five members. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended Component Units

The Santa Paula Public Financing Authority (the Authority) is governed by the City Council of the City. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public facilities.

The Santa Paula Utility Authority (the Utility Authority) was established through a Joint Powers Agreement between the City and the Redevelopment Agency. The members of the Board of Directors of the Utility Authority are the members of the City Council of the City. The Utility Authority was established to provide financing, for purposes which are authorized by law and which could lease, own, operate, and maintain the water and wastewater enterprise, and any other utility system or service leased to the Utility Authority by the City or acquired by the Utility Authority. The Utility Authority is reported as enterprise funds.

Separate financial statements are not prepared for the Santa Paula Public Financing Authority or the Santa Paula Utility Authority.

B) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the nonfiduciary activities of the City and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B) Government-wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter, if any, are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus and the accrual basis of accounting*, as are the proprietary funds' and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and therefore have been recognized as revenues within the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue within the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The G*eneral Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Federal Grants Fund - This fund is used to account for federal grant activities.

Facilities Capital Fund - This fund is used to account for developers fees collected to be used for facility expansion projects.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The City reports the following major proprietary funds:

The water and sewer funds account for the operation of the City's water distribution system and the City's sewage treatment plant, and sewage pumping stations.

The City reports the following fiduciary funds:

Harvest CFD East Area 1 Custodial Fund and the PBID Custodial Fund account for the assets held by the City in a custodial capacity. These funds include the collection of special assessments levied on various Assessment Districts and Community Facilities Districts property owners for the payment of debt service on no commitment debt.

The Successor Agency Private-purpose Trust Fund accounts for the wind down activities of the Santa Paula Redevelopment Agency.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. In the fund financial statements, quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursement fund and as revenues in the fund that is reimbursed. All other interfund transaction except quasi-external transactions and reimbursements are reported as transfers.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

During the fiscal year ended June 30, 2023, the City considered the requirements of GASB 96, *Subscription-Based Information Technology (SBITAs)*, which is effective for reporting periods beginning after June 15, 2022. GASB 96 establishes guidelines for SBITAs and requires entities to evaluate existing agreements to determine whether they meet the criteria for recognition as subscription liabilities and intangible right-to-use assets.

They city performed a comprehensive evaluation of all relevant agreements as of the reporting date and concluded that there were no agreements that meet the criteria for recognition under GASB 96. Consequently, no adjustments or disclosures related to SBITAs are required in the current period.

E) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

F) Other Postemployment Benefits (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan, if any, (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position, if any, have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2022 Valuation Date, June 30, 2023 Measurement Date, July 1, 2022 through June 30, 2023 Measurement Period.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G) Assets, Liabilities, and Net Position or Equity

1) Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments (including restricted assets) with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, cash equivalents represents demand deposits of proprietary funds held in financial institutions or in cash management pools where funds can be added or withdrawn at anytime without prior notice or penalty and with a maturity of three months or less from the date of acquisition.

Investments are included within the financial statement caption "Cash and Investments." Investments for the government, as well as for its component units, are stated at their fair value, the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Local Agency Investment Fund operates in accordance with the appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

1) Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property taxes receivable are shown net of an allowance for uncollectibles. Property taxes in the State of California are administered for all local agencies at the County level, and consist of secured, unsecured, and utility tax rolls.

Property taxes are levied as of January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at the time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G) Assets, Liabilities, and Net Position or Equity (continued)

1) Receivables and Payables (continued)

Tax levies are limited to 1% of full market value which results in a tax of $1.00 per $100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

2) Receivables and Payables (continued)

The Assessor of the County of Ventura establishes property valuations for the secured and unsecured property tax rolls; the State Board of Equalization values the utility property tax roll. Under the provisions of Article XIIIA of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property may be paid in two installments; the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

Due to the nature of the City-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, appropriations to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total City-wide levy for the three years prior to fiscal year 1979.

The State of California FY 90-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administration fees withheld during the fiscal year.

3) Restricted Assets

Certain proceeds of the City's tax allocation refunding bonds and the enterprise fund lease revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G) Assets, Liabilities, and Net Position or Equity (continued)

4) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000, or $25,000 for capital projects. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets received prior to the implementation of GASB 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materiality extend assets lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

	Years
Buildings	30-50
Building improvements	10-30
Infrastructure	25-60
Vehicles	3-10
Equipment	7-10
Computer equipment	5

5) Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Cash compensations for accrued vacations are generally not payable until the employee terminates employment with the City. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the government funds only if they have matured, for example, as a result of employee resignations and retirements.

6) Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G) Assets, Liabilities, and Net Position or Equity (continued)

6) Long-term Obligations (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

7) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently has two items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position and the statement of net position - proprietary funds. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other items that qualify for reporting in this category are a result of the City's implementation of GASB Statement No. 68 and 75.

In addition to liabilities, the statement of financial position and balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under the modified accrual basis of accounting, and others, which are a result of the City's implementation of GASB Statement No. 68 and 75*,* which qualify for reporting in this category. Under the modified accrual basis of accounting, the item, *unavailable revenue,* is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8) Net Position

In the Government-wide, proprietary funds, and fiduciary fund financial statements, net position is classified in the following categories.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G) Assets, Liabilities, and Net Position or Equity (continued)

8) Net Position (continued)

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position

This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This category represents net position that is not externally restricted for any project or other purpose.

9) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G) Assets, Liabilities, and Net Position or Equity (continued)

10) Fund Balance

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the City Council by ordinance or resolution to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Council action utilizing the same type of action that was originally used.

Assigned Fund Balance - Amounts that are constrained by the Council's intent to use specified financial resources for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equity

The following non-major funds had deficit fund balances at June 30, 2023:

Nonmajor Governmental Funds:	
Special Revenue Funds:	
Mobile Home Rent Review	$ (83,964)
CA Oil Museum	(12,731)
NPDES Storm Water Quality	(66,910)
Capital Projects Funds:	
Park Bond Grant	(2,771)
Federal STP Grant	(2,656)
Fiduciary Funds:	
Harvest CFD East Area 1 Custodial Fund	(17,696,555)

These deficits are expected to be reduced by future revenue or transfers from other funds.

3) CASH AND INVESTMENTS

The City's cash and investments consist of the following at June 30, 2023:

Statement of Net Position:	
Cash and investments	$ 68,285,096
Restricted cash and investments	3,134,995
Statement of Fiduciary Net Position:	
Cash and investments with fiscal agent	1,984,454
Restricted cash and investments	1,883,851
Total Cash and Investments	$ 75,288,396

Cash and Investments consist of the following:

Petty cash	$ 4,100
Deposits with financial institutions	6,666,225
Investments	68,618,071
Total Cash and Investments	$ 75,288,396

Investments Authorized by the California Government Code and the City's Investment Policy

The investments are managed by the City Treasurer and Fiscal agents (Bond trustees acting in accordance with bond covenants). Investments managed by the City Treasurer are invested in accordance with the City's investment policy. Investments managed by bond trustees are invested in accordance with provisions of the respective bond agreements, which generally are in accordance with provisions of the California Government Code 53601.

3) CASH AND INVESTMENTS (continued)

Investments Authorized by the California Government Code and the City's Investment Policy (continued)

The City Treasurer has direct oversight over the City's pooled investment fund which covers cash and cash equivalents of the City's governmental funds, enterprise funds, and agency funds which are invested in accordance with the City's investment policy. The investment policy generally complies with California Government Code Section 53601. The table below identifies the investment types that are authorized by the City's investment policy and the California Government Code. The table also identifies certain provisions that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Ratings
Local Agency Investment Fund	N/A	None	None	None
Ventura County Pool	N/A	None	None	None
U.S. Treasury	3 years	None	None	None
U.S. Agencies	3 years	20%	None	AAA
State Municipal Securities	5 years	None	None	AA
California Local Agency Municipal Securities	5 years	None	None	AA
Non-Negotiable Certificates of Deposit	5 years	20%	None	A
Negotiable Certificates of deposits (CDs)	5 years	30%	15%	AAA
Placement Service Deposits	5 years	30%	None	None
Medium Term Corporate Notes	5 years	30%	None	AA
Asset-Backed Securities	4 years	20%	None	AA
Commercial Paper	270 days	25%	10%	Prime
Bankers Acceptances	180 Days	40%	2%	None
Money Market and Mutual funds	N/A	20%	20%	AAA

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

	Remaining Maturity (in Months)			
Investment Type	12 Months or Less	13 to 24 Months	25 to 60 Months	Total
Local Agency Investment Fund	$ 37,950,839	$ -	$ -	$ 37,950,839
U.S. Treasury	2,014,137	6,695,948	2,456,911	11,166,996
U.S. Agencies	2,167,065	3,186,597	4,400,899	9,754,561
Negotiable Certificates of deposits (CDs)	829,842	-	-	829,842
Medium Term Corporate Notes	540,286	1,072,945	3,868,287	5,481,518
Asset-Backed Securities	371,204	150,013	1,754,866	2,276,083
Money Market and Mutual funds	129,075	-	-	129,075
Suprational Obligations	-	546,844	482,313	1,029,157
Total	$ 44,002,448	$ 11,652,347	$ 12,963,276	$ 68,618,071

3) CASH AND INVESTMENTS (continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Minimum Legal Rating	Not Rated	AAA/A1	Total
Local Agency Investment Fund	N/A	$37,950,839	$ -	$37,950,839
U.S. Treasury		-	11,166,996	11,166,996
U.S. Agencies		-	9,754,561	9,754,561
Negotiable Certificates of deposits (CDs)		-	829,842	829,842
Medium Term Corporate Notes		-	5,481,518	5,481,518
Asset-Backed Securities		-	2,276,083	2,276,083
Money Market and Mutual funds		-	129,075	129,075
Suprational Obligations		-	1,029,157	1,029,157
Total		$37,950,839	$30,667,232	$68,618,071

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer (other than external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

CASH AND INVESTMENTS (continued)

Custodial Credit Risk (continued)

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value of Investments

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

3) RECEIVABLES

Receivables as of year-end for the City's individual major funds and non-major funds in the aggregate, are as follows:

	General Fund	Federal Grants	Facility Capital Projects	Water Utility	Sewer Utility	Nonmajor and Other Funds	Total Receivables
Receivables:							
Interest	57,977	26,946	40,939	110,691	60,822	52,297	$ 349,672
Accounts	1,958,560	2,664	-	2,123,121	1,886,067	604,197	6,574,609
Total Receivables	$ 2,016,537	$ 29,610	$ 40,939	$ 2,233,812	$ 1,946,889	$ 656,494	$ 6,924,281

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

Governmental Activities:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not depreciated:				
Land	$ 489,183	$ -	$ -	$ 489,183
Construction in progress	3,384,198	7,368,561	-	10,752,759
Total capital assets, not depreciated	3,873,381	7,368,561	-	11,241,942
Capital assets, being depreciated:				
Buildings and system	3,446,262	-	-	3,446,262
Machinery and equipment	4,911,114	608,445	-	5,519,559
Improvements other than buildings	37,727,777	-	-	37,727,777
Total capital assets, being depreciated	46,085,153	608,445	-	46,693,598
Less accumulated depreciation:				
Buildings and system	(1,784,317)	(109,895)	-	(1,894,212)
Machinery and equipment	(3,627,842)	(252,480)	-	(3,880,322)
Improvements other than buildings	(14,739,785)	(1,704,419)	-	(16,444,204)
Total accumulated depreciation	(20,151,944)	(2,066,794)	-	(22,218,738)
Net capital assets being depreciated	25,933,209	(1,458,349)	-	24,474,860
Governmental activities, capital assets, net	$ 29,806,590	$ 5,910,212	$ -	$ 35,716,802

5) CAPITAL ASSETS (continued)

Business-Type Activities:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets, not depreciated:				
Land	$ 7,104,082	$ -	$ -	$ 7,104,082
Water rights	13,834,827	-	-	13,834,827
Construction in progress	7,799,091	7,848,678	-	15,647,769
Total capital assets, not depreciated	28,738,000	7,848,678	-	36,586,678
Capital assets, being depreciated:				
Buildings and system	86,348,920	-	-	86,348,920
Improvements other than buildings	36,838,813	-	-	36,838,813
Machinery and equipment	2,846,409	167,803	-	3,014,212
Total capital assets, being depreciated	126,034,142	167,803	-	126,201,945
Less accumulated depreciation:				
Buildings and system	(17,490,433)	(1,176,140)	-	(18,666,573)
Machinery and equipment	(8,305,488)	(1,035,343)	-	(9,340,831)
Improvements other than buildings	(2,060,845)	(47,552)	-	(2,108,397)
Total accumulated depreciation	(27,856,766)	(2,259,035)	-	(30,115,801)
Net capital assets being depreciated	98,177,376	(2,091,232)	-	96,086,144
Business-type activities, capital assets, net	$ 126,915,376	$ 5,757,446	$ -	$ 132,672,822

Depreciation was charged to functions/programs of the City as follows

Governmental activities:	
General government	$ 64,334
Building and safety	592,264
Community services	22,045
Fire	260,072
Police	136,160
Public works	991,919
	$ 2,066,794
Business-type Activities:	
Water	$ 1,097,149
Sewer	1,161,886
	$ 2,259,035

5) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Amounts due to/from other funds are as follows:

Due to/from

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 165,527

The outstanding balances between funds are as a result of funds with negative cash borrowing from the General Fund.

Advances from/to other funds is as follows:

Advances

Receivable Fund	Payable Fund	Amount
Nonmajor governmental funds	Nonmajor governmental funds	$ -

Amounts payable between the Nonmajor Governmental Funds are for park projects. This balance is not scheduled to be collected in the subsequent year.

Sewer Fund Advance

On February 1, 2010 the City entered into a Water Enterprise Lease Agreement and a Wastewater Enterprise Lease Agreement with the Santa Paula Utility Authority to lease to the Utility Authority the water and wastewater enterprise owned by the City. Under the terms of the agreements, lease payments are to be made from the Water and Sewer funds' (which comprise the Utility Authority) surplus revenues to the City for an amount equal to "Total Rent." Total Rent is defined in the agreements as having an aggregate present value at the date of the agreement of $77,850,759 and $18,083,341 for the water and wastewater enterprises respectively. The lease term shall end on February 22, 2065.

As mentioned above, the lease payments by the Utility Authority to the City are contingent upon the surplus revenues generated by the Water and Sewer funds. The amount of the lease rental payments could not be estimated due to the uncertainty of the amount of surplus revenues that may be generated by the Water and Sewer funds. The lease agreements are determined to be operating leases, and therefore no liability or asset has been recorded.

As provided in the trust agreement of the 2010 Wastewater Revenue Bonds, the Sewer fund of the Utility Authority transferred to the General fund an upfront lease rental payment of $5,000,000. The payment is to be used by the City to finance certain public capital improvements. The balance was paid-in-full as of June 30, 2021.

6) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (continued)

Interfund transfers are as follows:

	Transfers In		
Transfers Out	Water Fund	Other Governmental Funds	Total
General Fund	$ -	$ 24,437	$ 24,437
Sewer Fund	242,191	-	242,191
Other governmental funds	-	352,157	352,157
	$ 242,191	$ 376,594	$ 618,785

Transfers were made from the Sewer fund to the Water fund to reimburse various costs. Transfers were made from the General Fund and Other Governmental Funds to Other Governmental Funds to pay for street projects.

7) LONG-TERM DEBT

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	$ 633,096	$ 345,032	$ (324,808)	$ 653,320	$ 326,660
Claims liability	925,920	127,158	(393,494)	659,584	329,792
Total governmental activities	$ 1,559,016	$ 472,190	$ (718,302)	$ 1,312,904	$ 656,452
Business-type Activities:					
Water Revenue Bonds:					
2019 Bonds	$ 33,415,000	$ -	$ (1,585,000)	$ 31,830,000	$ 1,660,000
Add: Premium	5,965,684	-	(339,280)	5,626,404	-
Wastewater Revenue Bonds:					
2015A Bonds	9,295,000	-	(950,000)	8,345,000	990,000
2020A Bonds	3,765,000	-	-	3,765,000	-
Add: Premium	713,220	-	(21,397)	691,823	-
2020B Bonds	64,600,000	-	(395,000)	64,205,000	395,000
Note payable from direct borrowings	496,500	-	-	496,500	-
Compensated absences	41,538	50,045	(43,917)	47,666	47,666
Total business-type activities	$ 118,291,942	$ 50,045	$ (3,334,594)	$ 115,007,393	$ 3,092,666

7) LONG-TERM DEBT (continued)

The General Fund is typically used to liquidate the compensated absences, claims liability, net pension liability, and total OPEB liability of the governmental activities.

2020 Wastewater Revenue Bonds

In October 2020, the Santa Paula Utility Authority, the "Utility Authority" (a component unit of the City) issued the 2020A and 2020B Wastewater revenue bonds in the aggregate amount of $69,125,000. The Bonds were issued to refund the 2010A and 2010B Wastewater Revenue Bonds and a portion of the 2015A Wastewater Revenues bonds, provide financing for improvements to the Water Enterprise System, and pay costs of bond issuance. The Wastewater Bonds are payable from net revenues of the Wastewater Enterprise and other amounts pledged under the Indenture and investment earnings thereon. Interest is payable semi-annually on August 1st and February 1st of each year with principal maturing on February 1st of each year through 2055. The interest rate on the bonds ranges from 1.00% to 4.00%.

Debt service requirements to maturity for the 2020 Wastewater Enterprise Revenue Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2024	$ 395,000	2,230,276
2025	400,000	2,226,097
2026	405,000	2,220,905
2027	1,535,000	2,214,336
2028	375,000	2,187,135
2029-2033	6,220,000	10,559,350
2034-2038	8,585,000	9,386,145
2039-2043	11,940,000	7,729,697
2044-2048	14,060,000	5,610,058
2049-2053	16,600,000	3,061,266
2054-2055	7,455,000	391,551
	$ 67,970,000	$ 47,816,816

7) LONG-TERM DEBT (continued)

2020 Wastewater Revenue Bonds (continued)

The net savings and economic gain (loss) from this refunding is unavailable due to the refunded bonds having variable interest rates.

2019 Water Revenue Bonds

In December 2019, the Santa Paula Utility Authority, the "Utility Authority" (a component unit of the City) issued $37,165,000 aggregate principal amount of Water Enterprise Revenue Bonds, 2019 Series, with proceeds used to effect the advance refunding of $43,550,000 of outstanding Santa Paula Public Financing Authority Water Revenue Bonds, Series 2010, and finance certain improvements to the Authority's water system. The Water Bonds are payable from net revenues of the Water Enterprise held under the Water Bonds Indenture and investment earnings thereon. Interest is payable semi-annually on August 1st and February 1st of each year with principal maturing on February 1st of each year through 2040. The interest rate on the bonds ranges from 3.00% to 5.00%.

Debt service requirements to maturity for the Water Enterprise Revenue Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2024	$ 1,660,000	$ 1,456,400
2025	1,745,000	1,373,400
2026	1,830,000	1,248,025
2027	1,925,000	1,194,650
2028	2,020,000	1,098,400
2029-2033	11,720,000	3,872,500
2034-2038	7,495,000	1,610,800
2039-2040	3,435,000	207,400
	$ 31,830,000	$ 12,061,575

2010 Wastewater Revenue Bonds

In February 2010, the Utility Authority issued $5,900,000 aggregate principal amount of Wastewater Enterprise Revenue Bonds, 2010A Series, Non-Taxable, and $6,130,000 aggregate principal amount of Wastewater Enterprise Revenue Bonds, 2010B Series, Taxable. Proceeds of the bonds will be used to finance an up-front lease payment to the City, finance certain improvements to the Utility Authority's wastewater system, fund a reserve account, and pay issuance costs.

7) LONG-TERM DEBT (continued)

2010 Wastewater Revenue Bonds (continued)

The wastewater bonds are payable from Net Revenues of the Wastewater Enterprise. Interest is payable semi-annually on August 1st and February 1st of each year with principal maturing on February 1st of each year through 2040. The interest rate on the bonds ranges from 3.00% to 7.00%. The Bonds were refunding with the issuance of the 2020 Wastewater Bonds.

2015 Wastewater Revenue Bonds

In April 2015, the Utility Authority issued $67,195,000 aggregate principal amount of Wastewater Enterprise Revenue Bonds, 2015A Series, Non-Taxable, and $2,035,000 aggregate principal amount of Wastewater Enterprise Revenue Bonds, 2015B Series, Taxable. Proceeds of the bonds were used to fund a termination payment payable to the operator of the wastewater treatment facility, fund a reserve account, pay issuance costs and, as to a portion of the 2015B Bonds, to pay other capital costs of the Wastewater Enterprise.

The 2015 Wastewater Revenue Bonds are payable from Net Revenues of the Wastewater Enterprise on parity with the 2010 Wastewater Revenue Bonds. Interest is payable semi-annually on August 1st and February 1st of each year with principal maturing on February 1st of each year through 2050. The 2015A Bonds were partially refunded with the issuance of the 2020 Wastewater bonds. The interest rate on the bonds ranges from 3.50% to 5.00%.

Debt service requirements to maturity for the remaining Wastewater Enterprise Revenue Bonds, 2015A are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2024	$ 990,000	$ 356,225
2025	1,030,000	318,225
2026	1,070,000	278,625
2027	1,180,000	237,425
2028	-	183,925
2029-2033	2,485,000	666,050
2034-2035	1,590,000	222,600
	$ 8,345,000	$ 2,263,075

7) LONG-TERM DEBT (continued)

2015 Wastewater Revenue Bonds (continued)

Pursuant to each indenture, the Utility Authority covenants to fix, prescribe, revise, and collect rates, fees, and charges for the respective Enterprise as a whole for the services and improvements furnished by the Enterprise during each fiscal year which are at least sufficient, after making allowances for contingencies and error in the estimates, to yield revenues of that Enterprise sufficient to pay the following amounts in the following priority: a) all anticipated service fees due under the DBOF for such fiscal year in the case of the Wastewater Enterprise only; b) all anticipated operation and maintenance costs of the enterprise for such fiscal year; c) all debt service payments as they become due and payable during such fiscal year, without preference or priority, except to the extent such debt service payments are payable from the proceeds of the bonds or from any other source of legally available funds of the Utility Authority which have been deposited for such purpose prior to the commencement of such fiscal year; d) the amount, if any, required to restore the amount in the reserve account to the full amount of the reserve requirement; and e) all other payments required to meet any other obligations of the Utility Authority which are charges, liens, encumbrances upon or payable from the revenues during such fiscal year. The Utility Authority also covenants under the Indenture to fix, prescribe, revise and collect, or cause to be fixed, prescribed, revised and collected, rates, fees and charges for the services and improvements furnished by the Enterprise during each fiscal year that are sufficient to yield net revenues that are at least equal to one hundred twenty percent (120%) of the total debt service payments coming due and payable in such fiscal year.

Notes Payable

On January 2, 1996, the City purchased surface water rights and groundwater rights from the Santa Paula Waterworks, Ltd. by issuing notes for $496,500 at an interest rate of 9.87% per annum. Interest only payments are due annually with principal to be paid in full on January 2, 2026. Debt Service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2024	$ -	$ 73,000
2025	-	73,000
2026	-	73,000
2027	496,500	73,136
	$ 496,500	$ 292,136

7) LONG-TERM DEBT (continued)

Fiduciary Fund

Changes in Long-term Debt

The following is a schedule of changes in long-term debt of the Successor Agency for the fiscal year ended June 30, 2022.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds payable:					
Tax Allocation Refunding Bonds	$ 1,110,000	$ -	$ (255,000)	$ 855,000	$ 265,000
Unamortized discount	(7,123)	-	1,426	(5,697)	-
Total	$ 1,102,877	$ -	$ (253,574)	$ 849,303	$ 265,000

Tax Allocation Bonds

On March 21, 1994, the Redevelopment Agency of the City adopted a resolution authorizing the sale of $6,900,000 aggregate principal amount of Santa Paula Redevelopment Project 1994 Tax Allocation Refunding Bonds at interest rates ranging from 6.345% to 6.548% for the purpose of retiring $6,000,000 of Tax Allocation Notes issued on November 1, 1992. The bonds mature on December 1 of each year to 2024 with interest payable semi-annually. On June 7, 2000, the Agency defeased $2,285,000 of the $6,900,000 Tax Allocation Refunding Bonds by purchasing United States government securities in an irrevocable trust with an escrow agent utilizing existing funds. The bonds are considered to be partially defeased and the related liability has been removed from long-term debt.

Debt service requirements to maturity on the remaining bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2024	$ 265,000	$ 71,250
2025	285,000	54,825
2026	305,000	37,800
	$ 855,000	$ 163,875

8) FUND BALANCE

The details of the fund balances as of June 30, 2023 are presented below:

	General Fund	Federal Grants	Facility Capital Projects	Total Non-major Governmental Funds	Total
Nonspendable:					
Loans receivable	$ 4,430	$ 112,936	$ -	$ -	$ 117,366
Prepaids	-	-	-	-	-
Permanent endowments	-	-	-	842,830	842,830
Restricted:					
Street work	-	1,002	-	4,282,306	4,283,308
Hazard abatement	-	-	-	606,473	606,473
Development fees	-	-	-	993,666	993,666
Public safety	-	-	72,567	550,164	622,731
Community development	-	4,959,573	3,799,119	452,752	9,211,444
Cable television	-	-	-	195,913	195,913
Inclusionary housing	-	-	-	2,777,302	2,777,302
Other	4	-	-	-	4
Committed:					
General plan update	1,267,981	-	-	-	1,267,981
Unassigned:	11,237,954	-	-	(169,032)	11,068,922
Total	$ 12,510,369	$ 5,073,511	$ 3,871,686	$ 10,532,374	$ 31,987,940

The unassigned category above encompasses fund designations that do not satisfy the criteria of the other categories presented. Included in the $11,237,954 unassigned fund balance of the General Fund is the City Council approved operating reserve of $3,854,835.

9) RISK MANAGEMENT

1. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

9) RISK MANAGEMENT (continued)

2. Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

The total funding requirement for self-insurance programs is estimated using actuarial models and prefunded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $100,000 to $500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $500,000 to $50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is $50 million per occurrence. Subsidence losses also have a $50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: https://cjpia.org/coverage/risk-sharing-pools/.

Workers' Compensation

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $75,000 to $200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

9) RISK MANAGEMENT (continued)

2. Self-Insurance Programs of the Authority (continued)

Workers' Compensation, (continued)

For 2022-23 the Authority's pooled retention is $1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $1 million. Coverage from $1 million to $5 million is purchased through reinsurance policies, and Employer's Liability losses from $5 million to $10 million are pooled among members.

3. Purchased Insurance

Pollution Legal Liability Insurance

The City of participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a $250,000 deductible. The Authority has an aggregate limit of $20 million.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of $144,455,267. There is a $10,000 deductible per occurrence except for non-emergency vehicle insurance which has a $2,500 deductible.

Earthquake and Flood Insurance

The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City property currently has earthquake protection in the amount of $71,280,510. There is a deductible of 5% per unit of value with a minimum deductible of $100,000.

Crime Insurance

The City purchases crime insurance coverage in the amount of $1,000,000 with a $2,500 deductible. The fidelity coverage is provided through the Authority.

9) RISK MANAGEMENT (continued)

3. Purchased Insurance (continued)

Special Event Tenant User Liability Insurance

The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays for the insurance. The insurance is facilitated by the Authority.

4. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2022-23.

5. Claims and Judgments

The City accounts for uninsured, material claims and judgments and associated legal and administrative costs when it is probable that the liability claim has been incurred and the amount of the loss can be reasonably estimated. Included therein are claims incurred but not reported, which consists of (a) known loss events expected to be presented as claims later, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. This is based upon historical actual results that have established a reliable pattern supplemented by specific information about current matters. Small dollar claims and judgments are recorded as expenditures when paid. The following claims schedule includes workers' compensation and general liability for the past two fiscal years.

Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments for Current and Prior Years	End of Year Liability
2020-2021	1,318,736	131,451	234,971	1,215,216
2021-2022	1,215,216	75,116	364,412	925,920
2022-2023	925,920	127,158	393,494	659,584

10) CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City, as part of a consent judgment entered into on September 24, 2007, was required to construct a new water recycling facility ("WRF") no later than December 15, 2010. The WRF was constructed and placed into operation prior to the December 15, 2010 deadline. However, the WRF does not fully comply with the consent judgment, and therefore, may be subject to additional penalties. The amount of penalties, if any, has not been determined.

The City is a defendant in various other lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

11) PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City participates in five rate plans (three miscellaneous, two safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

11) PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2023 are summarized as follows:

	Miscellaneous	Miscellaneous Tier II	Miscellaneous PEPRA
Hire date	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.5% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-60	50-60	52-62
Monthly benefits, as a % of eligible compensation	Highest single year	Highest single year	Highest single year
Required employer contribution rates	12.210%	10.870%	7.470%

	Safety	Safety PEPRA
Hire date	Prior to January 1, 2013	On of after January 1, 2013
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	50-55
Monthly benefits, as a % of eligible compensation	3 year average	3 year average
Required employer contribution rates	22.470%	12.780%

11) PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2023 were $3,211,569. The actual employer payments of $2,955,772 made to CalPERS by the City during the measurement period ended June 30, 2022 differed from the City's proportionate share of the employer's contributions of $4,496,384 by $1,540,612, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

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11) PENSION PLAN (continued)

B. *Net Pension Liability*

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table [(1)]	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

[(1)] The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

11) PENSION PLAN (continued)

B. Net Pension Liability (continued)

Long-term Expected Rate of Return (continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

The expected real rates of return by asset class are as follows:

Asset Class[1]	Assumed Asset Allocation	Real Return Year [1,2]
Global equity - cap-weighted	30.0%	4.54%
Global equity - non-cap-weighted	12.0%	3.84%
Private equity	13.00	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.00%	-0.59%

[1] An expected inflation of 2.30% used for this period

[2] Figures are based on the 2021 Asset Liability Management study

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

11) PENSION PLAN (continued)

B. Net Pension Liability (continued)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

11) PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability

The following table shows the Plan's proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability	**Plan Fiduciary Net Position**	**Plan Net Pension Liability**
Balance at: 6/30/2021 (VD)	$ 100,842,869	$ 81,553,970	$ 19,288,899
Balance at: 6/30/2022 (VD)	108,183,922	75,939,461	32,244,461
Net Changes during 2021-22	$ 7,341,053	$ (5,614,509)	$ 12,955,562

VD (Valuation Date); MD (Measurement Date)

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The City's proportionate share of the net pension liability for the total Plan as of the June 30, 2021 and 2022 measurement dates was as follows:

Proportionate Share - June 30, 2022	0.35665%
Proportionate Share - June 30, 2023	0.27915%
Change - Increase (Decrease)	-0.07750%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Discount Rate - 1% (5.90%)	**Current Discount Rate (6.90%)**	**Discount Rate + 1% (7.90%)**
Plan's Net Pension Liability/(Asset)	$ 47,087,620	$ 32,244,461	$ 20,072,904

11) PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2022), the City's net pension liability was $32,244,461. For the measurement period ending June 30, 2023 (the measurement date), the Local Government incurred a pension revenue of $1,860,465.

11) PENSION PLAN (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

As of June 30, 2023, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 3,277,492	$ -
Differences between expected and actual experience	601,649	-
Net difference between projected and actual earnings on plan investments	5,496,383	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	1,625,756
Changes in employer's proportion	-	1,856,013
Pension contributions subsequent to measurement date	3,211,569	-
Total	$ 12,587,093	$ 3,481,769

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of $3,211,569 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ending Fiscal Year	Deferred Outflows/(Inflows) of Resources
2024	$ 1,269,258
2025	916,463
2026	350,414
2027	3,357,620
2028	-
Thereafter	-

E. Payable to the Pension Plan

At June 30, 2023, the City reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year then ended.

12) OTHER POSTEMPLOYMENT BENEFITS

Plan Description - The City provides the same medical plans to retirees and surviving spouses as to its active employees, with the exception that once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan, with Medicare becoming the primary payer. The plan is a single employer defined contribution post-employment healthcare benefits plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided - Employees are eligible for retiree health benefits if they retire from the City on or after age 50 and 5 years of service (age 52 for Miscellaneous PEPRA employees), and continue health insurance through a City-sponsored health insurance plan, the City will contribute the minimum monthly amount (as required by CalPERS) of the health insurance premium ($149 and $157 for the calendar years 2022 and 2023 respectively). The City's health plan does not issue a publicly available financial report.

12) OTHER POSTEMPLOYMENT BENEFITS (continued)

Employees Covered by Benefit Terms - As of the June 30, 2023 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees currently receiving benefits	22
Retirees entitled to but not yet receiving benefits	85
Active employees	98
	205

Contributions - The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contributions to the Plan are based on the costs to provide the benefits as described above on a pay as you go basis. For the fiscal year ended June 30, 2023, the City's pay-as-you-go costs cash benefit payments were $39,302. Total employer contributions, including the implied subsidy, were $61,545.

12) OTHER POSTEMPLOYMENT BENEFITS (continued)

Total OPEB Liability - The City's total OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated June 30, 2022, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	CalPERS 2000-2019 Experience Study
Age at Retirement	50
Health Care Trend Rate	8.50% for 2025, decreasing to 3.45% in 2076
Inflation Rate	2.50%
Salary Changes	Aggregate - 2.75% annually
	Merit - CalPERS 2000-2019 Experience Study
Discount Rate	3.65% at June 30, 2023 (Bond Buyer 20-Bond Index)
	3.54% at June 30, 2022 (Bond Buyer 20-Bond Index)
Medical CPI	3.50% - used to project PERS statutory minimum benefit

Discount Rate - The discount rate used to measure the total OPEB liability was 3.65% and is based on the Bond Buyer 20-Bond GO index.

Changes in Assumptions - The discount rate used to measure the total OPEB liability was changed to 2.50% from 3.65%. Inflation was decreased from 2.75% to 2.50%. In addition, the medical claims curve was updated, the implied subsidy was removed for Medicare plans and the mortality scale was updated to Scale MP-2021.

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2022	$ 2,760,290
Changes in the year:	
Service cost	201,209
Interest on the total OPEB liability	103,748
Actual vs. expected experience	(701,747)
Assumption changes	(383,966)
Benefit payments, including implicit subsidy	(61,545)
Net changes	(842,301)
Balance at June 30, 2023	$ 1,917,989

12) OTHER POSTEMPLOYMENT BENEFITS (continued)

Sensitivity of the Total OPEB Liability to changes in the Discount Rate - The following presents the total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Discount Rate		
	1% Decrease (2.65%)	Current Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	$ 2,204,093	$ 1,917,989	$ 1,684,747

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the City, as well as what the City's Net OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	Healthcare Trend Rate		
	1% Decrease	Current Rates	1% Increase
Total OPEB liability	$ 1,624,808	$ 1,917,989	$ 2,295,882

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2023, the City recognized OPEB expense of $73,380. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 540,544	$ 1,233,480
Net differences between projected and actual earnings on plan investments	-	1,504,765
Total	$ 540,544	$ 2,738,245

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Total OPEB liability will be recognized as OPEB expense as follows:

Year Ending June 30,	
2024	$ (232,042)
2025	(232,042)
2026	(232,044)
2027	(216,183)
2028	(237,825)
Thereafter	(1,047,565)

13) LOANS RECEIVABLE

The City has issued first-time homebuyer and residential rehabilitation loans to low-and moderate-income residents. These loans are to be repaid over a specified period of time or upon sale of the property. As of June 30, 2023, the amount of loans receivable at year-end is $329,500.

14) CONSTRUCTION COMMITMENTS

The estimated amount of remaining construction contract obligations at year-end is $38,283,616.

15) DEBT WITHOUT GOVERNMENT COMMITMENT

The City has various outstanding bond issues which are not reflected in these financial statements. These bond issues are special obligations payable solely from and secured by specific revenue sources described in the resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof, is pledged for the payment of these bonds. No legal obligation on the part of the City exists to make payments on the bonds from any source other than the revenues or assets pledged therefore. The programs are completely administered by trustees, and the total outstanding balance at June 30, 2023 is $19,315,000.

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REQUIRED SUPPLEMENTARY INFORMATION

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Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes	$ 11,878,000	$ 14,723,748	$ 14,598,598	$ (125,150)
Licenses and permits	1,340,300	474,500	473,983	(517)
Intergovernmental	658,251	639,697	675,858	36,161
Charges for services	3,155,430	1,076,026	1,223,750	147,724
Fines and forfeitures	91,500	110,685	114,647	3,962
Investment earnings	102,000	142,000	294,318	152,318
Other revenues	42,100	334,736	294,793	(39,943)
Total Revenues	17,267,581	17,501,392	17,675,947	174,555
EXPENDITURES				
Current:				
General government	1,430,509	1,833,919	1,766,567	67,352
Building and safety	688,677	751,177	589,263	161,914
Community services	2,282,988	2,883,621	2,303,501	580,120
Financial services	686,335	717,273	651,896	65,377
Planning	1,081,672	1,024,997	677,063	347,934
Police	9,530,948	9,795,899	8,921,881	874,018
Public works	1,712,317	5,696,371	1,483,552	4,212,819
Total Expenditures	17,413,446	22,703,257	16,393,723	6,309,534
Excess (Deficiency) of Revenues over Expenditures	(145,865)	(5,201,865)	1,282,224	6,484,089
OTHER FINANCING SOURCES (USES)				
Sale of property	-	3,850	6,250	2,400
Transfers out	(24,437)	(2,524,437)	(24,437)	2,500,000
Total Other Financing Sources (Uses)	(24,437)	(2,520,587)	(18,187)	2,502,400
Net Change in Fund Balance	(170,302)	(7,722,452)	1,264,037	8,986,489
Fund Balance, Beginning	11,246,332	11,246,332	11,246,332	-
Fund Balance, Ending	$ 11,076,030	$ 3,523,880	$ 12,510,369	$ 8,986,489

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Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – Federal Grants – Major Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	$ -	$ 3,423,614	$ 3,637,844	$ 214,230
Charges for services	-	-	400	400
Investment earnings	100	100	105,472	105,372
Other revenues	-	-	7,061	7,061
Total Revenues	100	3,423,714	3,750,777	327,063
EXPENDITURES				
Current:				
General government	10,000	618,399	315,995	302,404
Building and safety	-	5,878	-	5,878
Community services	97,047	420,376	530,236	(109,860)
Financial services	-	84,285	1,675	82,610
Planning	40,000	195,559	2,139	193,420
Police	-	347,088	119,296	227,792
Public works	131,000	4,955,160	674,939	4,280,221
Total Expenditures	278,047	6,626,745	1,644,280	4,982,465
Net Change in Fund Balance	(277,947)	(3,203,031)	2,106,497	5,309,528
Fund Balance, Beginning	2,967,014	2,967,014	2,967,014	-
Fund Balance, Ending	$ 2,689,067	$ (236,017)	$ 5,073,511	$ 5,309,528

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Required Supplementary Information
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	Measurement Period					
	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service cost	$ 172,347	$ 165,476	$ 186,457	$ 263,423	$ 275,559	$ 201,209
Interest on total OPEB liability	109,883	121,523	125,245	104,357	73,033	103,748
Changes in assumptions	(142,751)	194,758	817,178	(430,654)	(661,776)	(383,966)
Actual vs. expected experience	-	-	-	(1,227,322)	-	(701,747.00)
Benefit payments, including implicit subsidy	(58,033)	(65,697)	(63,145)	(61,373)	(64,242)	(61,545)
Net change in total OPEB liability	81,446	416,060	1,065,735	(1,351,569)	(377,426)	(842,301)
Total OPEB liability - beginning	2,926,044	3,007,490	3,423,550	4,489,285	3,137,716	2,760,290
Total OPEB liability - ending	$ 3,007,490	$ 3,423,550	$ 4,489,285	$ 3,137,716	$ 2,760,290	$ 1,917,989
Covered-employee payroll	$ 5,911,227	$ 7,083,647	$ 7,592,656	$ 7,257,288	$ 11,198,803	$ 9,999,050
Total OPEB liability as a percentage of covered-employee payroll	50.88%	48.33%	59.13%	43.24%	24.65%	19.18%

*Fiscal year 2018 was the first year of implementation, therefore, not all 10 years of information is available.

Notes to the Schedule:

No assets are accumulated in a trust that meets the criteria in GASB No. 75, paragraph 4, to pay related benefits.

Benefit Changes: None

Changes in Assumptions: For the June 30, 2023 measurement date: Discount rate was updated based on municipal bond rate, inflation increased from 2.50% to 3.65%; updated CalPERS Experience study to 2000-2019; new medical and PEMHCA minimum trend and participation assumptions updated.

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Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*

Measurement Date	Employer's Proportion of the Collective Net Pension Liability[1]	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	0.2563%	$ 15,947,485	$ 5,991,638	266.16%	78.49%
2015	0.2732%	18,748,806	6,552,813	286.12%	74.94%
2016	0.2613%	22,609,596	6,795,547	332.71%	74.06%
2017	0.2529%	25,075,293	6,136,996	408.59%	70.42%
2018	0.2579%	24,852,880	5,911,227	420.44%	71.58%
2019	0.2590%	26,539,944	6,929,552	383.00%	71.36%
2020	0.2611%	28,410,126	7,436,975	382.01%	70.79%
2021	0.3567%	19,288,899	7,257,288	265.79%	80.87%
2022	0.2792%	32,244,461	7,919,478	407.15%	70.19%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

[1] Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

Required Supplementary Information
Schedule of Plan Contributions
Last 10 Fiscal Years*

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	$ 2,159,536	$ (2,159,536)	$ -	$ 6,552,813	32.96%
6/30/2016	2,324,486	(2,324,486)	-	6,795,547	34.21%
6/30/2017	1,967,182	(1,967,182)	-	6,136,996	32.05%
6/30/2018	2,068,107	(2,068,107)	-	5,911,227	34.99%
6/30/2019	2,372,333	(2,372,333)	-	6,929,552	34.24%
6/30/2020	2,719,034	(2,719,034)	-	7,436,975	36.56%
6/30/2021	2,958,871	(2,958,871)	-	7,257,288	40.77%
6/30/2022	2,955,772	(2,955,772)	-	7,919,478	37.32%
6/30/2023	3,211,569	(3,211,569)	-	7,806,886	41.14%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:

Change in benefit terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

1) BUDGETARY INFORMATION

Budgeted revenue and expenditure amounts shown represent the City's originally adopted legal budget adjusted for unanticipated revenues and appropriations during the course of the fiscal year. Budget amounts, as adjusted, reported for the governmental funds of the City are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts and projects entered into by the City are subject to annual review by the City Council; hence, they legally are one-year contracts with an option for renewal for another fiscal year.

The City Council has the responsibility for adoption of the City's Budget. Budgets are adopted for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during each fiscal year. The City Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by City Council. The level at which expenditures may not legally exceed appropriations is therefore established at the department level. Budgeted amounts may be transferred between programs with City Manager approval.

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Special Revenue Funds

Mobile Home Rent Review Fund - This fund is used to administer the Mobile Home Rent Review Program.

Local Transportation TDA Fund - This fund is to be used for local streets and roads.

CA Oil Museum Fund - Revenues from fundraising, membership and interest from endowment. Used to cover operating costs of museum.

Hillsborough Open Space Assessment Fund - This fund is used to account for the Maintenance Assessment District for Tract #4486-1 (except parcels D & E) and Tract #4486-2.

Local Transportation TDA Article 3 Fund - This fund is set aside for bicycle and pedestrian facilities.

NPDES Storm Water Quality Fund - This fund is only for use in relation to storm water quality.

Beverage Container Recycling Fund - This fund is used to account for the recycling program state grants.

Cable Television Fund - This fund is used to account for cable television fees.

Stormwater Program Fund - This fund is used to account for storm water program activities.

GHAD-GEO Hazardous Abatement District Fund - This fund is used to account for the Geological Hazard Abatement District #5606.

State Gas Tax Special Revenue Fund - This fund accounts for the State Gas Tax funds that are restricted for street related projects.

State Grants Fund - This fund is used to account for state grant activities.

Capital Project Funds

Facilities Capital Fund - This fund is used to account for developers fees collected to be used for facility expansion projects.

Inclusionary Housing Ordinance Improvement - This fund is used to account for developers fees collected to be used for future Inclusionary Housing Ordinance Implementation Programs.

Traffic Impact Fees Fund - This fund is used to account for developers fees collected to be used for traffic related projects. This fund is legally restricted to capital acquisition or related debt service.

Capital Project Funds (continued)

Air Quality Impact Fee - This fund is used to account for developers fees collected to be used for air quality management.

Park Bond Grant Fund - This fund is used to account for grant funds received to be used for parks.

Federal STP Grant - This fund is used to account for grant funds restricted for street purposes.

Permanent Funds

Community Center Endowment Fund - This fund is used to account for principal trust amounts received and related investment earnings. Investment earnings may be used to support the Center.

Museum Endowment Fund - This fund is used to account for principal trust amounts received and related investment earnings. Investment earnings may be used to support the Museum.

Harding Park Trust Fund - This fund is used to account for principal trust amounts received and related investment earnings. Investment earnings may be used to support the Harding Park Trust Fund subject to the approval of the Harding Park Advisory Committee.

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Combined Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue	Capital Projects	Permanent Funds	Total
ASSETS				
Cash and investments	$ 5,557,392	$ 3,754,176	$ 1,037,392	$ 10,348,960
Receivables				
Accounts	629,379	18,998	8,117	656,494
Loans receivable	216,564	-	-	216,564
Total Assets	$ 6,403,335	$ 3,773,174	$ 1,045,509	$ 11,222,018
LIABILITIES				
Accounts payable and accrued liabilities	$ 235,845	$ 468	$ 9,532	$ 245,845
Due to other funds	160,522	5,005	-	165,527
Total Liabilities	396,367	5,473	9,532	411,372
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - grants	278,272	-	-	278,272
Total Deferred Inflows of Resources	278,272	-	-	278,272
FUND BALANCE				
Nonspendable	-	-	842,830	842,830
Restricted	5,892,301	3,773,128	193,147	9,858,576
Unassigned	(163,605)	(5,427)	-	(169,032)
Total Fund Balances	5,728,696	3,767,701	1,035,977	10,532,374
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,403,335	$ 3,773,174	$ 1,045,509	$ 11,222,018

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Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	Mobile Home Rent Review	Local Transportation TDA	CA Oil Museum	Hillsborough Open Space Assessment
ASSETS				
Cash and investments	$ 763	$ 1,128,981	$ 116	$ 27,307
Receivables				
Accounts	-	5,827	-	501
Loans receivable	-	-	-	-
Total Assets	$ 763	$ 1,134,808	$ 116	$ 27,808
LIABILITIES				
Accounts payable and accrued liabilities	$ -	$ 31	$ 9	$ 54
Due to other funds	84,727	-	12,838	-
Total Liabilities	84,727	31	12,847	54
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - grants	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCE				
Restricted	-	1,134,777	-	27,753
Unassigned	(83,964)	-	(12,731)	-
Total Fund Balances	(83,964)	1,134,777	(12,731)	27,753
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 763	$ 1,134,808	$ 116	$ 27,807

DRAFT -
SUBJECT TO CHANGES

Transportation TDA Article 3	Storm Water Quality	Container Recycling	Cable Television	Stormwater Program
$ 1,481,180	$ 567	$ 52,979	$ 192,160	$ 104,608
5,734	-	295	14,578	109,649
-	-	-	-	-
$ 1,486,914	$ 567	$ 53,274	$ 206,738	$ 214,257
$ 800	$ 4,520	$ -	$ 10,825	$ 430
-	62,957	-	-	-
800	67,477	-	10,825	430
-	-	-	-	-
-	-	-	-	-
1,486,114	-	53,275	195,913	213,828
-	(66,910)	-	-	-
1,486,114	(66,910)	53,275	195,913	213,828
$ 1,486,914	$ 567	$ 53,275	$ 206,738	$ 214,258

DRAFT -
SUBJECT TO CHANGES

Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	GHAD-GEO Hazardous Abatement Dist.	State Gas Tax	State Grants	Total
ASSETS				
Cash and investments	$ 610,160	$ 1,370,706	$ 587,865	$ 5,557,392
Receivables				
Accounts	2,401	207,170	283,224	629,379
Loans receivable	-	-	216,564	216,564
Total Assets	$ 612,561	$ 1,577,876	$ 1,087,653	$ 6,403,335
LIABILITIES				
Accounts payable and accrued liabilities	$ 6,088	$ 145,501	$ 67,587	$ 235,845
Due to other funds	-	-	-	160,522
Total Liabilities	6,088	145,501	67,587	396,367
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - grants	-	-	278,272	278,272
Total Deferred Inflows of Resources	-	-	278,272	278,272
FUND BALANCE				
Restricted	606,473	1,432,374	741,794	5,892,301
Unassigned	-	-	-	(163,605)
Total Fund Balances	606,473	1,432,374	741,794	5,728,696
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 612,561	$ 1,577,875	$ 1,087,653	$ 6,403,335

DRAFT -
SUBJECT TO CHANGES

Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2023

	Inclusionary Housing Ordinance	Traffic Impact Fees	Air Quality Impact Fee	Park Bond Grant
ASSETS				
Cash and investments	$ 2,763,485	$ 988,496	$ 2,149	$ 15
Receivables:				
Accounts	13,817	5,170	11	-
Total Assets	$ 2,777,302	$ 993,666	$ 2,160	$ 15
LIABILITIES				
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 468
Due to other funds	-	-	-	2,318
Total Liabilities	-	-	-	2,786
FUND BALANCE				
Restricted	2,777,302	993,666	2,160	-
Unassigned	-	-	-	(2,771)
Total Fund Balances	2,777,302	993,666	2,160	(2,771)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,777,302	$ 993,666	$ 2,160	$ 15

DRAFT -
SUBJECT TO CHANGES

Federal STP Grant	Total
$ 31	$ 3,754,176
-	18,998
$ 31	$ 3,773,174
$ -	$ 468
2,687	5,005
2,687	5,473
-	3,773,128
(2,656)	(5,427)
(2,656)	3,767,701
$ 31	$ 3,773,174

DRAFT -
SUBJECT TO CHANGES

Combining Balance Sheet
Nonmajor Permanent Funds
June 30, 2023

	Community Center Endowment	Museum Endowment	Harding Park Trust	Total
ASSETS				
Cash and investments	$ 617,921	$ 220,468	$ 199,003	$ 1,037,392
Receivables				
Accounts	3,271	1,170	3,676	8,117
Total Assets	$ 621,192	$ 221,638	$ 202,679	$ 1,045,509
LIABILITIES				
Accounts payable and accrued liabilities	$ -	$ -	$ 9,532	$ 9,532
Total Liabilities	-	-	9,532	9,532
FUND BALANCE				
Nonspendable	621,192	221,638	-	842,830
Restricted	-	-	193,147	193,147
Total Fund Balances	621,192	221,638	193,147	1,035,977
Total Liabilities and Fund Balances	$ 621,192	$ 221,638	$ 202,679	$ 1,045,509

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SUBJECT TO CHANGES

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SUBJECT TO CHANGES

Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue	Capital Projects	Permanent Funds	Total
REVENUES				
Taxes	$ 50,968	$ 108,778	$ -	$ 159,746
Intergovernmental	4,246,366	114,257	-	4,360,623
Charges for services	557,247	600,016	172,199	1,329,462
Investment earnings	54,329	57,272	17,366	128,967
Other revenues	30	-	5,952	5,982
Total Revenues	4,908,940	880,323	195,517	5,984,780
EXPENDITURES				
General government	43,325	45,940	-	89,265
Community services	-	-	109,559	109,559
Financial services	5,831	-	-	5,831
Planning	638,978	-	-	638,978
Police	13,371	-	-	13,371
Public works	2,888,883	684	49,886	2,939,453
Total Expenditures	3,590,388	46,624	159,445	3,796,457
Excess (Deficiency) of Revenues Over Expenditures	1,318,552	833,699	36,072	2,188,323
OTHER FINANCING SOURCES (USES)				
Transfers in	376,594	-	-	376,594
Transfer out	(352,157)	-	-	(352,157)
Total Other Financing Sources (Uses)	24,437	-	-	24,437
Net Change in Fund Balances	1,342,989	833,699	36,072	2,212,760
Fund Balances, Beginning	4,385,707	2,934,002	999,905	8,319,614
Fund Balances, Ending	$ 5,728,696	$ 3,767,701	$ 1,035,977	$ 10,532,374

DRAFT -
SUBJECT TO CHANGES

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023

	Mobile Home Rent Review	Local Transportation TDA	CA Oil Museum	Hillsborough Open Space Assessment
REVENUES				
Taxes	$ -	$ -	$ -	$ 10,611
License and permits	-	-	-	-
Intergovernmental	-	1,105,498	-	-
Charges for services	15,025	-	3,000	-
Investment earnings	763	12,569	116	351
Other revenues	-	30	-	-
Total Revenues	15,788	1,118,097	3,116	10,962
EXPENDITURES				
General government	-	-	-	-
Financial services	-	-	-	-
Planning	-	-	-	-
Fire	-	-	-	-
Police	-	-	-	-
Public works	-	166,100	-	5,288
Total Expenditures	-	166,100	-	5,288
Excess (Deficiency) of Revenues Over Expenditures	15,788	951,997	3,116	5,674
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfer out	-	(352,157)	-	-
Total Other Financing Sources (Uses)	-	(352,157)	-	-
Net Change in Fund Balances	15,788	599,840	3,116	5,674
Fund Balances (Deficit), Beginning	(99,752)	534,937	(15,847)	22,079
Fund Balances (Deficit), Ending	$ (83,964)	$ 1,134,777	$ (12,731)	$ 27,753

DRAFT -
SUBJECT TO CHANGES

(Continued)

Local Transportation TDA Article 3	NPDES Storm Water Quality	Beverage Container Recycling	Cable Television Fund	Stormwater Program Fund
$ -	$ 40,357	$ -	$ -	$ -
-	-	-	-	-
1,498,898	-	-	-	-
-	-	-	57,588	257,761
(13,369)	567	1,114	2,907	327
-	-	-	-	-
1,485,529	40,924	1,114	60,495	258,088
-	-	70	40,432	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,081	68,149	9,701	-	93,796
4,081	68,149	9,771	40,432	93,796
1,481,448	(27,225)	(8,657)	20,063	164,292
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,481,448	(27,225)	(8,657)	20,063	164,292
4,666	(39,685)	61,932	175,850	49,536
$ 1,486,114	$ (66,910)	$ 53,275	$ 195,913	$ 213,828

DRAFT -
SUBJECT TO CHANGES

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023

	GHAD-GEO Hazardous Abatement Dist.	State Gas Tax	State Grant	Total
REVENUES				
Taxes	$ -	$ -	$ -	$ 50,968
License and permits	-	-	-	-
Intergovernmental	-	1,471,610	170,360	4,246,366
Charges for services	92,582	131,291	-	557,247
Investment earnings	8,858	21,057	19,069	54,329
Other revenues	-	-	-	30
Total Revenues	101,440	1,623,958	189,429	4,908,940
EXPENDITURES				
General government	-	2,823	-	43,325
Financial services	-	5,831	-	5,831
Planning	-	-	638,978	638,978
Fire	-	-	-	-
Police	-	-	13,371	13,371
Public works	35,050	2,194,164	312,554	2,888,883
Total Expenditures	35,050	2,202,818	964,903	3,590,388
Excess (Deficiency) of Revenues Over Expenditures	66,390	(578,860)	(775,474)	1,318,552
OTHER FINANCING SOURCES (USES)				
Transfers in	-	376,594	-	376,594
Transfer out	-	-	-	(352,157)
Total Other Financing Sources (Uses)	-	376,594	-	24,437
Net Change in Fund Balances	66,390	(202,266)	(775,474)	1,342,989
Fund Balances, Beginning, as restated	540,083	1,634,640	1,517,268	4,385,707
Fund Balances, Ending	$ 606,473	$ 1,432,374	$ 741,794	$ 5,728,696

DRAFT -
SUBJECT TO CHANGES

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Capital Project Funds
For the Year Ended June 30, 2023

	Inclusionary Housing Ordinance	Traffic Impact Fees	Air Quality Impact Fee	Park Bond Grant
REVENUES				
Taxes	$ -	$ 108,778	$ -	$ -
Intergovernmental	-	-	-	-
Charges for services	600,016	-	-	-
Investment earnings	40,911	16,281	34	15
Total Revenues	640,927	125,059	34	15
EXPENDITURES				
General government	-	45,940	-	-
Public works	-	-	-	684
Total Expenditures	-	45,940	-	684
Excess (Deficiency) of Revenues Over Expenditures	640,927	79,119	34	(669)
Net Change in Fund Balances	640,927	79,119	34	(669)
Fund Balances (Deficit), Beginning	2,136,375	914,547	2,126	(2,102)
Fund Balances (Deficit), Ending	$ 2,777,302	$ 993,666	$ 2,160	$ (2,771)

DRAFT -
SUBJECT TO CHANGES

Federal STP Grant	Total
$ -	$ 108,778
114,257	114,257
-	600,016
31	57,272
114,288	880,323
-	45,940
-	684
-	46,624
114,288	833,699
114,288	833,699
(116,944)	2,934,002
$ (2,656)	$ 3,767,701

DRAFT -
SUBJECT TO CHANGES

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Permanent Funds
For the Year Ended June 30, 2023

	Community Center Endowment	Museum Endowment	Harding Park Trust	Total
REVENUES				
Charges for services	$ -	$ -	$ 172,199	$ 172,199
Investment earnings	10,077	3,610	3,679	17,366
Other revenues	5,952	-	-	5,952
Total Revenues	16,029	3,610	175,878	195,517
EXPENDITURES				
Community services	-	-	109,559	109,559
Public works	-	-	49,886	49,886
Total Expenditures	-	-	159,445	159,445
Excess (Deficiency) of Revenues Over Expenditures	16,029	3,610	16,433	36,072
Net Change in Fund Balances	16,029	3,610	16,433	36,072
Fund Balances, Beginning	605,163	218,028	176,714	999,905
Fund Balances, Ending	$ 621,192	$ 221,638	$ 193,147	$ 1,035,977

CITY OF SANTA PAULA
MEMORANDUM

To: Honorable Mayor and Members of the City Council

From: Dan Singer, City Manager

Subject: FUTURE AGENDA ITEMS

Date: November 6, 2024

Agenda Item: 13.A

RECOMMENDATION:

Staff recommends City Council review future agenda items.

BACKGROUND:

The attached Future Agenda Items forecast identifies anticipated agenda items for upcoming Council meetings as well as Study Session topics and long-range discussion items. Placing this forecast on the agenda affords the Council and the public the opportunity to discuss such topics and to make any recommendations. It should be noted this is only a forecast and may change over the course of time or based on feedback by the Mayor and City Manager during review of future agendas.

ANALYSIS:

Should a member of the City Council wish to introduce a future agenda topic, it should be done in compliance with the Council's adopted Manual of Procedural Guidelines, Section 5.1. Items introduced by a member of the Council during a Council meeting requires a second and should be reserved for time-sensitive matters needing attention within the proceeding 45 day period.

STRATEGIC PLAN:

FISCAL IMPACTS:

OPTIONS:

ATTACHMENTS:

11.6.24 Future Agenda Items.pdf

Santa Paula City Council Tentative Agenda Schedule

	Regular Meeting November 20, 6:30pm	
PW	Public Works Department Report	
Admin	City Manager Department Report	
Admin	End of the Year Housing Market Update – VC Realtors	
Admin	Website Refresh Presentation	
Finance	Measure T Year-end Presentation	
Admin	Acceptance of Sports Park Turf and Irrigation – Harvest at Limoneira	
PW	Harvard Blvd Project Closeout	
CDD	People Self Help – Funding	
P&R	Discussion on use of Chevron $2 Million Donation	
Finance	Year End Fiscal Report	
	Regular Meeting December 11, 6:30pm	
P&R	Visitor from the North Pole	
Clerk	Measure R Results of Nov. 5, 2024 Election	
Clerk	Declaring Results of Nov. 5, 2024 Election – Reso	
Clerk	Procedures for Election of Mayor and Vice Mayor	
	STUDY SESSION TOPICS	
Admin	No Smoking Ordinance	
Finance	Development Impact Fees (DIF) Overview	Jan / Feb
	FUTURE AGENDA ITEMS	
Finance	Update on Utility Bills	
PW	Plans & Specifications for 8th Street Streetlight Repair Project	
CDD	Central Business District Live Entertainment Ord 1339	
CDD	Cultural Arts Presentation	Nov
Legal	Fire MOU Amendment	
CDD	Homeless Encampment Opportunities Workshop	
P&R	Union Oil Building Use Agreement	Nov/Dec
PW	Carb clean Fleet Regulations	
Clerk	Mayor's Committee Assignments	Dec
Clerk	Adoption of Annual 2025 Meeting Calendar	Dec

Updated 10/31/2024