

**CITY OF SANTA BARBARA
CITY COUNCIL
REDEVELOPMENT AGENCY**

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Roger L. Horton
Finance Committee Chair
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Grant House
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James L. Armstrong
*City Administrator/
Executive Director*

Stephen P. Wiley
City Attorney/Agency Counsel

City Hall
735 Anacapa Street
<http://www.SantaBarbaraCA.gov>

**JULY 14, 2009
AGENDA**

ORDER OF BUSINESS: Regular meetings of the Finance Committee and the Ordinance Committee begin at 12:30 p.m. The regular City Council and Redevelopment Agency meetings begin at 2:00 p.m. in the Council Chamber at City Hall.

REPORTS: Copies of the reports relating to agenda items are available for review in the City Clerk's Office, at the Central Library, and <http://www.SantaBarbaraCA.gov>. In accordance with state law requirements, this agenda generally contains only a brief general description of each item of business to be transacted or discussed at the meeting. Should you wish more detailed information regarding any particular agenda item, you are encouraged to obtain a copy of the Council Agenda Report (a "CAR") for that item from either the Clerk's Office, the Reference Desk at the City's Main Library, or online at the City's website (<http://www.SantaBarbaraCA.gov>). Materials related to an item on this agenda submitted to the Council/Redevelopment Agency after distribution of the agenda packet are available for public inspection in the City Clerk's Office located at City Hall, 735 Anacapa Street, Santa Barbara, CA 93101, during normal business hours.

PUBLIC COMMENT: At the beginning of the 2:00 p.m. session of each regular Council/Redevelopment Agency meeting, and at the beginning of each special Council/Redevelopment Agency meeting, any member of the public may address them concerning any item not on the Council/Redevelopment Agency agenda. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that public comment is taken up by the Council/Redevelopment Agency. Should Council/Redevelopment Agency business continue into the evening session of a regular Council/Redevelopment Agency meeting at 6:00 p.m., the Council/Redevelopment Agency will allow any member of the public who did not address them during the 2:00 p.m. session to do so. The total amount of time for public comments will be 15 minutes, and no individual speaker may speak for more than 1 minute. The Council/Redevelopment Agency, upon majority vote, may decline to hear a speaker on the grounds that the subject matter is beyond their jurisdiction.

REQUEST TO SPEAK: A member of the public may address the Finance or Ordinance Committee or Council/Redevelopment Agency regarding any scheduled agenda item. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that the item is taken up by the Finance or Ordinance Committee or Council/Redevelopment Agency.

CONSENT CALENDAR: The Consent Calendar is comprised of items that will not usually require discussion by the Council/ Redevelopment Agency. A Consent Calendar item is open for discussion by the Council/Redevelopment Agency upon request of a Council/Agency Member, City staff, or member of the public. Items on the Consent Calendar may be approved by a single motion. Should you wish to comment on an item listed on the Consent Agenda, after turning in your "Request to Speak" form, you should come forward to speak at the time the Council/Redevelopment Agency considers the Consent Calendar.

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act, if you need special assistance to gain access to, comment at, or participate in this meeting, please contact the City Administrator's Office at 564-5305 or inquire at the City Clerk's Office on the day of the meeting. If possible, notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements in most cases.

TELEVISION COVERAGE: Each regular Council meeting is broadcast live in English and Spanish on City TV Channel 18, and rebroadcast in English on Wednesdays and Thursdays at 7:00 p.m. and Saturdays at 9:00 a.m., and in Spanish on Sundays at 4:00 p.m. Each televised Council meeting is closed captioned for the hearing impaired. Check the City TV program guide at www.citytv18.com for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

ORDER OF BUSINESS

- 12:30 p.m. - Finance Committee Meeting, David Gebhard Public Meeting Room, 630 Garden Street
- 2:00 p.m. - City Council Meeting
- 2:00 p.m. - Redevelopment Agency Meeting

FINANCE COMMITTEE MEETING - 12:30 P.M. IN THE DAVID GEBHARD PUBLIC MEETING ROOM, 630 GARDEN STREET (120.03)

1. Subject: Statement Of Investment Policy For Fiscal Year 2010

Recommendation: That Finance Committee review the City's Statement of Investment Policy for Fiscal Year 2010 and recommend approval to City Council.

2. Subject: Loans For Affordable Housing At 416-424 East Cota Street

Recommendation: That the Finance Committee consider and recommend that the Redevelopment Agency Board and the City Council take the following actions regarding the proposed 56-unit "Artisan Court" affordable housing project at 416-424 East Cota Street to be developed by the Housing Authority of the City of Santa Barbara using new City and Agency loans totaling \$3,200,000:

- A. That the Agency Board approve a loan of \$2,284,583 of Redevelopment Agency Housing Setaside funds to Artisan Court L.P., and appropriate this amount from the Agency's housing fund unappropriated reserves;
- B. That the Agency Board approve amending the terms of its 2006 site acquisition loan of \$2,000,000 to the Housing Authority so that the terms of the existing Agency loan are consistent with those of the new Agency loan, approve subordination of the existing loan to the construction financing and to regulatory agreements required under the tax credit program, and assignment of the existing loan to Artisan Court L.P.;
- C. That Council approve a loan of \$915,417 of federal Home Investment Partnerships Program (HOME) funds to Artisan Court L.P.;
- D. That Council and the Agency Board approve the subordination of their affordability control covenant to the lien of the construction lender and to regulatory agreements required under the tax credit program, and make the finding that there is no reasonably available and economically feasible alternative for financing this project without subordination of the affordability control covenant; and
- E. That the Agency and Council take these actions subject to the condition that Artisan Court L.P. receives approval of a commitment of low income housing tax credits according to their application to the California Tax Credit Allocation Committee dated June 9, 2009.

FINANCE COMMITTEE MEETING (CONT'D)

3. Subject: Loan For Affordable Housing At 421 East Cota Street

Recommendation: That the Finance Committee recommend that the City Council and Redevelopment Agency Board take the following actions regarding the proposed "Mom's Place" affordable housing project at 421 East Cota Street to be developed by Transition House using a new City loan of \$680,000:

- A. That Council approve a loan of \$680,000 of federal Home Investment Partnerships Program (HOME) funds to Transition House with subsequent assignment to Mom's L.P.;
- B. That Council approve funding the proposed new HOME loan subject to the condition that Mom's L.P. receives low income housing tax credits and state loan funds, or other comparable financing as approved by staff and the City Attorney;
- C. That the Agency Board approve amending its 1999 acquisition loan and its 2009 predevelopment loan to Transition House so that the terms of the existing loans are consistent with the proposed new HOME loan and to approve assignment of the two existing Agency loans to Mom's L.P.; and
- D. That the Agency Board approve subordination of the Agency loans to a new bridge loan, to a new permanent loan from the State of California, and to the regulatory agreements and covenants required under the Low Income Housing Tax Credit Program and the state's Supportive Housing Program.

**REGULAR CITY COUNCIL MEETING – 2:00 P.M.
REGULAR REDEVELOPMENT AGENCY MEETING – 2:00 P.M.**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CEREMONIAL ITEMS

1. Subject: Employee Recognition - Service Award Pins (410.01)

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through July 31, 2009.

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

CITY COUNCIL

2. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of June 16, 2009.

3. Subject: Adoption Of Amendment Of Zoning Ordinance For Non-Residential Construction Projects Regulations (Measure E) (640.09)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Section 28.87.300 of Chapter 28.87 of Title 28 of the Municipal Code Regarding Limitations on Non-Residential Development Within the City.

CONSENT CALENDAR (CONT'D)

CITY COUNCIL (CONT'D)

4. Subject: Adoption Of Amendments To The Purchasing Code, Chapter 4.52 Of The Municipal Code (340.02)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Chapter 4.52 of Title 4 of the Santa Barbara Municipal Code Providing Procedures for the Purchase of Equipment, Supplies and Services.

5. Subject: Introduction Of Ordinance Establishing A Building Safety Assessment Placard System (640.04)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Title 22 of the Santa Barbara Municipal Code to Add Chapter 22.09 Establishing a Building Safety Assessment Placard System.

6. Subject: Used Oil Recycling Block Grant Application - Fifteenth Cycle (630.01)

Recommendation: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the Finance Director to Submit an Application to the State of California Integrated Waste Management Board for Fiscal Year 2010 Used Oil Recycling Block Grant - Fifteenth Cycle, in the amount of \$22,812;
- B. If the grant is funded, accept the Used Oil Recycling Block Grant - Fifteenth Cycle, in the amount of \$22,812, for Fiscal Year 2010; and
- C. Increase Fiscal Year 2010 Miscellaneous Grants Fund estimated revenue and appropriations by \$22,812, for the Used Oil Recycling Block Grant.

7. Subject: Agreement For Funding Of Swimming Programming (570.07)

Recommendation: That Council:

- A. Authorize the Parks and Recreation Director to execute an agreement for funding of swimming programming with the Friends of Los Baños del Mar Pool; and
- B. Appropriate \$9,100 in revenue and expenditures to the Parks and Recreation Miscellaneous Grants Fund.

CONSENT CALENDAR (CONT'D)

CITY COUNCIL (CONT'D)

8. Subject: Execution Of Amendment To License Agreement With Santa Barbara Certified Farmer's Market (180.02)

Recommendation: That Council approve and authorize the City Administrator to execute Amendment No. 1 to the existing License Agreement No. 21,535 with Santa Barbara Certified Farmer's Market, Inc., for the operation of the Old Town Farmer's Market located in the 500-600 Blocks of State Street, the Downtown Farmer's Market located in the Cota Commuter Parking Lot at 119 East Cota Street, and the Coast Village Farmer's Market located in the 1100-1200 Blocks of Coast Village Road.

9. Subject: Contract For Design Services For The Escondido And Bothin Water Pump Stations Rehabilitation (540.06)

Recommendation: That Council authorize the Public Works Director to execute a contract with AECOM, USA, Incorporated (AECOM), in the amount of \$109,065 for design services for the Escondido and Bothin Water Pump Stations Rehabilitation, and authorize the Public Works Director to approve expenditures of up to \$10,900 for extra services of AECOM that may result from necessary changes in the scope of work.

10. Subject: Purchase Order For Powdered Activated Carbon For The William B. Cater Water Treatment Plant (540.10)

Recommendation: That Council waive the formal bidding process, as authorized by Municipal Code Section 4.52.080(k), and authorize the City General Services Manager to issue a Blanket Purchase Order to Mead West Vaco Corporation in the amount of \$57,420 for the purchase of up to 66,000 pounds (two loads) of Mead West Vaco's Aqua Nuchar Powdered Activated Carbon (PAC) for use at the William B. Cater Water Treatment Plant (Cater).

11. Subject: Revised 2008-2009 Substantial Action Plan Amendment For Use Of 2009 Community Development Block Grant Recovery Act Funds (610.05)

Recommendation: That Council approve the proposed revised substantial amendment to the City's 2008-2009 Consolidated Action Plan to include utilizing \$289,274 in American Recovery and Reinvestment Act of 2009 funds.

CONSENT CALENDAR (CONT'D)

CITY COUNCIL (CONT'D)

12. Subject: Set A Date For Public Hearing Regarding Appeal Of Planning Commission Denial For 415 Alan Road (640.07)

Recommendation: That Council:

- A. Set the date of November 10, 2009, at 2:00 p.m. for hearing the appeal filed by Steven Amerikaner of Brownstein Hyatt Farber Schreck, LLP, Agent representing Mr. and Mrs. Andrew Seybold, of the Planning Commission denial of an application for their property located at 415 Alan Road, Assessor's Parcel No. 041-091-024, A-1/SD-3 One-Family Residence Zone and Coastal Overlay Zone, General Plan Designation: Residential, One Unit Per Acre. The proposed project involves the request to initiate a Zone Change, General Plan Amendment and Local Coastal Program Amendment for a portion of the parcel; and
- B. Set the date of November 9, 2009, at 1:30 p.m. for a site visit to the property located at 415 Alan Road.

REDEVELOPMENT AGENCY

13. Subject: Agency Board Approval Of Grant Of Easement At Railroad Depot And Council Introduction Of Ordinance Approving Grant Of Easement On City Property Near The Moreton Bay Fig Tree For The Lower Mission Creek Project (530.03)

Recommendation:

- A. That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Grant of Easement to Santa Barbara County Flood Control and Water Conservation District for the Lower Mission Creek Project; and
- B. That the Agency Board approve the Grant of Easement to Santa Barbara County Flood Control and Water Conservation District for the Lower Mission Creek Project and authorize the Executive Director to execute the easement.

14. Subject: Approval Of \$500,000 Grant Agreement To Santa Barbara Trust For Historic Preservation For Improvements to Alhecama Theatre

Recommendation: That the Redevelopment Agency Board authorize the Deputy Director to execute a grant agreement for capital improvements to the Alhecama Theatre with the Santa Barbara Trust for Historic Preservation in a form acceptable to Agency Counsel.

CONSENT CALENDAR (CONT'D)

REDEVELOPMENT AGENCY (CONT'D)

15. Subject: Contract For Construction For The West Downtown Pedestrian Improvement Project (530.04)

Recommendation:

- A. That the Redevelopment Agency (RDA) Board authorize the expenditure of \$2,852,845 for the West Downtown Pedestrian Improvement Project (Project);
- B. That Council reject the bid protest and award and authorize the Public Works Director to execute a contract with C.S. Legacy Construction, Inc. (Legacy), waiving minor irregularities, in their low bid amount of \$2,299,220, for construction of the Project, Bid No. 3481, and authorize the Public Works Director to approve expenditures up to \$230,000 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment, and to accept the final contract amount, with approved changes, and filing all Notices of Completion (NOC) with the County Clerk Recorder's Office;
- C. That Council authorize the Public Works Director to execute a contract with Penfield & Smith in the amount of \$50,325 for design support services during construction;
- D. That Council authorize the General Services Manager to issue a Purchase Order to Fugro in the amount of \$12,000 for material testing services and to approve expenditures of up to \$2,000 for extra services of Fugro that may result from necessary changes in the scope of work; and
- E. That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving and Adopting the Findings Required by Health and Safety Code Section 33445 for Funding of Capital Improvements to the West Downtown Pedestrian Improvement Project.

16. Subject: Purchase Order For Additional Soil And Groundwater Sampling At 631 Garden Street (540.10)

Recommendation:

- A. That the Agency Board authorize the expenditure of \$34,400 for additional soil and groundwater sampling efforts at 631 Garden Street; and
- B. That Council authorize the General Services Manager to execute a Purchase Order Contract with Trak Environmental (TRAK), in an amount not to exceed \$28,670, and up to \$5,730 for extra services for additional soil and groundwater sampling at 631 Garden Street.

CONSENT CALENDAR (CONT'D)

NOTICES

17. The City Clerk has on Thursday, July 9, 2009, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.
18. The site visit and appeal hearing scheduled for July 13, and July 14, 2009, respectively, for the property located at 1642 and 1654 Calle Canon and 2418 Calle Montilla have been continued indefinitely at the request of the appellant.
19. Received letter of resignation from Measure P Committee Member Brendan Hamme; the vacancy will be included in the next City Advisory Group recruitment.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

PUBLIC WORKS DEPARTMENT

20. Subject: Cabrillo Boulevard Bridge Replacement Project (330.03)

Recommendation: That Council adopt, by reading of title only, A Resolution of Necessity by the Council of the City of Santa Barbara for Permanent and Temporary Easements Located on Real Property Commonly Known as 22 W. Cabrillo Boulevard, 6 and 10 State Street, and 13 E. Cabrillo Boulevard, Assessor's Parcel Numbers 033-102-017; 033-111-011, -012, and -006.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

21. Subject: Conference With Real Property Negotiators - Encroachment Permit And Possible Temporary Lease (330.03)

Recommendation: That Council hold a closed session to consider instructions to City Staff regarding real property negotiations for the real property located at 1200 Punta Gorda Street, Santa Barbara, California, pursuant to the authority of Government Code §54956.8. Instructions to negotiator concern the terms of an encroachment permit allowing an encroachment over a City interest in the real property and the terms of a short-term lease for the property. Property: Cypress Tree Apartments, 1200 Punta Gorda Street (APN 017-334-01). City Negotiator: Public Works Real Property Staff and the City Attorney's office. Negotiating Party: Board of Directors of Cypress Tree Apartments (Ms. Veronica Smith, President, and Matt Estes, Charles Huller and Ema Sequoia, Directors). Under Negotiation: Term of an encroachment permit and a possible short-term lease or leases.

Scheduling: Duration, 20 minutes; anytime
Report: None anticipated

ADJOURNMENT

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: July 14, 2009

Roger L. Horton, Chair

TIME: 12:30 p.m.

Helene Schneider

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Iya Falcone

James L. Armstrong
City Administrator

Robert D. Peirson
Finance Director

ITEMS TO BE CONSIDERED:

1. Subject: Statement Of Investment Policy For Fiscal Year 2010

Recommendation: That Finance Committee review the City's Statement of Investment Policy for Fiscal Year 2010 and recommend approval to City Council.

2. Subject: Loans For Affordable Housing At 416-424 East Cota Street

Recommendation: That the Finance Committee consider and recommend that the Redevelopment Agency Board and the City Council take the following actions regarding the proposed 56-unit "Artisan Court" affordable housing project at 416-424 East Cota Street to be developed by the Housing Authority of the City of Santa Barbara using new City and Agency loans totaling \$3,200,000:

- A. That the Agency Board approve a loan of \$2,284,583 of Redevelopment Agency Housing Setaside funds to Artisan Court L.P., and appropriate this amount from the Agency's housing fund unappropriated reserves;
- B. That the Agency Board approve amending the terms of its 2006 site acquisition loan of \$2,000,000 to the Housing Authority so that the terms of the existing Agency loan are consistent with those of the new Agency loan, approve subordination of the existing loan to the construction financing and to regulatory agreements required under the tax credit program, and assignment of the existing loan to Artisan Court L.P.;
- C. That Council approve a loan of \$915,417 of federal Home Investment Partnerships Program (HOME) funds to Artisan Court L.P.;
- D. That Council and the Agency Board approve the subordination of their affordability control covenant to the lien of the construction lender and to regulatory agreements required under the tax credit program, and make the finding that there is no reasonably available and economically feasible alternative for financing this project without subordination of the affordability control covenant; and
- E. That the Agency and Council take these actions subject to the condition that Artisan Court L.P. receives approval of a commitment of low income housing tax credits according to their application to the California Tax Credit Allocation Committee dated June 9, 2009.

3. Subject: Loan For Affordable Housing At 421 East Cota Street

Recommendation: That the Finance Committee recommend that the City Council and Redevelopment Agency Board take the following actions regarding the proposed "Mom's Place" affordable housing project at 421 East Cota Street to be developed by Transition House using a new City loan of \$680,000:

- A. That Council approve a loan of \$680,000 of federal Home Investment Partnerships Program (HOME) funds to Transition House with subsequent assignment to Mom's L.P.;
- B. That Council approve funding the proposed new HOME loan subject to the condition that Mom's L.P. receives low income housing tax credits and state loan funds, or other comparable financing as approved by staff and the City Attorney;
- C. That the Agency Board approve amending its 1999 acquisition loan and its 2009 predevelopment loan to Transition House so that the terms of the existing loans are consistent with the proposed new HOME loan and to approve assignment of the two existing Agency loans to Mom's L.P.; and
- D. That the Agency Board approve subordination of the Agency loans to a new bridge loan, to a new permanent loan from the State of California, and to the regulatory agreements and covenants required under the Low Income Housing Tax Credit Program and the state's Supportive Housing Program.



Agenda Item No. _____

File Code No. 120.03

CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: July 14, 2009
TO: Finance Committee
FROM: Administration Division, Finance Department
SUBJECT: Statement Of Investment Policy For Fiscal Year 2010

RECOMMENDATION:

That Finance Committee review the City's Statement of Investment Policy for Fiscal Year 2010 and recommend approval to City Council.

DISCUSSION:

The Government Code of the State of California no longer requires local agencies to submit to the State an annual statement of investment policy. The State Code specifies permitted investments for local governments, but the City's Statement of Investment Policy defines the suitable and authorized investments for the City. In some cases, the City's policy is more restrictive than State Code; additionally, the policy serves as a guide for setting and achieving program objectives and defines guidelines for the management of the portfolio. Therefore, staff strongly recommends that Finance Committee review and approve, and Council adopt, the investment policy on an annual basis.

Except for County governments, the State Code does not contain any provisions specifying what must be included in the investment policy of a local agency. The City has developed a comprehensive investment policy that includes all critical components recommended by various professional agencies and organizations, and the policy has been awarded several certifications. Therefore, staff recommends that the policy be updated annually to incorporate any statutory and/or internal policy changes, thereby maintaining this standard of excellence. If a local agency's policy is submitted to the legislative body, it must be an agenda item at a public meeting and should be approved by a vote of the legislative body no later than the end of the first quarter of the year to which it applies.

There are two staff recommended changes to the policy, neither of which will affect the investment activity of the City. The policy revisions are generally technical in nature, i.e. process changes or language clarifications. Over the past year, there have been no State statutory changes requiring changes to the City's policy.

Staff Recommended Changes

1. *Page 5, Section VII.A.1., Investment Types.* This section has been changed for clarification from: "Bonds issued by the City, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the City or by a department, board, agency, or authority of the local agency" to: "Bonds, notes, or other forms of indebtedness issued by the City, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the City or by a department, board, agency, or authority of the City", in order to include other debt instruments allowable under existing State law in Government Code section 53601 governing investments.
2. *Page 5, Section VII.A.4., Investment Types.* This section has been changed for clarification from: "Notes eligible for investment shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations" to: "Notes eligible for investment, other than those issued by the City or operated by a department, board, agency, or authority of the City, shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations, in order to include other debt instruments allowable under existing State law in Government Code section 53601 governing investments.

In addition to the proposed changes to the policy, as described in this report, there is sufficiently broad language in the policy to allow for any changes that may occur during the year to be accommodated on an administrative basis rather than a formal revision to the policy. For example, Section VII in the policy states: "If the Government Code is amended to allow additional investments or is changed regarding the limits on certain categories of investments, staff is authorized to conform to the changes in the revised Government Code, provided the changes are not specifically prohibited by City policy. Staff shall present those changes to the City Council in the annual review of the policy and make recommendations to the City Council to incorporate the new legislation within the policy." And, Section IX, Subsection D2, refers to the City's conformance with any Government Accounting Standards Board (GASB) pronouncements rather than citing a specific ruling currently in effect, which may be updated in the future. If there are any changes throughout the year to the investment program, staff will, of course, bring these items to the attention of Finance Committee.

By separate action, Council formally delegates the authority to invest or reinvest fund or to sell or exchange securities to the City Treasurer for a one-year period, as specified on page 3 of the Investment Policy. Management and oversight of the investment program is delegated to the Finance Director. The Treasury Manager is authorized to conduct daily investment activities under supervision of the Finance Director. All investment purchases and sales require signature approval from the City Administrator, Finance Director or the Assistant Finance Director by the close of business on the next business day following the purchase or sale.

ATTACHMENT: Statement of Investment Policy, Fiscal Year 2010

PREPARED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Robert D. Peirson, Finance Director

APPROVED BY: City Administrator's Office



**City of Santa Barbara
Finance Department**

Statement of Investment Policy

Fiscal Year 2010

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I. MISSION STATEMENT

It is the policy of the City to invest public funds in a manner that will provide maximum security, adequate liquidity and sufficient yield, while meeting the daily cash flow demands of the City and conforming to all statutes and regulations governing the investment of public funds.

II. SCOPE

This investment policy applies to all the financial assets of City of Santa Barbara and the Redevelopment Agency of the City of Santa Barbara. These funds are accounted for in the City's audited Comprehensive Annual Financial Report. If the City invests funds on behalf of another agency and, if that agency does not have its own policy, the City's investment policy shall govern the agency's investments.

A. Pooling of Funds

Except for cash in certain restricted and special funds, the City shall consolidate cash balances from all funds to maximize investment earnings. Investment income shall be allocated to various funds as identified in the investment procedures manual in accordance with generally accepted accounting principles.

B. Funds Included by this Policy

General Fund
Special Revenue Funds
Capital Project Funds
Enterprise Funds
Internal Service Funds
Trust and Agency Funds
Any new fund created by City Council unless specifically exempted

C. Funds Excluded from this Policy

1. City's Service Retirement System Fund. This fund is managed separately under Article XVA of the 1926 Charter.
2. Bond Proceeds. Investment of bond proceeds shall be subject to the conditions and restrictions of bond documents and are not governed by this policy. Bond investment conditions and restrictions shall be reviewed by the Finance Committee and forwarded to City Council for approval.

III. GENERAL OBJECTIVES

The primary objectives, in priority order, of the City's investment activities are safety, liquidity and yield.

A. Safety

Preservation of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk. To attain this objective, the City shall diversify its investments by investing funds among several financial institutions and a variety of securities offering independent returns.

1. Credit Risk

- The City shall minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
- Limiting investments to the safest types of securities

- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business
- Diversifying the investment portfolio so as to minimize the impact any one industry/investment class can have on the portfolio

2. Interest Rate Risk

To minimize the negative impact of material changes in the market value of securities in the portfolio, the City shall:

- Structure the investment portfolio so that securities mature concurrent with cash needs to meet anticipated demands, thereby avoiding the need to sell securities on the open market prior to maturity
- Invest operating funds primarily in shorter-term securities, money market mutual funds, and the State of California's Local Agency Investment Fund (LAIF)

B. Liquidity

The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated without requiring a sale of securities. Since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets. A portion of the portfolio also may be placed in money market mutual funds or LAIF which offer same-day liquidity for short-term funds.

C. Yield (Return on Investment)

The City's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles, commensurate with the City's investment risk constraints and the liquidity characteristics of the portfolio. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

IV. STANDARDS OF CARE

A. Prudence

The standard of prudence to be used by City investment officials shall be the "Prudent Investor Standard" in that a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of an enterprise of a like character and with like aims. This standard shall be applied in the context of managing the overall portfolio. City investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

B. Ethics and Conflicts of Interest

Officers and employees involved in the City investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or that could impair their ability to make impartial investment decisions. City employees and investment officials shall disclose any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall

further disclose any personal financial/investment positions that could be related to the performance of the City immediately to the City of Santa Barbara Treasurer and annually to the Fair Political Practices Commission. City employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

C. Delegation of Authority

Authority to manage the City's investment program is derived from the Charter of the City of Santa Barbara. City Council shall delegate to the Treasurer, for a one-year period, the authority to invest or to reinvest funds, or to sell or exchange securities. The Treasurer shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

Management responsibility for the investment program is delegated to the Finance Director who shall establish a separate written investment procedures manual. The operation of the investment program shall be consistent with this policy and the investment procedures manual. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Treasury Manager is authorized to conduct investment related activities, under the supervision of the Director of Finance, on behalf of the City and the Redevelopment Agency. All investment purchases and sales require signature approval from the Finance Director or the Assistant Finance Director, by the close of business on the next business day following the purchase or sale.

The following documents are by reference incorporated in the investment procedures manual:

1. Listing of authorized personnel
2. Relevant investment statutes and ordinances
3. Repurchase agreements and tri-party agreements
4. Listing of authorized broker/dealers and financial institutions
5. Credit ratings and/or reports for securities purchased and financial institutions used
6. Safekeeping agreements
7. Sample investment reports
8. Investment accounting documents
9. Methodology for calculating rate of return
10. Banking services contracts
11. Cash flow forecasting
12. Collateral/depository agreements

D. Internal Controls

The Finance Director is responsible for establishing and maintaining a system of written internal controls. These controls shall be reviewed annually with an independent external auditor who will notify the City Council if there is a material non-compliance with its policies and procedures. The internal controls shall be designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent action by City employees and officers. The internal structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls shall address the following points:

1. Control of collusion
2. Separation of transaction authority from accounting and record-keeping
3. Custodial safekeeping
4. Delivery versus payment (DVP)
5. Clear delegation of authority to subordinate staff members
6. Written confirmation of transactions for investments and wire transfers
7. Wire transfer agreements

V. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The Finance Director shall establish selection criteria for pre-approval of financial institutions and security broker/dealers to do business with the City of Santa Barbara. The Finance Director shall maintain a list of City approved financial institutions and security broker/dealers who are authorized to provide investment services to the City. These may include primary dealers, or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). To qualify for consideration, a financial institution or a security broker/dealer must also have an office in California, and that office must perform the transactions with the City.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following to the Finance Director as appropriate:

- Current audited financial statements
- Proof of Financial Industry Regulatory Authority (FINRA), formerly National Association of Security Dealers (NASD), certification
- Trading resolution
- Complete broker/dealer questionnaire
- Proof of State of California registration
- For banking institutions, a statement of compliance with the Federal Reserve Bank of New York's capital guideline
- Statement of having read, understood and agreeing to comply with the City's investment policy and depository contracts

The Finance Director shall annually review each of the approved financial institutions and security broker/dealers selected for current State of California registrations and financial condition.

VI. SAFEKEEPING AND CUSTODY

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis which will ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities shall be held by a third-party custodian designated by the Finance Director and evidenced by safekeeping receipts with a written custodial agreement. The only exception to the foregoing shall be depository accounts and securities purchases made with: LAIF, time certificates of deposit and money market mutual funds, since the purchased securities are not deliverable. Settlement instructions sent to the safekeeping agent shall require dual authorization. The Treasurer and the Finance Director shall be bonded to protect the public against possible embezzlement and malfeasance. Safekeeping procedures shall be reviewed annually by an independent external auditor and any irregularities noted should be reported promptly to the Treasurer and City Council.

VII. SUITABLE AND AUTHORIZED INVESTMENTS

The City shall be governed by the California Government Code, Sections 53600 et seq. If the Code is amended to allow additional investments or is changed regarding the limits on certain categories of investments, the City is authorized to conform to the changes in the revised Code, provided that the changes are not specifically prohibited by the City's policy. The City shall be required to present those changes in the annual review of the policy and to incorporate the new legislation within the policy. Surplus funds are defined as funds not required for the immediate necessities of the City and include investments in individually managed portfolio(s), money market fund(s) and/or State LAIF, and all portfolio limitations and restrictions shall apply to this aggregate amount. For purposes of compliance with the California Government Code and the City's Investment Policy, the credit rating requirement for medium-term notes, deposit notes, bank notes and commercial paper shall be based on the quality ratings at the time of purchase. If the quality rating of the issuer is downgraded, subsequent to purchase, by any of the Nationally Recognized Statistical-Rating Organizations below "A", or its equivalent, it shall be reported to the Finance Committee and City Council with a recommendation, and ongoing information shall be provided if the bond is not sold. Percentage limitations of surplus funds invested are noted for the various investment instruments. Where there is a specified percentage limitation for a particular category of investments, that percentage is applicable only at the date of purchase. A later increase or decrease in a percentage resulting from a change in values or assets shall not constitute a violation of that restriction.

The City is empowered by statute to invest in the following types of securities and are those that the investment managers are trained and competent to handle.

A. Investment Types

1. Bonds, notes, or other forms of indebtedness issued by the City, including bonds payable solely out of the revenues from a revenue producing property owned, controlled, or operated by the City or by a department, board, agency, or authority of the local agency.
2. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.
3. Federal Agency or United States government-sponsored enterprise obligations (GSE), participations, or other instruments.
4. State of California and Local Agency Obligations. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state; and bonds, notes, warrants, or other evidence of indebtedness of any local agency within this state including bonds payable solely out of the revenues from revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Notes eligible for investment, other than those issued by the City or operated by a department, board, agency, or authority of the local agency, shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations.
5. Medium-Term Notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases of medium-term notes may not exceed thirty percent of the City's surplus funds. Notes eligible for investment shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating

Organizations. Investments in medium-term notes for any one non-government issuer shall be limited to no more than five percent of surplus funds for issuers rated "AA" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations, and to no more than three percent for issuers rated "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations.

6. Bankers Acceptances otherwise known as bills of exchange or time drafts, drawn on and accepted by a commercial bank, which are eligible for purchase by the Federal Reserve System. Purchased bankers acceptances may not exceed one hundred and eighty days maturity or forty percent of the City's surplus funds, and no more than ten percent of the City's surplus funds may be invested in the banker's acceptances of any one commercial bank.
7. Commercial Paper of "prime" quality of the highest ranking or the highest letter and number rating as provided for by a Nationally Recognized Statistical-Rating Organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):
 - a. The entity is organized and operating in the United States as a general corporation and has total assets in excess of five hundred million dollars (\$500,000,000). In addition, its debt other than commercial paper, if any, must be rated "A" or higher by a Nationally Recognized Statistical-Rating Organization.
 - b. The entity is organized within the United States as a special purpose corporation, trust, or limited liability company and has a program wide credit enhancement including, but not limited to, over collateralization, letters of credit, or surety bond. In addition, the entity has commercial paper that is rated "A-1" or higher, or the equivalent, by a Nationally Recognized Statistical-Rating Organization.

Eligible commercial paper shall have a maximum maturity of two hundred and seventy days or less. The City may not invest more than twenty five percent of its surplus funds in commercial paper, and the City may purchase no more than ten percent of the outstanding eligible commercial paper of any single issuer.

8. Negotiable Certificates of Deposit issued by a nationally or state-chartered bank or savings association or federal association or a state or federal credit union or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed fifteen percent of the City's surplus money invested and shall be limited to no more than three percent of any one issuer. Deposit notes and bank notes purchased through a broker or dealer shall be included with negotiable certificates of deposit in calculating allowable maximum percentages. Negotiable certificates of deposit, deposit notes and bank notes shall be rated in a category of "A" or its equivalent or better by two Nationally Recognized Statistical-Rating Organizations.
9. Time Deposits. The City may invest in non-negotiable Certificates of Deposit at commercial banks and savings and loan associations that are collateralized in accordance with the California Government Code. To be eligible to receive City funds, the depository institution shall have received an overall rating of not less than "satisfactory" in its most recent evaluation of its record of meeting the credit needs of California's communities, including low and moderate-income neighborhoods. In selecting depositories, the credit worthiness of institutions shall be considered. Banks and Savings and Loan Associations seeking to establish an investment relationship with the City shall submit an audited financial report that shall be reviewed for compliance with the City's investment standards. Any institution not providing an audited annual financial report shall

be removed from the approved list and all funds maturing will be withdrawn. A list of eligible institutions shall be maintained in the investment procedures manual. Qualification shall be determined by the following criteria:

- a. Tangible capital must equal or exceed one and a half percent; core capital must equal or exceed three percent; and, risk-based capital must equal eight percent of assets adjusted for assigned risk-weightings.
 - b. Return on Assets of a minimum of a half of one percent; a Return on Equity of a minimum of eight percent; an Equity to Assets Ratio of a minimum of five percent; and, City investments shall be no greater than a half of one percent of the total assets of the depository.
 - c. Independent auditor's statement must have a clean opinion.
10. Savings accounts. Savings accounts when used in conjunction with the City's checking accounts at a qualified bank where funds are collateralized in accordance with the California Government Code.
11. U. S. Government money market funds registered with the Securities and Exchange Commission and which comply with rule 2a7 of the Investment Company Act of 1940. The fund must be comprised of only U.S. Treasury bills, notes and bonds, repurchase agreements and obligations issued or guaranteed as to principal and interest by the U. S. Government or its agencies or instrumentalities. The percentage of repurchase agreements in the fund shall be reviewed and approved based on the fund's policy limits. The dollar weighted average maturity of the portfolio shall be less than ninety days and the portfolio is managed to maintain a one dollar (\$1.00) share price. Also, the fund shall meet either of the following criteria: (a) attained the highest ranking or the highest letter and numerical rating provided by not less than two Nationally Recognized Statistical-Rating Organizations; (b) retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). Purchase of securities authorized by this section shall not exceed twenty percent of the City's surplus money invested and no more than ten percent may be invested in any one money market fund.
12. Repurchase Agreements. Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by the Code, so long as the proceeds of the repurchase agreement are invested solely to supplement the income normally received from these securities. The City shall adopt as a standard the Bond Market Association Master Repurchase Agreement and shall maintain a list of approved counterparts and limit counter parties to primary dealers rated "A" or better by two Nationally Recognized Statistical-Rating Organizations. Reverse repurchase agreements and securities lending agreements shall require City Council authorization separate from City Council approval of this policy. Securities lending agreements shall include the following safeguard measures: terms of lending agreements, indemnification provisions, reinvestment guidelines, liquidity provisions, credit risks and monitoring requirements. Additionally, any securities lending agreement shall be reviewed by the City Attorney to ensure the City's interests are properly protected.
- a. Investments in repurchase agreements may be made, on any authorized investment, when the term of the agreement does not exceed one year.
 - b. Reverse repurchase agreements or securities lending agreements may be utilized when the security to be sold on the reverse repurchase

agreement or securities lending agreement has been owned and fully paid for by the City for a minimum of thirty days prior to sale; the total of all reverse repurchase agreements on investments owned by the City does not exceed twenty percent of the base value of the portfolio; and the agreement does not exceed a term of ninety two days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

13. Local Agency Investment Fund (LAIF). The City may invest in LAIF, established by the California State Treasurer, up to the forty million dollar maximum permitted by State law, effective January 1, 2002; therefore, there is a forty million dollar limit for the City of Santa Barbara and a forty million dollar limit for the City of Santa Barbara Redevelopment Agency. The City's investment in LAIF is based on, among other criteria, the following information provided by LAIF: a written statement of portfolio management goals, objectives and policies, including a description of eligible investment securities; a disclosure of LAIF's safekeeping practices; eligible LAIF participants, the monthly transaction limit, and minimum and maximum deposit and withdrawal amounts permitted; calculation of quarterly earnings and apportionment, including gains and losses; disclosure of administrative costs and the assessment process; monthly statements of the City's transaction activity and balances; monthly summaries of LAIF investment data, including market valuation and accrued interest; and a description of the audit process. At least quarterly, the Finance Director shall report to the Finance Committee on the composition of the LAIF portfolio.

The California Government Code states that moneys placed for deposit in LAIF are in trust in the custody of the State Treasurer and cannot be borrowed or be withheld from the City. Further, the right of the City to withdraw its deposited money from the LAIF upon demand may not be altered, impaired, or denied in any way by any state official or agency based upon the State's failure to adopt a budget by July 1 of each new fiscal year.

B. Collateralization

Collateralization shall be required on two types of investments: certificates of deposit and repurchase (and reverse) agreements. A collateral agreement must be current and on file before any funds can be transferred for collateralized certificates of deposit. Collateral shall be held by an independent third party with whom the City has a current written custodial agreement. A clearly marked evidence of ownership (*safekeeping receipt*) must be supplied to the City and retained. The right of collateral substitution is granted.

1. Certificates of Deposit
 - a. Government Securities used as collateral require one hundred and two percent of market value to the face amount of the deposit
 - b. Promissory Notes secured by first trust deeds used as collateral require one hundred and fifty percent of market value to the face amount of the deposit
 - c. Irrevocable Letters of Credit issued by the Federal Home Loan Bank of San Francisco require one hundred and five percent of market value to the face amount of the deposit
2. Repurchase and Reverse Repurchase Agreements
 - a. Only U.S. Treasury securities or Federal Agency securities are acceptable collateral. All securities underlying repurchase

agreements must be delivered to the City's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed one hundred and two per cent of the total dollar value of the money invested by the City for the term of the investment. For any repurchase agreement with a term of more than one day, the value of the underlying securities must be reviewed on an ongoing basis according to market conditions. Market value must be calculated each time there is a substitution of collateral.

- b. The City or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to the repurchase agreement.

C. Investments Not Approved

Any security type or structure not specifically approved by this policy is hereby prohibited. Security types, which are thereby prohibited include, but are not limited to: investment pools (except State LAIF), shares of beneficial interest issued by diversified management companies (except U. S. Government money market funds), collateralized mortgage obligations (CMO's), mortgage pass-through securities, reverse repurchase agreements used as a leveraging vehicle, "exotic" derivatives structures such as range notes, dual index notes, inverse floating-rate notes, leveraged or de-leveraged floating-rate notes, interest-only strips that are derived from a pool of mortgages and any security that could result in zero interest accrual if held to maturity, or any other complex variable or structured note with an unusually high degree of volatility or risk.

D. Exceptions to Prohibited and Restricted Investments

The City shall not be required to sell securities prohibited or restricted in this policy, or any future policies, or prohibited or restricted by new State regulations, if purchased prior to their prohibition and/or restriction. Insofar as these securities provide no notable credit risk to the City, holding of these securities until maturity is approved. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

VIII. INVESTING PARAMETERS

A. Diversification

The City shall diversify its investments by security type, issuer, maturity, and financial institutions. No percentage limitations are established for United States government, United States government agencies and United States government sponsored enterprises; however percentage limitations are established for other permitted investments, as noted in Section VII of this policy. The investments shall be diversified by limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities), limiting investment in securities that have higher credit risks, and investing in securities with varying maturities.

The City recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Portfolio diversification is employed as a way to control risk. Investment managers are expected to display prudence in the selection of securities as a way to minimize default risk. No individual investment transaction shall be undertaken which

jeopardizes the total capital position of the overall portfolio. To control market price risks, volatile investment instruments shall be avoided. To control risks of illiquidity, a minimum of ten percent of the total portfolio shall be held in highly marketable U.S. Treasury Bills and Notes and/or the State of California Local Agency Investment Fund and/or Money Market Funds and/or securities maturing within ninety days.

B. Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Where there is no specified maturity limitation on an investment, no investment shall be made in any security, which, at the time of the investment, has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment no less than three months prior to the investment.

In addition to the five year limitation on investments specified in this policy, the average maturity of the City's combined portfolio shall not exceed two and a half years without prior approval of the City Council.

IX. REPORTING

The Treasurer shall submit investment reports to the City Council that provide a clear picture of the status of the current investment portfolio and shall contain sufficient information to permit an independent organization to evaluate the performance of the investment program. Based on the discretion of Finance Committee, an independent advisor may be contracted, from time to time to perform one or more of the following functions: confirm that the portfolio is in compliance with the Government Code of the State of California and with the Statement of Investment Policy of the City of Santa Barbara; present an evaluation of the portfolio and investment strategy recommendations; and, provide any other information that may be helpful to Finance Committee in their review of the portfolio.

A. Monthly Reporting to City Council

The Treasurer shall submit to City Council, within thirty days following the end of the month, an investment report that summarizes all securities in the portfolio and a separate listing of investment transactions occurring during the month. The report shall be prepared by the Treasury Manager and approved by the Finance Director. The report shall include:

1. Investment type
2. Purchase date
3. Maturity date
4. Credit quality
5. Coupon and yield
6. Book value
7. Market value
8. Book gain/loss
9. Market gain/loss
10. Source of valuation
11. Average days to maturity
12. Variable rate(s) or call features

B. Quarterly Reporting to City Council

In addition to the components required in the monthly investment report, a narrative shall accompany the portfolio report addressing noteworthy items, deviations from the investment policy, comments on the fixed income markets and economic conditions, possible changes in the portfolio going forward, and thoughts on

investment strategies. The quarterly report shall also include a statement of compliance with the investment policy and a statement of the ability to meet expenditures for the next six months (or an explanation as to why sufficient money shall, or may, not be available).

C. Performance Standards

The investment portfolio shall be managed in accordance with the parameters specified within this policy and always with consistently safe and prudent treasury management. Securities shall not be sold prior to maturity with the following exceptions:

- A security with declining credit sold early to minimize loss of principal
- A security swap that would improve the quality, yield, or target duration in the portfolio
- Unforeseen liquidity needs of the portfolio require that the security be sold

1. Market Yield (Benchmark)

The City's overall investment strategy is passive: investments are generally held to maturity. The quarter-to-date LAIF apportionment rate, the three-month U.S. Treasury Bill and the two-year U.S. Treasury Note shall also be considered useful benchmarks of the City's portfolio performance.

2. Marking to Market

The market value of the portfolio shall be calculated at least monthly and a statement of the market value of the portfolio shall be issued at least quarterly. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed. In defining market value, consideration shall be given to pronouncements from the Government Accounting Standards Board (GASB) that address the reporting of investment assets and investment income for all investment portfolios held by governmental entities. The fair value of all securities reported in the City's portfolio is based on currently quoted market prices.

X. INVESTMENT POLICY COMPLIANCE AND ADOPTION

A. Policy Compliance and Changes

Any deviation from the policy shall be reported to Finance Committee at the next scheduled meeting and to City Council as part of the monthly review of the portfolio. The Treasurer shall promptly notify Finance Committee and City Council of any material change in the policy and any modifications to the policy must be approved by Finance Committee and City Council.

B. Annual Statement of Investment Policy

The Treasurer shall render a written Statement of Investment Policy that shall be reviewed at least annually by Finance Committee and City Council to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends. City Council shall consider the annual Statement of Investment Policy and any changes therein at a public meeting. The Statement of Investment Policy shall be adopted by resolution of City Council.

APPENDIX 1 GLOSSARY OF INVESTMENT TERMS

AGENCY: A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government (i.e. Government National Mortgage Association). Federally sponsored agencies (FSA's) are backed by each particular agency with a market perception that there is an implicit government guarantee (i.e. Federal National Mortgage Association).

ASKED: The price at which securities are offered for sale; also known as offering price.

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

BID: The price offered by a buyer of securities. (When you are selling securities, you *ask* for a bid.)

BOND PROCEEDS: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

BOOK VALUE: The value at which a debt security is shown on the holder's balance sheet. Book value is often acquisition cost plus/minus amortization and accretion, which may differ significantly from the security's current value in the market.

BROKER: Someone who brings buyers and sellers together and is compensated for his/her service.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual financial report for a public agency. It includes five combined statements for each individual fund combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and detailed statistical section.

CREDIT QUALITY: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by a Nationally Recognized Statistical-Rating Organization.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

CURRENT YIELD (CURRENT RETURN): A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, by buying and selling for his/her own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DERIVATIVES: (1) financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, or (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

DIVERSIFICATION: Dividing investment funds among a variety of security types by sector, maturity and quality ratings offering independent returns.

DURATION: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

FAIR VALUE: The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

FEDERAL CREDIT AGENCIES: Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small-business firms, students, farmers, farm co-operatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits currently up to \$100,000 per deposit.

FEDERAL HOME LOAN BANKS (FHLB): Government sponsored wholesale banks (currently 12 regional banks) that lend funds and provide correspondent banks services to member commercial banks, thrift institutions, credit unions and insurance companies.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., twelve Regional Banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GSAB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FMHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

GOVERNMENT SECURITIES: An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds."

INTEREST RATE RISK: The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

- **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- **Separation of transaction authority from accounting and record keeping** - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.

- **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
- **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
- **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL AGENCY INVESTMENT FUND (LAIF): Chapter 730, Statutes of 1976 of the State of California, established the Local Agency Investment Fund. This fund enables local governmental agencies to remit money not required for immediate needs to the State Treasurer for the purpose of investment. In order to derive the maximum rate of return possible, the State Treasurer has elected to invest these monies with State monies as a part of the Pooled Money Investment Account. Each local governmental unit has the exclusive determination of the length of time its money will be on deposit with the State Treasurer. At the end of each calendar quarter, all earnings derived from investments are distributed by the State Controller to the participating government agencies in proportion to each agency's respective amounts deposited in the Fund and the length of time such amounts remained therein. Prior to the distribution, the State's costs of administering the program are deducted from the earnings.

MARK-TO-MARKET: The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

MARKET RISK: The risk that the value of a security will raise or decline as a result of changes in market conditions.

MARKET VALUE: The current price at which a security is trading and could presumably be purchased or sold at that particular point in time.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase-reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of a financial obligation is due and payable.

MONEY MARKET MUTUAL FUND: Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

MUTUAL FUND: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by Securities and Exchange Commission (SEC) disclosure guidelines.

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD): A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

NATIONALLY RECOGNIZED STATISTICAL-RATING ORGANIZATION (NRSRO): Standard and Poor's, Moody's, and Fitch Financial Services are examples of such organizations.

OFFER: An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PORTFOLIO: Combined holding of more than one stock, bond, commodity, real estate investment, cash equivalent, or other asset. The purpose of a portfolio is to reduce risk by diversification.

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities broker/dealers, banks and a few unregulated firms.

PRINCIPAL: (1) The face amount or par value of a debt instrument. (2) One who acts as a dealer buying and selling for his own account.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REINVESTMENT RISK: The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate the buyer for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is increasing bank reserves.

REVERSE REPURCHASE AGREEMENT: An agreement of one party (for example, a financial institution) to purchase securities at a specified price from a second party (such as a public agency) and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specific date.

RISK: Degree of uncertainty of return on an asset.

RULE 2A-7 OF THE INVESTMENT COMPANY ACT: Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13-month maturity limit and a 90-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

SAFEKEEPING SERVICE: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vault for protection and security.

SECONDARY MARKET: A market is made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES LENDING: An agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

STRUCTURED NOTES: Notes issued by Government Sponsored Enterprises, (FLAB, FNMA, SLMA, etc.), and Corporations that have imbedded options, (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns), into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

SWAP: Trading one asset for another.

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio.

TREASURY BILLS: Short-term U.S. government non-interest bearing discounted debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

TREASURY BOND: A long-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity of more than 10 years and issued in minimum denominations of \$1,000.

TREASURY NOTE: A medium-term coupon-bearing U.S. Treasury security issued as a direct obligation of the U.S. Government and having an initial maturity of from one to ten years and issued in denominations ranging from \$1,000 to \$1 million or more.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission (SEC) Rule 15C3-1 outlining requirements that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

VOLATILITY: A degree of fluctuation in the price and valuation of securities.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the security's current price. (a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Finance Committee

FROM: Housing and Redevelopment Division, Community Development Department

SUBJECT: Loans For Affordable Housing At 416-424 East Cota Street

RECOMMENDATION:

That the Finance Committee consider and recommend that the Redevelopment Agency Board and the City Council take the following actions regarding the proposed 56-unit "Artisan Court" affordable housing project at 416-424 East Cota Street to be developed by the Housing Authority of the City of Santa Barbara using new City and Agency loans totaling \$3,200,000:

- A. That the Agency Board approve a loan of \$2,284,583 of Redevelopment Agency Housing Setaside funds to Artisan Court L.P., and appropriate this amount from the Agency's housing fund unappropriated reserves;
- B. That the Agency Board approve amending the terms of its 2006 site acquisition loan of \$2,000,000 to the Housing Authority so that the terms of the existing Agency loan are consistent with those of the new Agency loan, approve subordination of the existing loan to the construction financing and to regulatory agreements required under the tax credit program, and assignment of the existing loan to Artisan Court L.P.;
- C. That Council approve a loan of \$915,417 of federal Home Investment Partnerships Program (HOME) funds to Artisan Court L.P.;
- D. That Council and the Agency Board approve the subordination of their affordability control covenant to the lien of the construction lender and to regulatory agreements required under the tax credit program, and make the finding that there is no reasonably available and economically feasible alternative for financing this project without subordination of the affordability control covenant; and
- E. That the Agency and Council take these actions subject to the condition that Artisan Court L.P. receives approval of a commitment of low income housing tax credits according to their application to the California Tax Credit Allocation Committee dated June 9, 2009.

EXECUTIVE SUMMARY:

The City Housing Authority has requested new City and Agency affordable housing loans totaling \$3.2 million to assist in their development of a 56-unit low income housing project (55 studio units and one manager's unit). The "Artisan Court" project will be built on the site that the Housing Authority bought and landbanked for this purpose in 2006 with the assistance of a \$2 million loan from the Agency. Of the \$3.2 million in new City and Agency loans, \$1.2 million will be used to subsidize the project development costs, and \$2 million will be used toward retiring the existing bank loan on the site.

The target population for the units includes low income downtown workers, youth who are transitioning out of foster care and are at risk of homelessness, and formerly homeless persons or other special-needs persons who are at-risk of homelessness. The Housing Authority has recently applied for low income housing tax credits through the state, which, if approved, will be a major source of project funding.

The total City and Agency assistance to the project will be the sum of the \$3.2 million in new loans together with the \$2 million from the prior Agency loan. This \$5.2 million in assistance represents a subsidy of approximately \$93,000 per unit. This level of City and Agency subsidy is consistent with other recent affordable housing projects.

DISCUSSION:

Background

On June 20, 2006, the Agency approved a loan of \$2 million to the City Housing Authority to assist with their purchase and "landbanking" of a site at 416-424 E. Cota Street for future housing development. The site is about nine-tenths of an acre and contains two industrial buildings totaling about 21,000 square feet. The major tenant is Haagen Printing. The zoning is Commercial Manufacturing (C-M) which permits multifamily residential development at R-4 standards. The purchase price of the site was \$4,750,000, financed with a \$2,750,000 bank loan and the Agency's loan.

The Housing Authority initiated the project by selecting the architecture partnership of Christine Pierron and Mark Wienke through a competitive selection process. Christine Pierron was closely involved with the design of the very attractive and successful El Carrillo project which also was developed by the Housing Authority. The design of Artisan Court shares many of the elements that make El Carrillo an award winning project.

Project Design, Approvals and Affordability

The project as currently proposed is a two and three story complex with about 45,000 square feet of floor area. The residential portion will include 55 small studio apartments of 406 net square feet each, as well as a two-bedroom unit for the on-site manager. There will be a community room of approximately 1,000 square feet and a laundry room. There will be 40 parking spaces, 33 in the on-grade covered garage and 7 uncovered.

The project was reviewed and approved by the Architectural Board of Review, and received development approval from the Staff Hearing Officer. The project received a density bonus (lot area modification) to permit 56 units on a site zoned for 24 units. As was the case with the Housing Authority's 62-unit El Carrillo project, the density bonus was approved based on the substantial public benefit, the attractive design, the small unit sizes, acceptable building size and good neighborhood compatibility.

The parking was approved at 40 spaces rather than the required 74 spaces. The modification was granted based on several findings, including that the project will serve a population that typically does not own cars, is in a downtown location with good access to bus routes, and will be managed by the Housing Authority which has the ability to restrict and monitor vehicle ownership by the tenants.

The project is located in a flood plain, so the habitable spaces will be raised by about three feet.

The 55 studio units will be rented at a range of rents, as follows: 17 units will be affordable to persons with incomes at 30% of area median income (AMI) with rents, including all utilities, at the initial level of \$408 per month; 26 will be for persons at 40% of AMI with rents at \$545; 6 will be affordable to 50% of AMI at \$681, and the remaining 6 will be affordable at 60% of AMI at \$817. These rents are required under the tax credit regulations, and are lower than the City's rental rates for low income housing. Like the City's rent restrictions, the rents may increase as the AMI increases. The City will require that an affordability control covenant be recorded against the property with a term of 90 years.

Proposed Project Financing

The development cost of the project (excluding land) is budgeted at \$12,929,050. The sources of this amount will be:

City HOME Loan:	\$915,417
Agency Loan:	<u>284,583</u>
City/Agency Loans for Development:	\$1,200,000
City/Agency Loans for Development:	\$1,200,000
Deferred Housing Authority Developer Fee:	272,021
Tax Credit Equity from Sale of Tax Credits:	9,800,425
Additional Tax Credit funds through the American Recovery and Reinvestment Act:	<u>1,656,604</u>
Total:	\$12,929,050

In addition to this funding, the Housing Authority also must retire the existing bank loan on the site which will enable the Artisan Court project to operate without mortgage debt. The very low rents from the 55 units would not be sufficient to support the operating costs as well as payments on the mortgage debt.

As noted in the background discussion above, the Housing Authority purchased the site in 2006 with a \$2,750,000 loan from Santa Barbara Bank and Trust (SBBT) which holds a first trust deed and the Agency's \$2,000,000 loan which holds a second trust deed. The Housing Authority has been making monthly payments on the SBBT loan using income from the commercial leases and has paid the loan balance down to approximately \$2,650,000. To retire this debt, the Housing Authority has requested that \$2 million of the \$3.2 million City and Agency loans be used for this purpose. The Housing Authority will pay off the balance of the SBBT loan from the net income derived from the commercial rentals on the site over the past three years.

Terms and Security of the Loans

The City and Agency loans will bear interest at 3% per year with payments due on a "residual receipts" basis. This means that no payments will be due until the net income of the project, after payment of necessary operating expenses, is sufficient to support such payments. Any unpaid balance which remains after 60 years will be due and payable at that time. These terms are typical of the City's and Agency's affordable housing loans.

The loans will be secured by trust deeds against the property. Because of the large amount of cash equity obtained from the sale of the low income housing tax credits, the City and Agency loans will be well secured by the project's equity after completion of the project. However, as is often the case, the loans will not be fully secured during the construction phase, so the City and Agency are assuming some risk should the project not go forward to completion. Staff believes this risk is low and is acceptable under the circumstances. The solid track record of the Housing Authority is great assurance.

The borrower will be the limited partnership established for purposes of holding the property during the 15-year tax credit period and not the City Housing Authority. This is the same situation as in other affordable housing projects such as the El Carrillo project and Mental Health Association's newly-completed project at 617 Garden Street.

Revisions to the 2006 Agency Loan

The Agency's \$2 million land acquisition loan made to the Housing Authority bore no interest and did not require payments. Because the loan was for landbanking of the site, and the City and Housing Authority anticipated that an affordable housing project will be approved within 7 years of the loan, the loan will automatically convert to a 3% interest loan with a 10-year term after 7 years. One of the recommendations of this report is that the Agency Board approve amending the Agency's 2006 loan to bring its terms into conformance with those of the new Agency loan (3% interest, payments on a residual receipt basis, all due in 60 years from the date of the loan amendment). Another important change will be to change the borrower from the Housing Authority to the limited partnership, Artisan Court L.P. Also, the construction lender and the tax credit regulations will require that the City and Agency subordinate this, and the other Agency loan to their liens.

Use of Agency Funds Outside the CCRP

The site of the Project is located outside the Central City Redevelopment Project Area (CCRP). California Redevelopment Law requires that in order for Agency Housing setaside funds to be spent for housing purposes outside the CCRP, the City Council and the Redevelopment Agency must adopt a resolution with certain findings and the determination that the Project is of benefit to the CCRP. The proposed joint resolution is attached.

Project Timing

The Housing Authority has just submitted its application for low income housing tax credits. They expect to begin construction approximately November 1, 2009, once the tax credits have been approved. The project is estimated to be completed by December of 2010.

BUDGET/FINANCIAL INFORMATION:

As noted above, the Agency has sufficient loan funds available in the Agency's fiscal year 2010 affordable housing setaside fund budget for this project, and the City has sufficient federal HOME funds allocated through the fiscal year 2010 federal HOME allocation. The use of these funds for this project will conform to all applicable state and federal laws and regulations.

It should be noted that there is another affordable housing sponsor requesting HOME funds from the City at the same time as Artisan Court. Transition House, Inc. is proposing an eight-unit low income rental project on their "Mom's" site directly across Cota Street from Artisan Court. There are sufficient HOME funds available to fund both Artisan Court and the Mom's project.

CONCLUSION:

The 55 studio units in this affordable housing project are targeted to Santa Barbara residents who are most in need of a stable and safe place to live. This is an excellent use of \$3.2 million of the City's and Agency's affordable housing funds, and staff recommends that the Finance Committee forward this to Council and the Agency Board with a recommendation for approval.

ATTACHMENTS:

1. Letter from Housing Authority
2. Site Location Map

PREPARED BY: Brian Bosse, Housing and Redevelopment Manager/SBF

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office



HOUSING

AUTHORITY OF THE
CITY OF SANTA BARBARA808 Laguna Street / Santa Barbara
California / 93101Tel (805) 965-1071
Fax (805) 564-7041

June 16, 2009

Mr. Steven Faulstich, Housing Programs Supervisor
Housing & Redevelopment Division
City of Santa Barbara
630 Garden St.
Santa Barbara, CA 93101

**RE: FUNDING REQUEST FOR ADDITIONAL CITY/RDA SUBSIDY FOR THE
DEVELOPMENT OF 416-424 E. COTA ST. AND 517 OLIVE ST. AS A 56 UNIT
AFFORDABLE RENTAL HOUSING COMPLEX—ARTISAN COURT**

Dear Steven:

As you know, the Housing Authority is moving forward with the development of the above referenced property. We hope to be able to begin construction by November 1st. This important development, Artisan Court, will consist of 56 affordable housing units (55 studios and one manager's apartment) and is intended to serve a combination of low income, downtown workers, youth aging out of foster care, and special needs/homeless persons.

While we have submitted an application to the State for Low-Income Income Housing Tax Credit (LIHTC) funding for the bulk of the project's needed equity capital, we will require additional local funding for the project to be financially viable. To this end, we are submitting this amended letter request.

In our original projections, we thought we would need a commitment from the City/RDA of an additional \$4.7 million. Now that we have fully completed our LIHTC application to the State, identified additional funding resources and refined our development numbers, we are able to reduce our funding request to the City and RDA to \$3.2 million at this "point in time." While we are confident in our numbers, our request must be "qualified" until such time that the needed tax credits are awarded and sold, the project is actually bid and all other funding sources are secured. This \$3.2 million request breaks down into two pieces: \$2 million to assist with the payoff of the Authority's existing commercial loan on the property and \$1.2 million to help cover the project's hard cost of construction.

As you know, the property was purchased by the Housing Authority for \$4.75 million in August of 2006. The City Redevelopment Agency provided a \$2 million loan to the

Mr. Steven Faulstich
June 16, 2009
Page 2

Housing Authority to cover part of the acquisition cost. The balance was covered by a commercial loan of \$2.75 million from Santa Barbara Bank and Trust (SBB&T). The loan from SBB&T has a current principle balance of \$2,650,000. To retire this debt, the Housing Authority (as agreed to at the time of purchase) will apply excess revenue of \$400,000 derived from the commercial leases on the property over the past 35 months, along with \$2 million of the \$3.2 million requested herein. The remaining \$1.2 million that is the subject of this request will be used to cover a portion of the development's hard costs of construction.

Enclosed for your review is an updated Executive Summary of the project's development proforma (Exhibit A). It shows total development costs (not including land) of \$12,929,050. The Executive Summary further details funding sources as follows:

Source	Amount
City/RDA Funding	\$1,200,000
Deferred Housing Authority Developer Fee	\$272,021
Tax Credit Equity	\$9,800,425
CTCAC ARRA Award	\$1,656,604
Total Development Cost/Sources	\$12,929,050

In order to fully quantify City/RDA subsidy needs for the project (inclusive of land costs), one would add the initial land purchase loan of \$2 million, the bank loan pay-off need of \$2 million and the \$1.2 million for construction for a total of \$5.2 million or \$92,857 per unit in City/RDA subsidy. The Housing Authority believes that this level of local subsidy is in line with than other recent affordable housing projects in the City.

We thank you in advance for your consideration of this request and look forward to meeting with you soon to review the project and its financing needs in greater detail.

Sincerely,

HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA



ROBERT G. PEARSON
Executive Director/CEO

cc: Skip Szymanski
Rob Fredericks
Rita Lawrence
Roberta Macchianti

EXECUTIVE SUMMARY
ARTISAN COURT APARTMENTS
 Santa Barbara, CA

6/3/2009

EXHIBIT A

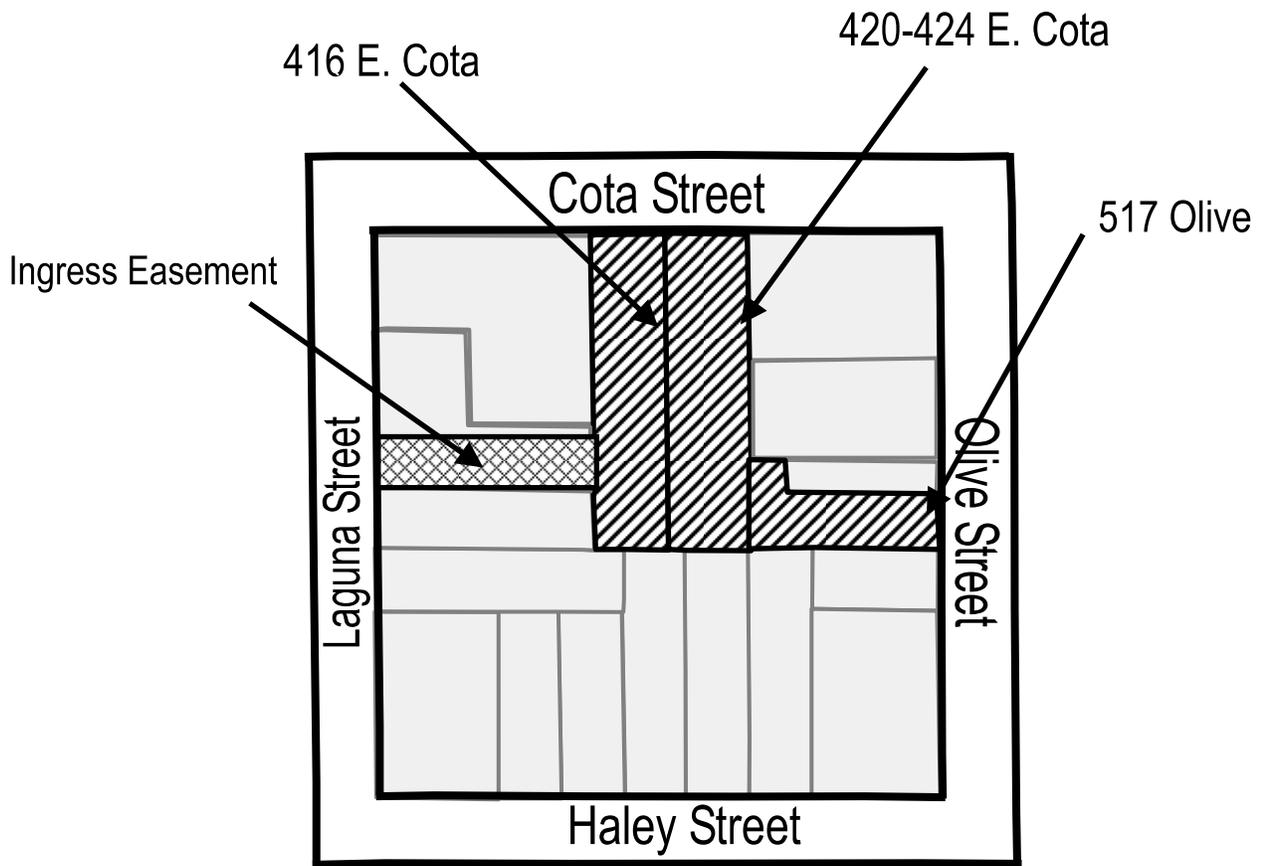
PROJECT SIZE	
TOTAL NUMBER OF UNITS	56
TOTAL PROJECT SQUARE FEET	31,142

PROJECT FINANCING	TOTAL	PER UNIT	PER SQ FT
AQUISITION/PERMANENT FINANCING	0	0	0.00
OTHER FINANCING	1,200,000	21,429	38.53
DEVELOPMENT FEE REINVEST	272,021	4,858	8.73
PARTNER CAPITAL CONTRIBUTIONS			
LIMITED PARTNER CONTRIBUTIONS	9,800,425	175,008	314.70
TCAC ARRA AWARD	1,656,604	0	0.00
TOTAL PROJECT FINANCING	12,929,050	201,295	

PROJECT COSTS	TOTAL	PER UNIT	PER SQ FT
LAND & EXISTING BUILDINGS	0	0	0.00
DIRECT CONSTRUCTION COSTS	10,263,488	183,277	329.57
FINANCING & INDIRECT COSTS	1,079,691	19,280	34.67
DEVELOPER COMPENSATION	1,403,411	25,061	45.06
CASH RESERVES & OPER. DEFICITS	182,460	3,258	5.86
TOTAL PROJECT COSTS	12,929,050	230,876	415.16

LOW INCOME HOUSING TAX CREDITS	
MAXIMUM ANNUAL CREDIT ALLOCATION	1,380,503

UNIT MIX	# UNITS	% OF M.I.	RENT	SQ. FT.	RENT/SQ FT
STUDIO	17	30%	\$408	450	0.91
STUDIO	26	40%	\$545	450	1.21
STUDIO	5	50%	\$681	450	1.51
STUDIO	7	60%	\$817	450	1.82



Housing Authority Property for Artisan Court Project



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Finance Committee

FROM: Housing and Redevelopment Division, Community Development Department

SUBJECT: Loan For Affordable Housing At 421 East Cota Street

RECOMMENDATION:

That the Finance Committee recommend that the City Council and Redevelopment Agency Board take the following actions regarding the proposed "Mom's Place" affordable housing project at 421 East Cota Street to be developed by Transition House using a new City loan of \$680,000:

- A. That Council approve a loan of \$680,000 of federal Home Investment Partnerships Program (HOME) funds to Transition House with subsequent assignment to Mom's L.P.;
- B. That Council approve funding the proposed new HOME loan subject to the condition that Mom's L.P. receives low income housing tax credits and state loan funds, or other comparable financing as approved by staff and the City Attorney;
- C. That the Agency Board approve amending its 1999 acquisition loan and its 2009 predevelopment loan to Transition House so that the terms of the existing loans are consistent with the proposed new HOME loan and to approve assignment of the two existing Agency loans to Mom's L.P.; and
- D. That the Agency Board approve subordination of the Agency loans to a new bridge loan, to a new permanent loan from the State of California, and to the regulatory agreements and covenants required under the Low Income Housing Tax Credit Program and the state's Supportive Housing Program.

EXECUTIVE SUMMARY:

Transition House seeks \$680,000 in HOME funds to demolish a building that formerly housed the Mom's Restaurant and to construct a new mixed-use building with affordable rental housing units for homeless families and an infant care center. Transition House acquired the site in 1999, with Agency assistance, which includes an existing mixed-use building on the property with eight residential units, which Transition House plans to rehabilitate.

Two existing Agency loans will need to be assigned to the limited partnership created for the purpose of receiving tax credits. The documents will also need to be subordinated to new financing for the project and related regulatory agreements. The existing Agency loans plus the proposed new HOME loan total \$1,120,000. The City has sufficient HOME funds for the proposed project and faces an August 30th deadline to commit them.

The proposed project concludes a decade-long Transition House plan to create a cohesive campus dedicated to the full and lasting recovery of homeless families.

BACKGROUND:

For 25 years Transition House has provided food, shelter and services to homeless families in Santa Barbara. Transition House acquired an old warehouse located at 434 East Ortega in 1992 and converted it to a family homeless shelter with ground-floor administrative offices and program space. In 1999, the family owners of the former Mom's Restaurant sold their property at a discounted price to Transition House. This property included the Mom's Restaurant building on Cota plus an adjacent modern mixed-use building at the corner of Olive and Cota with eight apartments located over ground-floor commercial space (renamed the Cordover Center after the organization's original Executive Director, Jill Cordover).

The Mom's property and the family homeless shelter on Ortega are located on the same block and are connected via a driveway (see attached site plan). After acquiring the Mom's property, Transition House was then able to embark on an ambitious plan to develop the properties as one cohesive campus that addresses the needs of homeless families in a comprehensive fashion. Transition House first created new space for offices and its programs and support services by converting the ground floor commercial space in the Cordover Center. This freed up the ground-floor space in the family shelter on Ortega and enabled Transition House to devote that building exclusively to shelter use. Transition House renovated the shelter and reconfigured the space to give families more privacy and to increase the number of families served.

Meanwhile, as vacancies arose in the eight apartments on the second floor of the Cordover Center, they were filled with client families that successfully completed Transition House programs and demonstrated readiness for more independent living. As described below, the focus now shifts to the Mom's Restaurant building, which has been leased during the interim to antiques and furniture merchants (Cominiche's).

PROPOSED PROJECT:

Transition House plans to demolish the Mom's Restaurant building and construct a new, two-story mixed-use building with 9,700 square feet that will feature eight new apartments for client families and a 2,000 square foot infant care center and offices on the ground floor. The new building will include an elevator and a bridge connection to the adjacent Cordover Center building. With its location in a flood zone, the site area for the new building will be raised about three feet and will include access ramps. The Cordover Center will receive a new roof and repairs will be made to the eight existing apartments.

The proposed eight new units will include six 2-bedroom units with 850 square feet and two 3-bedroom units with 1,175 square feet. When combined with the existing eight units, this will result in four 1-bedroom units, ten 2-bedroom units, and two 3-bedroom units. Rents will range from \$437 to \$1,050 per month, depending on size and income targeting. The units will be targeted exclusively to low and very-low income households. Six units will be targeted to households earning 25 percent of the Area Median Income (AMI). Eight units will be targeted to 50 percent AMI, and two units will be targeted to 60 percent AMI.

Transition House submitted their application for preliminary design review in May. The proposed mixed uses are allowed in the C-M zone where the site is located. While Transition House is not seeking a density modification, they are seeking a parking modification. They submitted their pre-application for the parking modification in May and hope to appear before the City's Staff Hearing Officer in August. Their application for design review was also submitted in May. The City's Architectural Board of Review reviewed their conceptual design on June 29, and Transition House is working on incorporating their comments into their re-submittal due in the coming weeks.

DEVELOPMENT TEAM:

In order to be eligible for tax credit financing, Transition House established Mom's L.P., a California limited partnership, which consists of two general partners – Santa Barbara Housing Assistance Corporation and Garden Court, Inc. Both parties serve as general partners in a number of affordable housing projects, including El Carrillo and Garden Court. Transition House will retain ownership of the property and will ground-lease it to Mom's L.P. Transition House will also sell the existing buildings at the Cordover Center and the Mom's Restaurant Building to Mom's LP. The new building to be erected at 421 East Cota will also be owned by Mom's LP. Transition House will have an option to acquire both buildings and terminate the ground lease with Mom's L.P. after the first 15 years of the new project's operation.

The Housing Authority will assist Transition House in managing construction of the new project, just as they assisted Transition House with the renovation of the Ortega family shelter. Artisan Court, the new affordable housing project planned by the Housing Authority, is located directly across the street. The two projects share the same architecture team of Christine Pierron and Mark Wienke.

PROPOSED FINANCIAL PLAN:

1. Original Financing: Transition House acquired the property in 1999 for \$3 million by raising nearly \$2 million in private funds and securing first mortgage financing from Santa Barbara Bank & Trust (SBBT) in the amount of \$727,578. The SBBT loan was refinanced in 2006 with a new loan of \$675,000 that Transition House plans to pay-off at the start of construction of the new project. The Agency provided the gap financing for the acquisition, which amounted to \$320,000. Over the last ten years, interest has accrued on the Agency acquisition loan (resulting in a current balance of \$420,000), which will be part of the permanent financing and will be amended as described below.

2. Costs of Proposed New Project: The total development cost of the new project is roughly \$8 million. This includes (i) acquisition of the existing buildings, (ii) rehabilitation of the existing eight affordable units in the Cordover Building, (iii) construction of the new mixed-use building with eight new affordable units and including the infant care center and office space for supportive services. (iv) (See details in Attachment 3).

3. Proposed New Financial Plan: Transition House has retained Frank Thompson Housing Consultants to prepare the financial plan. Roughly half of the \$8 million project development cost will be paid for with tax credits. They also plan to receive roughly \$1 million from the state's Supportive Housing Program. Montecito Bank & Trust (MBT) has made a commitment to provide a bridge loan which will cover construction costs and fund to retire the existing SBBT loan. The MBT loan will be repaid upon completion of project construction when tax credits start flowing and the state loan closes. (See details on amounts in Attachment 3 and see descriptions of all financing sources below.)

The combined City and Agency contribution will total \$1,120,000, which is comprised of the proposed new HOME loan (\$680,000), the Agency predevelopment loan (\$120,000), and the Agency's acquisition loan (\$320,000). This subsidy amount is consistent with other affordable housing projects - \$40,000 per unit for the 1999 acquisition of the existing eight units and \$100,000 per unit for the proposed eight new units, resulting in an average per unit subsidy for the whole project of \$70,000.

a. Low Income Housing Tax Credits: Critical to the project's financing is the application Mom's L.P. submitted in early June to the California Tax Credit Allocation Committee (TCAC) – a highly competitive program designed to generate cash for low income affordable rental housing projects. If Mom's L.P. is awarded by TCAC, then it will be authorized to sell low income housing tax credits to investors. Transition House estimates that proceeds from the sale of tax credits would result in a cash infusion of \$4,231,000 to the project. Transition House has until August 17, 2009 to perfect their application (including documentation of the \$680,000 commitment of HOME funds requested here). TCAC is scheduled to announce their awards in September.

b. State Supportive Housing Program: Another critical component of the financial plan is the Supportive Housing Program. This program is a new bond-funded program operated by the State of California's Department of Housing and Community Development (HCD) to provide financial assistance to permanent affordable housing projects for the homeless that include supportive services. Transition House is seeking a 55-year loan in the amount of \$1,037,174. The HCD loan would not close until after construction is complete, and loan proceeds would be used to repay the bridge loan described below.

c. Bridge Loan from Montecito Bank & Trust: Transition House has secured a commitment for a short-term bridge loan from Montecito Bank & Trust (MBT) in the amount of \$1.1 million. Proceeds from this loan would be used to retire the existing first mortgage with SBBT and will be used for construction. The MBT loan will have a fixed interest rate of 6 percent and a term of 2 years.

d. *Proposed New HOME Loan:* Transition House has requested \$680,000 in permanent financing to be used exclusively for construction of the eight new affordable housing units. This request is consistent with what was anticipated when the Agency Board approved the Transition House predevelopment loan last September. Once the tax credit financing is in place, the HOME loan will be assigned to Mom's L. P.

e. *Existing RDA Loans:* The 1999 Agency acquisition loan and the 2009 Agency predevelopment loan will be assigned by Transition House to Mom's L.P. It will also be necessary to extend the term of the loans and the repayment terms to make them consistent with the proposed new HOME loan (as described below).

f. *Transition House Contributions:* Transition House will make contributions to the project in the form of a seller "carryback" loan, deferred developer fee, and funds they raise from private sources for the infant care center. They will also be paying rent to Mom's L.P. for their office and program space and for the infant care center for at least 15 years until their option to purchase comes up.

4. *Terms, Subordination and Security of City and Agency Loans:* The proposed new HOME loan and the two existing Agency loans will bear interest at 3% per year, with payments due on a "residual receipts" basis. This means that no payments will be due until the net income of the project, after payment of necessary operating expenses, is sufficient to support such payments. Any unpaid balance which remains after 60 years will be due and payable at that time. These terms are typical of the City's and Agency's affordable housing loans.

During construction, the three City and Agency loans would be subordinate to the MBT bridge loan. After construction concludes, the City and Agency loans would be subordinate to the HCD loan and to the regulatory agreements related to HCD and the tax credits. This subordinate position is a typical position for local government lenders in funding affordable housing projects.

The three loans would be secured by Mom's L.P.'s leasehold interest in the land and by Mom's L.P.'s ownership of the Cordover Center and the new mixed-use building. Because of the large amount of cash equity obtained from the sale of the low income housing tax credits which bears no debt, the proposed HOME and existing Agency loans will be well secured by the leasehold interest and the project's equity after completion. However, as is often the case, the loans will not be fully secured during the construction phase, so the City and Agency are assuming some risk should the project not go forward to completion. Staff believes this risk is low and is acceptable under the circumstances. The solid track record of Transition House and the involvement of the Housing Authority provide great assurance.

BUDGET/FINANCIAL INFORMATION:

The City has sufficient federal HOME funds for the proposed project. In fact, the City faces an August 30th deadline to commit these funds, which are funds HUD earmarks for use by specially designated nonprofits known as Community Development Housing Organizations (CHDOs). HUD sets aside 15 percent of the City's annual HOME award for exclusive use by CHDOs. Transition House is one of Santa Barbara's three nonprofit organizations that meet the federal CHDO requirements.

CONCLUSION:

Staff supports the proposed project and requests that the Finance Committee recommend to the City Council and Agency Board that they take the actions proposed herein. In this one new building, Transition House will provide the three critical elements that constitute their comprehensive approach to treating homeless families – housing, child care, and training/support services – resulting in full and lasting recovery.

- ATTACHMENTS:**
1. Letter from Transition House
 2. Site Location Map
 3. Development Costs/Financing Plan

PREPARED BY: Brian Bosse, Housing and Redevelopment Manager/SK

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office



425 East Cota Street, Santa Barbara, CA 93101 • 805-966-9668 • FAX 805-966-6331
EMAIL: admin@transitionhouse.com

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Executive Director

June 17, 2009

Steven Faulstich
City of Santa Barbara
P. O. Drawer P-P
Santa Barbara, CA 93102

RE: Mom's Apartments, Transition House, 421 and 425 E. Cota Street,
8 New Permanent Apartments for Homeless Families and Child Care

Dear Mr. Faulstich,

Transition House appeared before the Redevelopment Agency in May, 2008 to review the plan to construct eight new apartments of permanent housing for the homeless, a new child care center and space to provide supportive services on property it owns at 421 E. Cota Street, and to renovate the eight apartments owned by Transition House in the building at 425 East Cota Street. The Redevelopment Agency approved the loan request of Transition House for \$120,000 for predevelopment and design expenses for the proposed project.

Transition House hereby requests final review of its financing plan and approval of its request for \$680,000 of HOME funds toward development and construction costs. Specifically, Transition House has established a new limited partnership, Mom's, L.P., a California Limited Partnership, to hold the ownership of the existing buildings to be renovated and to construct the new building. Transition House requests that the new HOME funding in the amount of \$680,000 be committed to Mom's, L.P., and that the existing loans of Transition House at this location, be approved to be assumed by Mom's, L.P., and their terms modified so that each of the loans are extended for a 60 year period, to be co-terminus with the new State financing for the project.

Project Planning Concept

This building site comprises the old "Mom's Restaurant" and is adjacent to and legally on the same parcel as our existing building with eight affordable apartments and service space. Transition House proposes to build eight new permanent housing apartments for homeless families graduating from its present shelter and transitional housing program. These 8 new units would be situated behind and above a new ground floor infant child care space for 25 infants, and other supportive services at 421 E. Cota Street. The project also envisions minor rehabilitation and improvement of the existing eight affordable units situated over the administrative offices located at 425 E. Cota Street, including upgraded windows and insulation, appliances, lighting, and mechanical equipment, and a new solar photovoltaic system.

The children served in the new Infant Care Center at 421 East Cota will come from Transition House's client base along with babies from other very low-income families participating in Transition House's Homelessness Prevention Program.

Project Development Team

Transition House now operates an eight-unit complex at 425 E. Cota Street next door to Mom's, and 70 beds at its now-fully-renovated emergency shelter at 434 E. Ortega Street, all in close proximity to the project site. Transition House also owns and operates a 19-unit affordable apartment complex located at 320 S. Salinas Street. Transition House's experience demonstrates its ability to be able to successfully manage the eight new apartments in the new building.

Transition House plans to work with the Santa Barbara City Housing Authority to manage the construction of the new facility as the developer. In 2004, Transition House successfully employed the Housing Authority's development staff to manage its \$2 million shelter renovation construction. The two agencies have collaborated since 1992 serving Santa Barbara's very low income population, and both look forward to working together on the Mom's project.

Transition House has also retained Frank Thompson Housing Consultants to prepare the finance and business plan, obtain necessary financing, including low income housing tax credits and available State and federal financing, and to work closely with the Housing Authority to manage the design and development teams.

The Housing Authority is concurrently financing the Artisan Court project (formerly Haagen Printing) across Cota Street from Transition House. If timing and other factors allow, both projects may move through some aspects of financing, and construction together, and benefit from close cooperation between the staff of each agency. In addition, the child care center to be built in Transition

House's new project, along with educational programs and career development services aimed at engendering economic stability in participants, will be offered to qualifying low-income residents of the Artisan Court project. These services are provided at the 425 E. Cota Street location as part of Transition House's Homelessness Prevention Program.

Project Financial Elements

The ability of the Low Income Housing Tax Credit program to generate large amounts of capital for new permanent housing for the homeless has been demonstrated in several recent projects in Santa Barbara. With the goal of reducing Transition House's City funding request to the minimum, safe level that can be anticipated, the ownership of the new project and existing development needs to be legally structured in a limited partnership, so that low income housing tax credits can be obtained and equity funding obtained. Transition House, with Frank Thompson's assistance, has established Mom's, L.P., a California Limited Partnership, including Santa Barbara Housing Assistance Corporation, and Garden Court, Inc. as general partners. We have applied to the State Treasurer's Office on June 9, 2009, and anticipate receiving \$ 4,230,726 in limited partner equity from low income housing tax credits toward total project costs.

Santa Barbara Housing Assistance Corporation serves as general partner in the Garden Court project, El Carrillo project, and 9 other affordable housing projects throughout California, with other housing authorities and private investors. The Housing Authority of the City of Santa Barbara is available to provide technical assistance with management, or other ongoing facilities issues if requested by Transition House.

Transition House anticipates borrowing \$1,037,174 from the State of California Department of Housing and Community Development Supportive Housing Program. This is a new program, bond-funded, to provide 55 year financial assistance for qualified permanent housing for the homeless where substantial supportive housing services are available. This supportive housing service model is currently offered at each of Transition House's properties.

Mom's, L.P. has applied to and been approved by Montecito Bank and Trust for an acquisition and construction loan in the amount of \$3,475,400 for the project. This loan would be fully repaid when the State loan is received and the tax credit equity is received by the project.

Although the exact costs to construct and develop the new facility can not be known at this time, we have based our costs on recent low income housing construction costs in the City of Santa Barbara, plus a contingency intended to cover higher costs over the estimated two-year period until the facility could be completed.

The estimated total project cost is \$7,987,453, including the cost of the eight new apartments and infant day care center at \$5,162,453. The total cost of acquisition is \$2,505,000, based on our appraisal dated June 1, 2009, including \$1,252,500 for the apartments, above, and \$1,252,500 for program and administrative space at the first floor of the building at 425 East Cota Street. The estimated costs to renovate the existing building is \$320,000.

The June 1, 2009 appraisal of Wayne Holden, SRPA, shows land value at \$4,395,000. Transition House will keep the land, free and clear, and execute a 90 year ground lease with Mom's, L.P. We seek City approval to have Mom's, L.P. assume the existing City loan for \$320,000 principal plus approximately \$100,000 in accrued and unpaid interest, and the recent City loan of \$120,000 for predevelopment. These loans would be secured against the leasehold interest and ownership of the buildings held by Mom's, L.P. The Transition House ground lease will subordinate to the mortgage financing on the buildings (City, Redevelopment Agency, Montecito Bank and Trust and State loans).

Transition House hereby requests an allocation of HOME funds in the amount of \$680,000 to be added as a loan, to the existing City financing on our property. Transition House also requests City cooperation to restructure the existing financing as follows:

- \$320,000 existing Redevelopment Agency loan for acquisition of the property in July, 1999 plus accrued interest of approximately \$100,000 as of July 30, 2009, with the loan due date extended from July 30, 2029 to July 30, 2069, subordinate to acquisition and construction financing of Montecito Bank and Trust (or similar lender) and State of California loan, and;
- \$120,000 existing Redevelopment Agency loan for predevelopment expenses of the project, with a loan due date of July 30, 2069 and 3% simple interest deferred as residual receipts through the life of the loan, subordinate to the Montecito Bank and Trust loan and the State of California loan, and;
- \$680,000 new HOME loan for development expenses of the project, with a loan due date of July 30, 2069 and 3% simple interest deferred as residual receipts through the life of the loan, subordinate to the Montecito Bank and Trust loan and State of California loan..

We have included a tabular time frame for the project, below, showing our continuing steps, culminating in construction start in May, 2010, completion in August, 2011, followed by occupancy by December, 2011.

Transition House appreciates the past support we have received from the City of Santa Barbara and we are grateful to City for considering our request.

We have included a detailed projected draw schedule for City and other predevelopment expenses, a copy of our architect proposal, a copy of our recent property appraisal, and a schedule showing the areas and cost allocations between the residential and non-residential construction, new and existing parts of the building.

Transition House has provided notice to the existing commercial and one residential tenant on the building site, pursuant to federal requirements, and has included costs of relocation in its development budget, in compliance with federal statutes.

If you have further questions, please don't hesitate to contact me at 966-9668, or the other members of our project team.

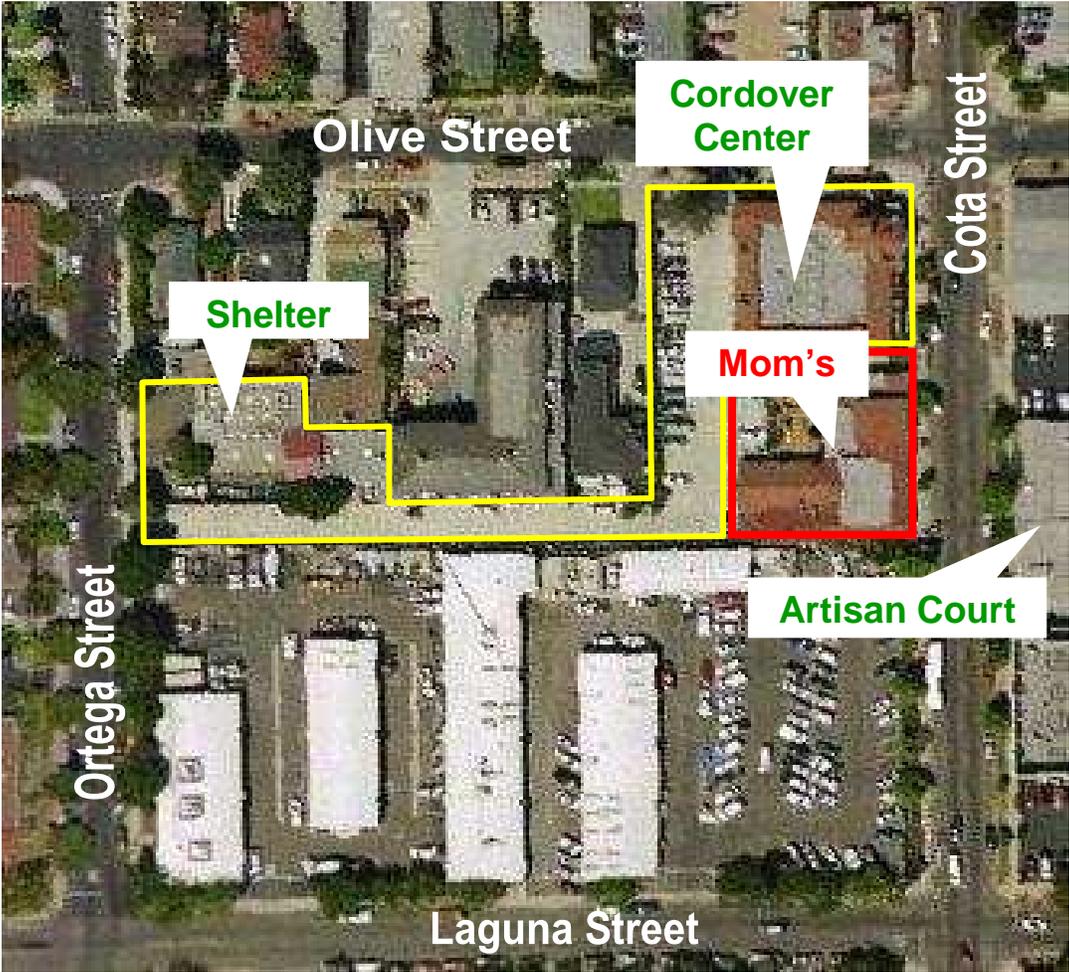
Sincerely,



Kathleen Baushke
Executive Director

cc: Skip Szymanski, Housing Authority of the City of Santa Barbara
Rob Fredericks, Housing Authority of the City of Santa Barbara
Frank Thompson, Frank Thompson Housing Consultants

Transition House Property



Attachment 3

Development Costs & Financing Plan for Mom's Place Project

Original Financing (1999)

SBB&T:	\$727,578
RDA Acquisition Loan:	320,000
Trans House Fundraising:	<u>1,952,422</u>
Total:	\$3,000,000

SBB&T refinanced original loan in 2006 with new 15-year note of \$675,000. Over the last 10 years, interest has accrued on the RDA Acquisition Loan, resulting in a current balance of \$420,000. This new revised amount appears in the lists of funding sources below.

Costs of Proposed New Project

New Construction:	\$5,163,000
Renovation:	320,000
Acquisition by Moms LP:	<u>2,505,000</u>
Total	\$7,988,000

Funding Sources During Construction

MBBT Bridge Loan:	\$3,475,000
Proposed HOME Loan:	680,000
RDA Predev Loan:	120,000
RDA Acq Loan:	420,000
Tax Credit Equity Adv:	1,270,000
Seller Carryback:	470,000
Deferred Developer Fee:	568,000
Transition House:	<u>985,000</u>
Total	\$7,988,000

Permanent Funding Sources

Tax Credits:	\$4,231,000
State Supportive Hsng:	1,037,000
Proposed HOME Loan:	680,000
RDA Predev Loan:	120,000
RDA Acq Loan:	420,000
Seller Carryback:	240,000
Deferred Dev Fee:	257,000
Transition House:	<u>1,003,000</u>
Total	\$7,988,000



Agenda Item No. _____

File Code No. 410.01

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Employee Recognition – Service Award Pins

RECOMMENDATION:

That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through July 31, 2009.

DISCUSSION:

Since 1980, the City Employees' Recognition Program has recognized length of City Service. Service award pins are presented to employees for every five years of service. Those employees achieving 25 years of service or more are eligible to receive their pins in front of the City Council.

Attached is a list of those employees who will be awarded pins for their service through July 31, 2009.

ATTACHMENT: July 2009 Service Awards

SUBMITTED BY: Marcelo A. López, Administrative Services Director

APPROVED BY: City Administrator's Office

JULY 2009 SERVICE AWARDS

July 14, 2009, Council Meeting

5 YEARS

Philip Nevarez, Maintenance Worker II, Public Works
Craig Hove, Electrician, Public Works
Robert Garcia, Custodian, Public Works
David De Ponce, Custodial Crew Leader, Airport
Esteban Zambrano, Senior Wastewater Collection Systems Operator, Public Works

10 YEARS

Christopher Bell, City TV Production Specialist, City Administrator's Office
Victoria Johnson, Project Engineer I, Public Works

15 YEARS

John Stoney, Police Sergeant, Police
Alexander Cruz, Police Officer, Police
Marylinda Arroyo, Police Sergeant, Police

20 YEARS

Larry Doria, Streets Maintenance Crew Leader, Public Works
Chito Macario, Treatment Plant Technician, Public Works
Sandy Dietz, Airport Maintenance Coordinator, Airport

25 YEARS

Connie Styrwoll, Human Resources Analyst, Administrative Services
Carol Carpenter, Housing Loan Officer, Community Development



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING June 16, 2009 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Pro Tempore Dale Francisco called the meeting to order at 2:00 p.m. (The Finance Committee and Ordinance Committee, which ordinarily meet at 12:30 p.m., did not meet on this date.)

PLEDGE OF ALLEGIANCE

Mayor Pro Tempore Francisco.

ROLL CALL

Councilmembers present: Iya G. Falcone, Roger L. Horton, Grant House, Helene Schneider, Das Williams (2:05), Mayor Pro Tempore Francisco.

Councilmembers absent: Mayor Marty Blum.

Staff present: City Administrator James L. Armstrong, City Attorney Stephen P. Wiley, Deputy City Clerk Brenda Alcazar.

PUBLIC COMMENT

Speakers: Elizabeth Anderson; Charles McChesney, Police Officers Association; Monica Jones, Friends of Los Banos; David Homeless; Bob Miles; Bob Hansen; Fred Kuhlmann; Claudia Bratton, Solstice.

CONSENT CALENDAR (Item Nos. 1 and 3 - 10)

The title of the resolution related to Agenda Item No. 3 was read.

Motion:

Councilmembers Schneider/Williams to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote (Absent: Mayor Blum).

1. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meetings of May 19, 2009, and May 26, 2009 (cancelled), and the special meeting of May 26, 2009.

Action: Approved the recommendation.

3. Subject: Parking And Business Improvement Area Annual Assessment Report 2010 - Intention To Levy Assessment Rates (550.10)

Recommendation: That Council:

- A. Accept the Fiscal Year 2010 Parking and Business Improvement Area Annual Assessment Report; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring Council's Intention to Levy Parking and Business Improvement Area Assessment Rates for the 2010 Fiscal Year, at a Public Hearing to be Held on June 30, 2009, at 2:00 p.m.

Action: Approved the recommendations; Resolution No. 09-037 (June 16, 2009, report from the Public Works Director; proposed resolution).

4. Subject: Cachuma Conservation Release Board Budget Ratification (540.03)

Recommendation: That Council ratify the Fiscal Year 2010 Cachuma Conservation Release Board budget in the amount of \$2,238,230, with an estimated City share of \$620,757.

Action: Approved the recommendation (June 16, 2009, report from the Public Works Director).

5. Subject: Professional Services Agreement To Implement A Web-Based Geographic Information System (GIS) Mapping Application (170.04)

Recommendation: That Council:

- A. Find it in the City's best interest to waive the formal bid process, as authorized by Municipal Code 4.52.080 (k), and authorize the City's Administrative Services Director to execute a professional services agreement and issue a purchase order with Latitude Geographics in an amount not to exceed \$64,890 to implement a Web-Based GIS Mapping Application; and
- B. Authorize the City's Administrative Services Director to issue required change orders to Latitude Geographics, in a total amount not to exceed \$10,000, to cover contingencies associated with changes to services.

Action: Approved the recommendations; Agreement No. 23,128 (June 16, 2009, report from the Administrative Services Director).

6. Subject: Acceptance And Appropriation Of Federal Aviation Administration, Airport Improvement Program Grant Offer For Santa Barbara Airport (560.04)

Recommendation: That Council:

- A. Accept and authorize the Airport Director to execute, on behalf of the City, FAA Grant Offer of \$2,378,517 in Airport Improvement Program (AIP) funds for Project No. AIP-3-06-0235-040-2009 for Phase II, construction of a new airline terminal building; and
- B. Increase appropriations and estimated revenue in the Airport Grant Fund by \$2,378,517 to be funded from Federal Aviation Administration Airport Improvement Program (AIP) Grant No. 03-06-0235-040-2009, plus the City's 5% match portion of \$125,185 to be funded from Airport reserves above policy, for a total increase of \$2,503,702, for Phase II, construction of a new airline terminal building.

Action: Approved the recommendations; Agreement No. 23,129 (June 16, 2009, report from the Airport Director).

7. Subject: Economic Stimulus Funding - Energy Efficiency And Conservation Block Grant Application (630.06)

Recommendation: That Council authorize the City Administrator to apply for Energy Efficiency and Conservation Block Grant funding in the amount of \$868,200 for energy efficiency projects at City facilities and the development of a Climate Action Plan.

Speakers:

Staff: Assistant to the City Administrator Nina Johnson, Facilities & Energy Manager James Dewey.

Action: Approved the recommendation (June 16, 2009, report from the City Administrator).

8. Subject: Purchase Order With Rincon Broadcasting LLC To Broadcast Clean Creek Messages (540.14)

Recommendation: That Council authorize the General Services Manager to issue a purchase order in the amount of \$27,864 to Rincon Broadcasting LLC to continue a public awareness campaign on water pollution prevention.

Action: Approved the recommendation (June 16, 2009, report from the Parks and Recreation Director).

9. Subject: Set A Date For Public Hearing Regarding Appeal Of Planning Commission Denial Of Appeal Of Staff Hearing Officer Decision For 436 Corona Del Mar (640.07)

Recommendation: That Council:

- A. Set the date of August 4, 2009, at 2:00 p.m. for hearing the appeal filed by Tony Fischer, Attorney representing Friends of Outer State Street of the Planning Commission denial of an appeal of James Kahan of the Staff Hearing Officer's approval of the application for property owned by Larry and Susan Jean Agostino and located at 436 Corona Del Mar, Assessor's Parcel No. 017-321-007, R-4/SD-3 Hotel-Motel Multiple Residence and Coastal Overlay Zones, General Plan Designation: Commercial-Hotel & Residential. The project proposes the demolition of an existing residence and non-conforming garage, and construction of a three-story duplex and a two-car garage on a 6,594 square-foot lot in the non-appealable jurisdiction of the Coastal Zone. The discretionary applications required for this project are a Coastal Development Permit and a Modification; and
- B. Set the date of August 3, 2009, at 1:30 p.m. for a site visit to the property located at 436 Corona Del Mar.

Action: Approved the recommendations (May 26, 2009, letter from the Appellant).

NOTICES

10. The City Clerk has on Thursday, June 11, 2009, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

This concluded the Consent Calendar.

ITEM REMOVED FROM CONSENT CALENDAR

Councilmember Schneider stated that she would abstain from voting on the following item due to a conflict of interest related to the location of her residence being in proximity to one of the intersections listed on the Council Agenda Report.

2. Subject: Adoption Of Ordinance Establishing Prima Facie Speed Limits (530.05)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Section 10.60.015 of the Municipal Code, Establishing the Prima Facie Speed Limit on Alamar Avenue from State Street to Foothill Road at the Current Speed Limit of 35 Miles Per Hour, Reducing the Prima Facie Speed Limit on Micheltorena Street from San Andres Street to California Street from 30 to 25 Miles Per Hour, and Reducing the Prima Facie Speed Limit on Mission Street from Robbins Street to Anacapa Street from 30 to 25 Miles Per Hour.

The title of the ordinance was read.

Motion:

Councilmembers Falcone/Horton to approve the recommendation;
Ordinance No. 5491.

Vote:

Unanimous roll call vote (Abstentions: Councilmember Schneider;
Absent: Mayor Blum).

Councilmember Williams left the meeting at 2:28 p.m.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

FIRE DEPARTMENT

11. Subject: Renewal Of Levy For Fiscal Year 2009-2010 For The Wildland Fire Suppression Assessment District (290.00)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Declaring Its Intention to Continue Vegetation Road Clearance, Implementation of a Defensible Space Inspection and Assistance Program, and Implementation of a Vegetation Management Program Within the Foothill and Extreme Foothill Zones; Declaring the Work to be of More Than General or Ordinary Benefit and Describing the District to be Assessed to Pay the Costs and Expenses Thereof; Approving the Engineer's Report, Confirming Diagram and Assessment, and Ordering Levy of the Wildland Fire Suppression Assessment District for Fiscal Year 2009-2010.

(Cont'd)

11. (Cont'd)

Councilmembers Horton and House stated they would not participate in the discussion of this item due to conflicts of interest related to their ownership of or residence at property located within the subject assessment district and left the meeting at 2:29 p.m.

Recess: 2:29 p.m. - 2:30 p.m. Councilmembers Horton and House were absent when the Council reconvened.

Documents:

- June 16, 2009, report from the Interim Fire Chief.
- June 2009, City of Santa Barbara Wildland Fire Suppression Assessment Final Engineer's Report.
- Affidavit of Publication.

The title of the resolution was read.

Public Comment Opened:

2:30 p.m.

Speakers:

Staff: Fire Marshal Joe Poiré, Fire Services Specialist Amber Anderson.

Public Comment Closed:

2:46 p.m.

Motion:

Councilmembers Schneider/Williams to approve the recommendation;
Resolution No. 09-038.

Vote:

Unanimous roll call vote (Absent: Councilmembers Horton, House, Mayor Blum).

RECESS

Mayor Pro Tempore Francisco recessed the meeting at 2:47 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 13. No reportable action is anticipated.

CLOSED SESSIONS

13. Subject: Conference With Real Property Negotiators - Cabrillo Bridge Replacement Project (330.03)

Recommendation: That Council hold a closed session to consider instructions to City Staff regarding real property negotiations regarding the real properties located at 6 and 10 State Street and 13 East Cabrillo Boulevard, Santa Barbara, California, pursuant to the authority of Government Code Section 54956.8.

Instructions to negotiator concern the terms of a possible acquisition of a City interest in the real properties. Property: 6 State Street (APN 033-111-011); 10 State Street (APN 033-111-006); and 13 East Cabrillo Boulevard (APN 033-111-012). City Negotiator: Negotiations will be conducted by City Attorney Stephen P. Wiley. Negotiating Parties: Virginia Castagnola Hunter, Scott Hollister, George Hollister, Catherine Wallenfels, Francesca Hunter, Alexis Chernow, Above Mission Creek, LLC, and Lighthouse & Corner, LLC.

Under Negotiation: Price, terms of payment, possible exchange terms.

Scheduling: Duration, 20 minutes; anytime

Report: None anticipated

Documents:

June 16, 2009, report from the City Attorney.

Time:

2:50 p.m. - 3:30 p.m. Mayor Blum was absent.

No report made.

RECESS

3:30 p.m. - 4:00 p.m. Councilmember Falcone was absent when the Council reconvened.

MAYOR AND COUNCIL REPORTS

12. Subject: Interviews For City Advisory Groups (140.05)

Recommendation: That Council interview applicants to City Advisory Groups.

(Continued from June 9, 2009, Item No. 9)

(Estimated Time: 4:00 p.m.)

Documents:

June 16, 2009, report from the Administrative Services Director.

(Cont'd)

12. (Cont'd)

Speakers:

- Member of the Public: Terry Bolden.
- Staff: Deputy City Clerk Brenda Alcazar.
- The following applicants were interviewed:
Building and Fire Code Board of Appeals:
Meg West

Councilmember Falcone returned to the meeting at 4:03 p.m.

Speakers (Cont'd):

- The following applicants were interviewed (Cont'd):
Community Development & Human Services Committee:
Daniel Ramirez
Single Family Design Board:
Denise Woolery
Housing Authority Commission:
Catherine Woodford
Transportation & Circulation Committee and Water Commission:
Jennifer Christensen
Creeks Advisory Committee:
Paul Bullock
Living Wage Advisory Committee:
Richard Flacks

Appointments are scheduled to take place on June 30, 2009.

ADJOURNMENT

Mayor Pro Tempore Francisco adjourned the meeting at 4:35 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

DALE FRANCISCO
MAYOR PRO TEMPORE

ATTEST: _____
BRENDA ALCAZAR, CMC
DEPUTY CITY CLERK

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY
OF SANTA BARBARA AMENDING SECTION
28.87.300 OF CHAPTER 28.87 OF TITLE 28
OF THE MUNICIPAL CODE REGARDING
LIMITATIONS ON NON-RESIDENTIAL
DEVELOPMENT WITHIN THE CITY

THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN
AS FOLLOWS:

Section One: Section 28.87.300 of Chapter 28.87 of Title 28
of the Santa Barbara Municipal Code is hereby amended to
read as follows:

28.87.300 Development Plan Review and Approval.

A. DEVELOPMENT PLAN.

1. Requirement for Development Plan.

a. Planning Commission Review Required. No
application for a land use permit for a nonresidential
construction project as defined in Subsection B of this
Section will be accepted or approved on or after December 6,
1989 unless the project falls within one or more of the
categories outlined in Paragraph 2 of this Subsection and
defined in Subsection B of this Section. Before any
nonresidential construction project is hereafter constructed
in any zone including zones at the Santa Barbara Municipal
Airport, a complete development plan for the proposed
development shall be submitted to the Planning Commission
for review and approval. In addition, before residential
floor area in any building or structure located in any zone
including zones at the Santa Barbara Municipal Airport is
converted to nonresidential use, a complete development plan
for the proposed conversion shall be submitted to the
Planning Commission for review and approval. Before any
transfer of existing development rights may be approved
pursuant to Chapter 28.95, development plans for both the
sending site(s) and receiving site(s) as defined therein
shall be approved by Planning Commission or City Council on
appeal pursuant to this section.

Any nonresidential project except for Transfer of
Existing Development Rights projects, which involves an
addition of greater than three thousand (3,000) and less
than ten thousand (10,000) square feet of floor area and
which does not require the preparation of an Environmental
Impact Report, shall be placed on the Planning Commission
Consent Calendar for review and action. The only findings
in Paragraph D.1 applicable to these projects are Findings
d, e, f, and g. These findings shall be made at the time of
Planning Commission approval.

b. Exceptions.

(1) Notwithstanding the provisions of Subparagraph a. of this Subsection, any nonresidential project which involves an addition of one thousand (1,000) square feet or less, and which does not require the preparation of an Environmental Impact Report, shall not be required to receive development plan approval.

(2) Notwithstanding the provisions of Subparagraph a. of this Subsection, any nonresidential construction project which involves the following shall not be required to receive development plan approval from the Planning Commission:

a. an addition of greater than one thousand (1,000) and less than or equal to three thousand (3,000) square feet of floor area, and;

b. does not require the preparation of an Environmental Impact Report, and;

c. does not require some other form of discretionary approval from the Planning Commission under other applicable provisions of this Code.

(3) Development plan approval for projects not requiring Planning Commission approval under subparagraph (2) above shall be required from the Staff Hearing Officer if the application requires discretionary review by the Staff Hearing Officer under another provision of this Code. Otherwise, development plan approval for projects not requiring Planning Commission approval under subparagraph (2) above shall be required at the time of Preliminary Approval from the Architectural Board of Review, or the Historic Landmarks Commission if the property is located within El Pueblo Viejo Landmark District or another landmark district, or if the structure is a designated City Landmark. Such projects are subject to the findings in Subsection E of this Section and the provisions of Section 28.87.350.

2. Development Potential.

a. Nonresidential Construction Project.

Nonresidential construction projects, as defined in Subsection B of this Section, shall be restricted to no more than three million (3,000,000) square feet until the year 2013. This allowable square footage shall be allocated in the following categories, as defined in Subsection B of this Section.

<u>Category</u>	<u>Square Footage</u>
Approved Projects	900,000 s.f.
Pending Projects	700,000 s.f.
Vacant Property	500,000 s.f.
Minor Additions	Exempt
Small Additions	600,000 s.f.
Community Priorities	300,000 s.f.

Small Additions shall be limited to no more than

thirty thousand (30,000) square feet annually. Procedures for allocating square footage under these categories shall be established by resolution of City Council.

Notwithstanding the development restrictions established above, the Planning Commission or City Council on appeal may approve nonresidential development projects determined by the City Council to promote Economic Development. However, the total development square footage of all Economic Development Projects approved prior to January 1, 2013 shall not exceed the total square footage of "Approved" or "Pending" projects which have expired or been abandoned and any unused development square footage remaining from the annual allotment in the "Small Additions" category as of the date the Planning Commission or City Council on appeal approves a particular Economic Development Project. Nothing herein shall be deemed to authorize the approval of nonresidential development totaling in excess of three (3) million square feet above the October 1988 baseline condition until January 1, 2013.

b. Other Nonresidential Development. Other nonresidential development may occur so long as it falls within the following categories, as defined in Subsection B of this Section.

- (1) Government Displacement Project.
- (2) Hotel Room for Room Replacement Project.

B. DEFINITIONS.

1. Approved Projects or Revisions thereto. A project which satisfies any of the following criteria:

a. An application for a land use permit for the project (other than an application for Specific Plan approval) which was approved on or before October 26, 1989 and the approval is still valid.

b. The project pertains to implementation of a Specific Plan which was approved prior to April 16, 1986, and the Plan required the construction of substantial circulation system improvements, and all of those improvements were either:

- (1) Installed prior to the effective date of this ordinance; or
- (2) Subsequently constructed pursuant to an Owner Participation Agreement (OPA) and installed prior to the approval of any development plan(s).

c. The project consists of a revision to a project which qualifies under either Subparagraph a. or b. of this Paragraph B.2, provided the revision will result in no increase in floor area over the approved amount. Once a revision to a project has been approved that reduces the floor area from the originally approved amount, the unused floor area shall not be reallocated to the project as part of a future revision. The unused floor area shall be available for Economic Development Projects.

2. Community Priority. A project which has been designated by the City Council as a community priority

necessary to meet a present or projected need directly related to public health, safety or general welfare.

3. Economic Development Project. A project which has been designated by the City Council as a project that is consistent with the City Charter, General Plan and this Title, will enhance the standard of living for City and South Coast residents and will strengthen the local or regional economy by either creating new permanent employment opportunities or enhancing the City's revenue base. An Economic Development Project should also accomplish one or more of the following:

a. Support diversity and balance in the local or regional economy by establishing or expanding businesses or industries in sectors which currently do not exist on the South Coast or are present only in a limited manner; or

b. Provide new recreational, educational, or cultural opportunities for City residents and visitors; or

c. Provide products or services which are currently not available or are in limited supply either locally or regionally.

For purposes of this Section, "standard of living" is defined as wages, employment, environment, resources, public safety, housing, schools, parks and recreation, social and human services, and cultural arts.

4. Floor Area. Floor Area is the area included within the surrounding exterior walls of a building or portion thereof, exclusive of the area occupied by the surrounding walls, vent shafts and courts, or areas or structures used exclusively for parking. Non-habitable areas used exclusively for regional public utility facilities shall not count toward the calculation of floor area. Any floor area which was constructed, approved, demolished or converted in violation of any provision of this Municipal Code, shall not give rise to any right to rebuild or transfer floor area.

5. Floor Area Ratio. The area expressed as the ratio of floor area to total square footage of a parcel.

6. General Welfare. A community priority project which has a broad public benefit (for example: museums, child care facilities, or community centers) and which is not principally operated for private profit.

7. Government Displacement Project. A project which involves the relocation, replacement, or repair of a structure or use acquired, removed or damaged by direct condemnation or negotiated acquisition by the government (federal, state or local), provided the square footage of a project constructed to replace a building acquired or removed by the government does not exceed the square footage of the building so acquired or removed.

8. Hotel Room for Room Replacement Project. A project which consists of replacement or remodeling of existing hotel rooms at the same location on a room for room basis.

9. Land Use Permit. A governmental decision concerning a permit, license, certificate, or other entitlement for use of land, including a conditional use permit, variance, modification, development plan, specific plan, general plan amendment, coastal development permit, conversion permit, subdivision map (except those creating new single family lots), building permit, grading permit, demolition permit, water service connection or any similar approval or use.

10. Minor Addition. A project which consists of a minor addition defined as:

a. A nonresidential addition of one thousand (1,000) square feet or less of floor area to an existing structure; or

b. Construction of a free standing nonresidential structure of one thousand (1,000) square feet or less of floor area on a parcel containing another structure; or

c. Conversion of residential floor area to no more than one thousand (1,000) square feet of nonresidential floor area; or

d. Concurrent construction of nonresidential floor area of one thousand (1,000) square feet or less associated with a new structure constructed under the Approved, Pending, Community Priority or Vacant Property categories.

e. The one thousand square foot limitation defined in subparagraphs a. through d. above is a cumulative total available per parcel. Once a cumulative total of 1,000 square feet of Minor Additions has been reached, any further

additions up to a total of 3,000 square feet (including the Minor Additions) shall be allocated from the Small Addition category.

(1) EXCEPTION: If an existing or proposed building occupies two or more parcels created prior to October 1988, the maximum square footage available for a Minor Addition shall equal the sum of the Minor Additions which could be approved on the individual parcels pursuant to the findings in Subsection E of this Section. For parcels created after October 1988, any remaining Minor Addition allocation shall be divided evenly between all of the parcels created from each parcel eligible for a Minor Addition. The remaining allocation may be divided in a different manner between the parcels created if this division is executed in a legal instrument that is recorded with the County recorder and approved as to form by the City Attorney for each parcel involved at the time of recordation of the Final or Parcel map for the subdivision.

11. Nonresidential Construction Project. A project, or portion thereof, which consists of the construction of or addition of new floor area for other than residential use or the conversion of existing residential floor area to nonresidential use. Repair or replacement of existing floor area is not included in the calculation of new floor area for the purpose of this Section.

12. Pending Project or Revisions thereto. A project which satisfies any of the following criteria:

a. An application for a land use permit for the project was accepted on or before October 26, 1989 and the application: (1) has not been denied by the City; (2) has not been withdrawn by the applicant; (3) has not yet received City approval or (4) has received City approval after October 26, 1989 and that approval is still valid.

b. The project pertains to implementation of a Specific Plan which was approved prior to April 16, 1986 and the project does not qualify under Subparagraph 1.b. of this Subsection.

c. The project consists of a revision to a project which qualifies under either Subparagraph a. or b. of this Paragraph 12, provided the revision will result in no increase in floor area over the amount shown on the pending application. Once a revision to a project has been approved that reduces the floor area from the originally approved amount, the unused floor area shall not be reallocated to the project as part of a future revision. The unused floor area shall be available for Economic Development Projects.

13. Residential Unit: A dwelling unit as defined in Chapter 28.04, but not including any of the following:

a. A hotel or boarding house as defined in Chapter 28.04 which includes a motel, bed and breakfast inn, or similar facility in which the average duration of stay of the residents, during the six month period prior to February 1, 1990, was less than thirty (30) days.

b. A mobile-home or recreation vehicle as defined in Chapter 28.04.

14. Small Addition. A project which consists of a small addition defined as:

a. A nonresidential addition of more than one thousand (1,000) and less than or equal to three thousand (3,000) square feet of floor area to an existing structure; or

b. Construction of a free standing nonresidential structure of more than one thousand (1,000) and less than or equal to three thousand (3,000) square feet of floor area on a parcel containing another structure; or

c. Conversion of residential floor area to more than one thousand (1,000) and less than three thousand (3,000) square feet of nonresidential floor area; or

d. Concurrent construction of nonresidential floor area of more than one thousand (1,000) and less than or equal to three thousand (3,000) square feet associated with a new structure constructed under the Approved, Pending, Community Priority or Vacant Property categories.

e. The limitations on floor area defined in subparagraphs a. through d. above establish the cumulative total available per parcel. In any case, the combined total of Minor and Small Additions shall not exceed a cumulative total of three thousand (3,000) square feet.

(1) EXCEPTION: In the case where an existing or proposed building occupies two or more parcels created prior to October 1988, the maximum square footage available for a Small Addition shall equal the sum of the Small Additions which could be approved on the individual parcels pursuant to the findings in Subsection E of this Section. For parcels created after October 1988, any remaining Small Addition allocation shall be divided evenly between all of the parcels created from each parcel eligible for a Small Addition. The remaining allocation may be divided in a different manner between the parcels created if this division is executed in a legal instrument that is recorded

with the County recorder and approved as to form by the City Attorney for each parcel involved at the time of recordation of the Final or Parcel map for the subdivision.

f. Procedures for allocating square footage in the Small Addition category shall be established by resolution of the City Council.

15. Vacant Property. A project on a parcel of land which was vacant in October 1988, which consists of construction of a nonresidential structure with a floor area ratio of no more than 0.25.

C. REVIEW BY PRE-APPLICATION REVIEW TEAM. All nonresidential construction projects requiring the preparation of an Environmental Impact Report or involving greater than 3,000 square feet of floor area and subject to this Section shall be reviewed by the Pre-Application Review Team as provided in Chapter 27.07 of this Code.

D. STANDARDS FOR REVIEW. Unless specifically exempt, the following findings shall be made in order to approve a development plan submitted pursuant to this Section.

1. Findings:

a. The proposed development complies with all provisions of this Title; and

b. The proposed development is consistent with the principles of sound community planning; and

c. The proposed development will not have a significant adverse impact upon the neighborhood's aesthetics/character in that the size, bulk or scale of the development will be compatible with the neighborhood; and

d. The proposed development will not have a significant unmitigated adverse impact upon City and South Coast affordable housing stock; and

e. The proposed development will not have a significant unmitigated adverse impact on the City's water resources; and

f. The proposed development will not have a significant unmitigated adverse impact on the City's traffic; and

g. Resources will be available and traffic improvements will be in place at the time of project occupancy.

2. Potential for Overriding Considerations:

a. A finding of significant adverse impact under Subparagraph 1.c above can be overridden if it is determined that the economic, social or public benefits of the proposed development outweigh its significant adverse impacts.

b. A finding of significant adverse impact under Subparagraphs 1.a or 1.b above cannot be overridden.

c. A finding of unmitigated significant adverse impact under Subparagraphs 1.d, 1.e, 1.f, or 1.g above for a Minor Addition Project, Government Displacement Project or that portion of a project which qualifies as a Government Displacement Project, a Community Priority Project, and an

Approved Project or Revision thereto can be overridden if it is determined that the benefits of the proposed development outweigh its significant adverse impacts.

3. Exception. Notwithstanding any provision of this Section to the contrary, a development plan shall not be denied based on a finding pursuant to Subparagraph 1.d of this Subsection E if (i) the plan incorporates revisions to a development plan approved by the Planning Commission under this Section prior to February 25, 1988, and (ii) the project shown on the plan will not generate a demand for new housing in excess of the demand generated by the previously approved project.

E. DEVELOPMENT PLAN NOTICE AND HEARING. The Staff Hearing Officer, Planning Commission, or City Council on appeal, shall hold a public hearing prior to taking action on any development plan. Notice of the public hearing shall be given in accordance with Section 28.87.380.

F. SUSPENSIONS AND APPEALS.

1. A decision by the Staff Hearing Officer under this Section may be suspended or appealed according to the provisions of Section 28.05.020.

2. A decision by the Planning Commission under this Section may be appealed according to the provisions of Chapter 1.30. In addition to the procedures specified in Chapter 1.30, notice of the public hearing before the City Council on an appeal from a decision of the Planning

Commission regarding a decision of the Staff Hearing Officer shall be provided in the same manner as notice was provided for the hearing before the Planning Commission.

G. FEES. Fees for filing applications and appeals shall be established by resolution of the City Council.

H. EXPIRATION OF DEVELOPMENT PLANS. A development plan approved pursuant to this Section shall expire pursuant to the provisions of Section 28.87.350. For projects with floor area allocated from the Approved, Pending, Economic Development and Small Addition categories, the unused floor area shall be made available for allocation to Economic Development Projects upon expiration of the development plan. For projects with floor area allocated from the Community Priority and Vacant Property categories, the unused floor area shall revert to the category from which the floor area was allocated upon expiration of the development plan.

I. MULTIPLE DEVELOPMENT PLANS. When more than one valid approved development plan exists for a lot, upon issuance of a building or grading permit for any work authorized by one of the approved development plans, all other development plans approved for that lot are deemed abandoned by the property owner. No building or grading permit shall be issued for any work authorized by a development plan following abandonment of that plan. For projects with floor area allocated from the Approved, Pending, Economic Development and Small Addition categories, any unused floor area shall be made available for allocation to Economic Development Projects upon abandonment of a development plan. For projects with floor area allocated from the Community Priority and Vacant Property categories, any unused floor area shall revert to the category from which the floor area was allocated upon abandonment of a development plan.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING CHAPTER 4.52 OF TITLE 4 OF THE SANTA BARBARA MUNICIPAL CODE PROVIDING PROCEDURES FOR THE PURCHASE OF EQUIPMENT, SUPPLIES AND SERVICES

THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. Chapter 4.52 of Title 4 of the Santa Barbara Municipal Code is amended to read as follows:

4.52.010 System Adopted - Purpose.

In order to establish efficient procedures for the purchase of equipment, supplies, and services at the lowest possible cost commensurate with quality needed, to exercise positive financial control over purchases, to clearly define authority for the purchasing function, and to assure the quality of purchases, a purchasing system is adopted. To the greatest extent practicable, the City shall endeavor to develop purchasing specifications that will result in the purchase of equipment, supplies, and services that are environmentally preferred. Competitive bidding for the purchase of equipment, supplies, and services is preferred as a matter of City policy and good purchasing practice. Even when competitive bids are not required by this Chapter, competitive proposals or bids should be obtained if reasonably practicable and compatible with the City's interests.

4.52.020 Definitions.

The following words and phrases shall have the following meaning and construction for purposes of this chapter.

A. **ENVIRONMENTALLY PREFERRED PURCHASES.** A manner of purchasing equipment, supplies, and services that results in less harm to the natural environment. Environmentally preferred purchases involve the purchase of equipment, supplies, and services in a manner that uses less harmful materials, employs recycled or recovered materials (where appropriate and available), and utilizes techniques intended to result in less impact on the environment than other available methods.

B. **EMERGENCY PURCHASE.** A purchase made to address a situation that creates an immediate and serious need for equipment, supplies, or services which cannot be met through normal purchasing procedures and where the lack of such equipment, supplies, or services would seriously threaten the functioning of City government, the preservation of property, or the health or safety of any person.

C. WITHIN THE BUDGET APPROVED BY THE CITY COUNCIL. Purchases that fall within the annual financial budget adopted by the City Council for the Department against whose account the purchase will be applied. A particular purchase need not be a specific line item of the Department's budget in order to be considered included within the budget approved by the City Council.

D. INFORMATION TECHNOLOGY. Includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications that include voice, video, and data communications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

E. MAINTENANCE AND REPAIR. The routine, recurring, or usual work for the restoration or preservation of the condition of an existing facility, structure, or equipment, as opposed to the purchase of a new or replacement facility, structure, or equipment. If a question arises as to the proper characterization of a purchase as maintenance and repair or a public work, the Purchasing Agent shall determine in writing whether the primary purpose of the purchase is to restore or preserve the condition of an existing facility, structure, or equipment or to obtain a new or replacement facility, structure, or equipment.

F. PERSONAL PROPERTY. All property other than real estate; including, but not limited to, equipment, supplies, and materials.

G. PROFESSIONAL SERVICES. Services that require specialty training, education, or experience, including but not limited to, financial, economic, accounting, engineering, legal, or administrative matters.

H. PURCHASE. To obtain equipment, supplies, or services in exchange for money or its equivalent. For purposes of this Chapter, the term purchase shall also include the acquisition of equipment or supplies by lease.

I. PURCHASING AGENT. The general services manager of the City of Santa Barbara.

J. REVERSE AUCTION. A process where the City announces its need for equipment, supplies, or services on the Internet, or some other manner, and suppliers bid against one another in a real-time, open, and interactive bidding environment to supply the City with required equipment, supplies, or services.

K. SERVICES INVOLVING PECULIAR ABILITY. Services that typically require artistic or creative skill and advanced or specialized training or experience. For purposes of this Chapter, the construction trades are not services involving peculiar ability.

4.52.030 Purchasing Agent - Duties.

The Purchasing Agent shall be under the direction, supervision, and control of the Director of Finance. The Purchasing Agent shall:

A. Negotiate, purchase, and contract for equipment, supplies (other than library books and library periodicals), routine laboratory tests, non-professional services, or services not involving peculiar ability required by any office, department, or agency of the City in accordance with purchasing procedures prescribed by this chapter, and such other rules and regulations as shall be prescribed by the City Council.

B. Act to procure for the City the needed quality in equipment, supplies, routine laboratory tests, nonprofessional services, or services not involving peculiar ability at least expense to the City.

C. Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases.

D. Prepare and recommend to the City Council rules governing the purchase of supplies, services and equipment for the City.

E. Stay informed of current developments in the field of purchasing, prices, market conditions and new products.

F. Prescribe and maintain such purchasing forms as are reasonably necessary to the operation of this chapter and other rules and regulations.

G. Maintain a bidders' list, vendors' catalog file and records needed for the efficient operation of the Purchasing Division.

4.52.040 Estimates of Requirements.

All departments shall file detailed estimates of their requirements for supplies and equipment in such manner, at such time, and for such future periods as the Purchasing Agent shall prescribe.

4.52.050 Contracting Authority.

A. **COUNCIL AUTHORIZATION.** Pursuant to Section 518 of the City Charter, the City Council may, by ordinance or resolution, authorize the City Administrator or other officer to bind the City for the acquisition of equipment, materials, supplies, labor, services or other items included within the budget approved by the City Council.

B. EXERCISE OF AUTHORITY. To the extent the City Council grants written purchasing authority to the City Administrator or another officer, the City Administrator or such other officer shall exercise such authority in accordance with the procedures specified in this Chapter or as otherwise specified in the ordinance or resolution granting such authority.

C. DELEGATION OF AUTHORITY. To the extent the City Council grants purchasing authority to the City Administrator, the City Administrator may delegate such authority to a subordinate in a manner that does not conflict with Section 518 of the City Charter, the provisions of any applicable City ordinance, or the provisions of the Council resolution or ordinance granting the purchasing authority to the City Administrator.

4.52.060 Contracts Up to \$25,000.00.

A. REQUISITIONS. All departments of the City shall submit requests for equipment, supplies (other than library books and library periodicals), routine laboratory tests, non-professional services or services not involving peculiar ability to the Purchasing Agent by standard requisition request forms.

B. BIDDING PROCEDURE. Purchases of equipment, supplies (other than library books and library periodicals), routine laboratory tests, non-professional services, or services not involving peculiar ability, of a value of up to \$25,000, may be made by the Purchasing Agent in the open market pursuant to the bidding procedures described herein.

1. **Purchases of up to \$2,500.** Purchases of goods or services of a value up to \$2,500 may be made without competitive bidding.

2. **Sole Source Purchases.** Where only one source is available for the goods or services, the purchase may be made without competitive bidding.

3. **Purchases over \$2,500 and up to \$25,000.** Purchases of goods or services of a value over \$2,500 and up to \$25,000 shall be bid in the following manner:

a. **Minimum Number of Quotations.** Purchases shall whenever possible be based on at least three (3) quotations, and shall be awarded to the person submitting the lowest responsible quotation.

b. **Notice Inviting Quotations.** The Purchasing Agent shall solicit quotations by written requests to prospective vendors or by telephone.

c. **Written quotations shall be submitted to the Purchasing Agent who shall keep a record of all open market orders and quotes for a period of one (1) year after the submission of quotes or the placing of orders.**

C. CONFIRMATION OF VERBAL QUOTATIONS. For all purchases made pursuant to this section, verbal quotations over \$2,500 require written confirmation.

D. WRITTEN CONTRACTS. All purchases made pursuant to this section shall be made by purchase order or other form approved by the City Administrator and the City Attorney. The Purchasing Agent is authorized to execute such contracts on behalf of the City.

E. **ENCUMBRANCE OF FUNDS.** Except in cases of emergency, the Purchasing Agent shall not issue any purchase order for equipment, supplies, or services for which there is an insufficient appropriation in the budgetary account against which said purchase is to be charged.

4.52.070 Formal Contract Procedures (Purchases Greater than \$25,000).

Except as otherwise provided herein, purchases of supplies (other than library books and library periodicals), non-professional services, services not involving peculiar ability, and equipment, of a value greater than twenty-five thousand dollars (\$25,000.00), shall be by written contract with the lowest responsible bidder pursuant to the following procedures:

A. **REQUISITION.** All departments of the City shall submit requests for equipment, supplies (other than library books and library periodicals), and non-professional services or services not involving peculiar ability to the Purchasing Agent by standard City requisition forms.

B. **NOTICE INVITING BIDS.** The Purchasing Agent shall issue a notice inviting bids that includes a general description of the articles to be purchased or the services sought, states where the bid forms and specifications may be secured, and announces the time and place for opening bids.

1. Published Notice. Notices inviting bids shall be published at least ten (10) working days before the date of opening of bids. Notices shall be published at least once in a newspaper of general circulation, published in the City of Santa Barbara.

2. Bidders' List. The Purchasing Agent shall also solicit sealed bids from all responsible prospective suppliers whose names are on the City's bidders' list or who have requested their names to be added thereto.

C. **BIDDER'S SECURITY.** When deemed necessary by the Purchasing Agent, bidders' security may be required. Bidders shall be entitled to a return of bid security upon execution of the contract or upon the re-advertisement for bids, provided that the successful bidder shall forfeit his bid security upon refusal or failure to execute the contract within ten (10) days after notice of contract has been deposited in the United States mail. The City Council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the City Council awards the contract to the next lowest responsible bidder, the bidder first awarded the contract shall forfeit only the portion of his security which is equal to the difference between his bid and the bid of the next lowest responsible bidder. If the next lowest responsible bidder is awarded the contract he shall forfeit his bid security if he fails or refuses to execute the contract.

D. **BID OPENING PROCEDURE.** Sealed bids shall be submitted to the Purchasing Agent and shall be identified as "bid" on the envelope. Bids shall be opened at a location open to the public at the time and place stated on the notice inviting bids or as may otherwise be announced to all bidders. A tabulation of all bids received shall be

open for public inspection during regular City business hours for a period of not less than thirty (30) calendar days after the bid opening.

E. **REJECTION OF BIDS.** In its discretion, the City Council may reject any and all bids presented and re-advertise for bids pursuant to the procedure described herein. In cases where the Purchasing Agent is authorized to award a contract, the Purchasing Agent may, in his or her discretion, reject any and all bids presented and re-advertise for bids pursuant to the procedure described herein.

F. **AWARD OF CONTRACTS.** Contracts shall be awarded by the City Council to the lowest responsible bidder who submits a bid responsive to the specifications except as otherwise provided herein.

G. **AWARD OF CONTRACTS BY PURCHASING AGENT.** The Purchasing agent is authorized to award contracts to the lowest responsible bidder when the City Council has approved a Departmental budget that includes funds specifically for the purchase of the item(s) and the amount of the award is not more than the budgeted amount.

H. **TIE BIDS.** If two (2) or more bids received are for the same total amount or unit price, quality, service and delivery being equal, and if the public interest will not permit the delay of re-advertising for bids, the City Council may in its discretion accept the one (1) it chooses or accept the lowest bona fide offer made by and after negotiation with the bidders who were tied at the time of the bid opening.

I. **NO BIDS RECEIVED.** If no bids are received within ten (10) days of the publication of the notice inviting bids or such other time specified in the notice inviting bids for the receipt of bids, the Purchasing Agent may either publish a new notice inviting bids or solicit bids without further publication.

J. **PERFORMANCE SECURITY.** The Purchasing Agent shall have the authority to require a performance security before entering into a contract in such amount as it shall find reasonably necessary to protect the best interests of the City. If the Purchasing Agent requires a performance security, the form and amount of the security shall be described in the terms, conditions or general provisions of bid documents.

K. **SOLE SOURCE PURCHASES.** Purchases of goods or services which can be obtained from only one (1) source may be made by the Purchasing Agent without advertising and after a determination by the City Council that the goods or services are only available from one source and approval of the purchase by the City Council.

L. **BEST INTEREST WAIVER.** The City Council may authorize purchase of equipment, supplies (other than library books and library periodicals), and non-professional services or services not involving peculiar ability, of a value greater than twenty-five thousand dollars (\$25,000.00), without complying with the above procedures when, in the opinion of the Council, compliance with the procedure is not in the best interest of the City.

M. **ENCUMBRANCE OF FUNDS.** Except in cases of emergency, the Purchasing Agent shall not issue any purchase order for equipment, supplies, or services for which there is an insufficient appropriation in the budgetary account against which said purchase is to be charged.

4.52.080 Emergency Purchases.

An emergency purchase of any equipment, supplies, or services shall be made in accordance with the following procedures:

A. **DECLARATION OF NEED TO MAKE AN EMERGENCY PURCHASE.** The City Administrator or a City department head must declare the need to make an emergency purchase in writing. The declaration shall specify the reasons why an emergency purchase of equipment, supplies, or services is necessary.

B. **SCOPE OF AUTHORITY.** When the need to make an emergency purchase is declared, the City Administrator or the department head declaring the need to make an emergency purchase may purchase any equipment, supplies, or services needed to address the emergency. Emergency purchases are only allowed as necessary to address an immediate need. Even when normal purchasing procedures are not followed for reasons relating to the emergency, competitive bidding shall be used to the greatest extent practicable under the circumstances.

C. **DOCUMENTATION.** All emergency purchases shall be documented in writing.

D. **ENCUMBRANCE OF FUNDS.** When emergency purchases are requested of equipment, supplies, or services for which no funds have been encumbered, the emergency requisition shall so state and the interested department head shall initiate a request for fund transfer within four (4) hours after the start of the next regular work day.

E. **REPORT TO CITY COUNCIL.** Any time the value of emergency purchases made without compliance with normal purchasing procedures exceeds \$25,000 in the aggregate for a single emergency, a report shall be made to the City Council within thirty (30) days of the declaration of the need for an emergency purchase.

4.52.090 Inspection and Testing.

The Purchasing Agent may inspect supplies and equipment delivered to determine their conformance with the specifications set forth in the order or contract. The Purchasing Agent shall have authority to require chemical and physical tests of samples submitted with bids and samples of deliveries which are necessary to determine their quality and conformance with specifications.

4.52.100 Central Stores.

The Purchasing Agent is responsible for the City storage control program. Under direction of the Purchasing Agent, the City Stores Manager is responsible for the custody of and accounting for the supplies. This includes the maintenance of a perpetual inventory record for each item carried in stock and making quantity checks at frequent intervals to verify the ledger count and value. The City Stores Manager is to exercise full control and reporting of all materials received, withdrawn, or returned to stock.

4.52.110 Maintenance Agreements.

Notwithstanding the provisions of Sections 4.52.060 and 4.52.070 above, services for the maintenance and repair of City equipment and facilities, up to an amount established by Council resolution, may be purchased by the Purchasing Agent pursuant to the following procedures.

A. **BIDDING.** The Purchasing Agent shall comply with the following bidding procedures for purchases conducted pursuant to this section:

1. **Purchases of up to \$2,500.** Purchases of a value up to \$2,500 may be made without competitive bidding.

2. **Sole Source Purchases.** Where only one source is available for the services, the purchase may be made without competitive bidding.

3. **Purchases over \$2,500.** Purchases of a value over \$2,500 and up to the amount established by Council resolution shall be bid in the following manner:

a. **Minimum Number of Quotations.** Purchases shall whenever possible be based on at least three (3) quotations, and shall be awarded to the person submitting the lowest responsible quotation.

b. **Notice Inviting Quotations.** The Purchasing Agent shall solicit quotations by written requests to prospective vendors or by telephone.

c. **Written quotations shall be submitted to the Purchasing Agent who shall keep a record of all open market orders and quotes for a period of one (1) year after the submission of quotes or the placing of orders. These records, while so kept, shall be open to public inspection.**

B. **CONFIRMATION OF VERBAL QUOTATIONS.** For all purchases made pursuant to this section, verbal quotations over \$2,500 require written confirmation.

C. **WRITTEN CONTRACTS.** All purchases made pursuant to this section shall be made by purchase order or other form approved by the City Administrator and the City Attorney. The Purchasing Agent is authorized to execute such contracts on behalf of the City.

D. **ENCUMBRANCE OF FUNDS.** Except in cases of emergency, the Purchasing Agent shall not issue any purchase order for equipment, supplies, or services for which there is an insufficient appropriation in the budgetary account against which said purchase is to be charged.

4.52.120 Contract Splitting Prohibited.

It is unlawful to split or separate any purchase into smaller increments for the purpose of evading the provisions of the Charter or this Chapter requiring advertising and competitive bidding.

4.52.130 Surplus Personal Property.

All City departments shall submit to the Purchasing Agent, at such times and in such forms as the Agent shall prescribe, reports showing all supplies, equipment or personal property of any nature which are no longer used or which have become obsolete or worn out. The Purchasing Agent shall have the authority to exchange or trade on new supplies and equipment, or to sell, all supplies and equipment which cannot be used by any department or which have become unsuitable for City use. The Purchasing Agent shall also have the authority to make transfers between departments of any usable surplus supplies or equipment. The Purchasing Agent, upon obtaining the specific written approval of the City Finance Director, may, without published notice of the intended sale or competitive bidding, sell items of surplus personal property to: 1. any interested party if the value of the item does not exceed \$500, or 2. any governmental entity as long as the value of the item does not exceed \$5,000.

4.52.140 Cooperative Purchasing.

A. **COOPERATIVE PURCHASING AGREEMENTS.** Nothing contained in this chapter shall prohibit the participation by the City of Santa Barbara in any voluntary cooperative purchasing agreement, agreements, or programs entered into between the City of Santa Barbara and any local, state, or federal government, or association of governmental agencies within the United States which is authorized by state or federal law or regulations.

B. **SURROGATE BIDDING.** Nothing contained in this chapter shall prohibit the participation by the City of Santa Barbara in a surrogate bidding process where the City purchases equipment, supplies, or services at the same price as a contract awarded by an another local, state, or federal government, or association of governmental agencies within the United States following a competitive bidding process that substantially conforms to the City's purchasing procedures.

C. **AUTHORITY TO ACT.** The Purchasing Agent is hereby empowered and authorized to act under the provisions of this chapter, to procure for the City supplies and equipment in conjunction with such voluntary cooperative purchasing agreement or surrogate bidding process to the extent such purchases are within the budget approved

by the City Council. Sections 4.52.060 and 4.52.070 of this chapter shall not apply to the purchase of supplies or equipment pursuant to any voluntary cooperative purchasing agreement or surrogate bidding process entered into under the provisions of this section. All formal contract and bidding procedures to be followed in such cases shall be those specifically enumerated in the voluntary cooperative purchasing agreement or the surrogate bid.

4.52.150 Future Expenditures.

No contract to be executed in a future fiscal year or years for purchases of goods or services as described in this chapter shall be valid unless appropriations for such purchase shall have been made in the year in which the contract was entered into.

4.52.160 Public Works Contracts.

Bidding and advertising and award of contracts for public works, excluding maintenance and repair, shall be as required by Section 519 of the City Charter.

4.52.170 Library Books and Periodicals.

The City Administrator or his designee may purchase library books and library periodicals in accordance with the budget approved by the City Council.

4.52.180 Professional Services.

The award of contracts for professional services shall comply with Section 518 of the City Charter or any other procedures established by ordinance or resolution of the City Council consistent with Charter Section 518.

4.52.190 Debarment.

The City Administrator shall prepare and promulgate procedures for the suspension or debarment of nonresponsible bidders or contractors and such procedures shall be approved by resolution of the City Council.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: City Council

FROM: Building & Safety Division, Community Development Department

SUBJECT: Introduction Of Ordinance Establishing A Building Safety Assessment Placard System

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Title 22 of the Santa Barbara Municipal Code to Add Chapter 22.09 Establishing a Building Safety Assessment Placard System.

DISCUSSION:

In 1989, the Governor's Office of Emergency Services commissioned a review of the Loma Prieta Earthquake, which was subsequently published in 1994 in a document entitled "Procedures for Postearthquake Safety Evaluation of Buildings," written by the Applied Technology Council (ATC-20). One of the recommendations to come from that study was to update the wording printed on the three placards being used after a safety assessment inspection. These revised placards have been included in the State's Post-Disaster Safety Assessment Program, and in this ordinance.

While placards have been widely used in past earthquakes and other disasters to denote the condition of buildings and structures, most jurisdictions have not officially adopted placards with an ordinance. There is a concern among some building officials that if the placards are not officially adopted they do not carry the weight of law and cannot be enforced. In order to resolve any doubts over the authority or effectiveness of the placards, the Building and Safety Division recommends the adoption of this ordinance establishing a Building and Safety Assessment System for the City of Santa Barbara. The ordinance has been drafted in such a manner that the system can address widespread emergencies or incidents that involve a single building or structure. Some jurisdictions have reported situations where placards were removed or altered without authorization. Placards are placed on, or posted at, a building to protect the owner, occupants, and the general public. Altering or removing safety placards compromises public safety. Therefore, the proposed ordinance makes it unlawful to remove or alter a placard without authorization from the Chief Building Official.

While the development of these placards was originally due to a seismic event, this ordinance will enable their use whenever the need for a Safety Assessment of a structure occurs.

At the suggestion of the Ordinance Committee, staff reviewed the Spanish versions of the placards and made a couple of slight grammatical revisions to the documents. Also, a section of the draft ordinance presented to the Ordinance Committee that simply restated existing law regarding the building official's right to enter buildings has been removed. The Ordinance Committee unanimously recommended adoption of the ordinance establishing a Building Safety Assessment Placard System for the City.

ATTACHMENT: Three Placards reading: INSPECTED, RESTRICTED USE, UNSAFE, plus Spanish translations.

PREPARED BY: Chris Hansen, Building Inspector/Plan Check Supervisor

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office

INSPECTED

LAWFUL OCCUPANCY PERMITTED

This structure has been inspected (as indicated below) and no apparent structural hazard has been found.

Inspected Exterior Only

Inspected Exterior and Interior

Report any unsafe conditions to local authorities; Re-inspection may be required.

Caution: Aftershocks may occur after this inspection which may increase damage and risk.

Date _____
Time _____

This facility was inspected under
Emergency conditions by:
The City of Santa Barbara
630 Garden Street
Santa Barbara, CA 93101
805.564.5485

Inspector ID/Agency: _____

Inspector comments: _____

It is a misdemeanor to Remove, Alter or Cover this Placard Unless Authorized by the Building Official.
(Municipal Code Section 22.09)



RESTRICTED USE

Caution: This structure has been inspected and found to be damaged as described below:

Entry, occupancy and lawful use are restricted as indicated below:

Caution: This structure has been damaged and its safety is questioned

Caution: Aftershocks may occur after this inspection which may increase damage and occupancy risk.

Date _____
Time _____

Facility Name and Address:

This facility was inspected under emergency conditions by:

The City of Santa Barbara
Building & Safety Division
630 Garden Street
Santa Barbara, CA 93101
805.564.5485

Inspector ID/Agency:

Inspector comments:

Do Not Remove, Alter or Cover this Placard Until Authorized by the Building Official.
(Municipal Code Section 22.09)



UNSAFE

**DO NOT ENTER OR OCCUPY
(THIS PLACARD IS NOT A DEMOLITION ORDER)**

This structure has been inspected, found to be seriously damaged, and is unsafe to occupy, as described below:

Date _____
Time _____

Facility Name and Address:

This facility was inspected under emergency conditions by:

The City of Santa Barbara
Building & Safety Division
630 Garden St
805.564.5485
Inspector ID/Agency:

Do Not Enter, except as specifically authorized in writing by the jurisdiction. Entry may result in death or injury.

It is a misdemeanor to Remove, Alter or Cover this Placard Unless Authorized by the Building Official.
(Municipal Code Section 22.09)



INSPECCIONADO

OCUPACIÓN LEGAL PERMITIDA

Esta estructura ha sido examinada (según se indica a continuación) y no se han encontrado peligros estructurales evidentes.

- Inspección Exterior únicamente**
- Inspección Exterior e Interior**

Informar de toda condición peligrosa a las autoridades locales; podría ser necesaria una reinspección.

Advertencia: Las réplicas posteriores a la inspección podrían incrementar los daños y el peligro.

Fecha _____
Hora _____

Esta instalación fue inspeccionada bajo las condiciones de Emergencia por:

La Ciudad de Santa Barbara
630 Garden Street
Santa Barbara, CA 93101
805.564.5485

ID del inspector/Agencia: _____

Comentarios del inspector: _____

Es un delito menor extraer, modificar o tapar este aviso hasta sin autorizado por el Funcionario de Edificación.
(Sección 22.09 del Código Municipal)



PELIGRO

NO INGRESAR NI OCUPAR (ESTE AVISO NO ES UNA ORDEN DE DEMOLICIÓN)

Esta estructura ha sido examinada, se encontró que está seriamente dañada y es peligrosa su ocupación, según se describe a continuación.

Fecha _____
Hora _____

Nombre y dirección de la instalación:

Esta instalación fue inspeccionada bajo las condiciones de emergencia por:

La Ciudad de Santa Barbara
Building & Safety Division
630 Garden Street
Santa Barbara, CA 93101
805.564.5485

No ingresar, excepto que la jurisdicción lo autorice específicamente por escrito. El ingreso podría causar daños o la muerte.

ID del inspector/Agencia:

Es un delito menor extraer, modificar o tapan este aviso hasta sin autorizado por el Funcionario de Edificación.
(Sección 22.09 del Código Municipal)



USO RESTRINGIDO

Advertencia: Esta estructura ha sido examinada y se encontró que está dañada según se describe a continuación.

Fecha _____
Hora _____

Nombre y dirección de la instalación:

Esta instalación fue inspeccionada bajo las condiciones de Emergencia por:

Se restringe el ingreso, la ocupación y el uso legal según se indica a continuación:

La Ciudad de Santa Barbara
630 Garden Street
Santa Barbara, CA 93101
805.564.5485

ID del inspector/Agencia:

Advertencia: Esta estructura ha sido dañada y se cuestiona su seguridad.

Comentarios del inspector:

Advertencia: Las réplicas sísmicas posteriores a la inspección podrían incrementar los daños y el peligro.

Es un delito menor extraer, modificar o tapar este aviso hasta sin autorizado por el Funcionario de Edificación.
(Sección 22.09 del Código Municipal)



ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING TITLE 22 OF THE SANTA BARBARA MUNICIPAL CODE TO ADD CHAPTER 22.09 ESTABLISHING A BUILDING SAFETY ASSESSMENT PLACARD SYSTEM

WHEREAS, the Building & Safety Division is responsible for determining the safety of buildings and structures within the City and informing the public of the condition of inspected buildings and structures;

WHEREAS, a standardized system of safety assessment placards has been established and is in use throughout the State of California; and

WHEREAS, the City of Santa Barbara is part of a network of jurisdictions with “Mutual Aid” agreements for Building Inspectors; and

WHEREAS, the establishment of a standardized system of building safety assessment placards is necessary to clearly, consistently, and effectively inform the public of the condition of inspected buildings and the conditions under which inspected buildings and structures may be entered and occupied.

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

SECTION 1. Title 22 of the Santa Barbara Municipal Code is amended to add Chapter 22.09 to read as follows:

22.09.010 Building Safety Assessment Placard System.

The City of Santa Barbara hereby establishes a building safety assessment placard system for the purpose of notifying the public of the condition of inspected buildings and structures and to inform the public of any conditions or limitations placed on the entry into or continued occupancy of inspected buildings or structures. The Chief Building Official shall administer the building safety assessment placard system. The provisions of this Chapter are applicable to all buildings and structures regulated by the City of Santa Barbara.

22.09.020 Definitions.

For purposes of this Chapter, the following terms and phrases are defined as follows:

A. BUILDING AND SAFETY DIVISION. The Building and Safety Division of the Community Development Department of the City of Santa Barbara.

B. CHIEF BUILDING OFFICIAL. The Chief Building Official of the City of Santa Barbara or his or her authorized representative.

C. PLACARD. A form established by the Chief Building Official that announces the condition of a building or structure and informs persons of any applicable conditions or limitations on the entry into or continued occupancy of the building or structure.

D. SAFETY ASSESSMENT. A visual, non-destructive examination of a building or structure for the purpose of determining the condition of the building or structure and establishing appropriate conditions or limitations on the entry into or continued occupancy of the building or structure.

22.09.030 Placards.

The Chief Building Official shall develop and maintain building safety assessment placard forms. Each placard form shall include a reference to this Chapter, the City Seal, and the address and phone number of the Building and Safety Division.

22.09.040 Standards.

Subject to the discretion of the Chief Building Official to respond to individual circumstances, the building safety assessment placards should fall within the following general categories and should be used in the following circumstances:

A. INSPECTED – LAWFUL OCCUPANCY PERMITTED. This placard is posted on a building or structure when the Chief Building Official has determined, following a safety assessment, the building or structure has no apparent structural hazards. This placard does not necessarily mean that there is no damage to the building or structure.

B. RESTRICTED USE. This placard is posted on a building or structure when the Chief Building Official has determined, following a safety assessment, the building or structure is damaged and entry into or continued occupancy of the building or structure must be conditioned or limited in order to protect the safety of the public and the occupants. The placard will note in general terms the type of damage observed during the safety assessment and will specify the conditions or limitations on entry into or continued occupancy of the building or structure.

C. UNSAFE – DO NOT ENTER OR OCCUPY. This placard is posted on a building or structure when the Chief Building Official has determined, following a safety assessment, the building or structure has been damaged to such a degree that entry into or continued occupancy of the building or structure poses a threat to life and safety. Buildings or structures posted with this placard shall not be entered under any circumstance, except as authorized in writing by the Chief Building Official. Safety assessment teams working under the authority of the Chief Building Official are authorized to enter these buildings or structures at any time. The placard will note in general terms the type of damage observed during the safety assessment. This placard is a not demolition order. If the Chief Building Official determines a building or structure must be demolished in order to protect public safety, a separate demolition order shall be issued.

22.09.050 Posting of Placards.

A. LAWFUL OCCUPANCY PERMITTED. Upon completion of a safety assessment during which the Chief Building Official determines that the building or structure has no apparent structural hazard, the Chief Building Official may post an INSPECTED – LAWFUL OCCUPANCY PERMITTED placard at each entry point into the building or structure.

B. RESTRICTED OR UNSAFE. Upon completion of a safety assessment during which the Chief Building Official determines the building or structure has been damaged to a degree that public safety requires restrictions on, or prohibitions against, the entry into or continued occupancy of the building or structure, the Chief Building Official shall post the appropriate placard from the categories specified in subsections B or C of Section 22.09.040 at each entry point into the building or structure. Once a placard is attached to, or posted at, a building or structure, the placard shall not be removed, altered, or covered except by, or at the direction of, the Chief Building Official.

22.09.060 Unlawful to Alter or Remove Placard.

It shall be unlawful for any person to alter, remove, cover, or deface a placard except as authorized by the Chief Building Official.

22.09.070 Unlawful to Violate Placard Conditions.

A. It shall be unlawful for any person to enter or continue to occupy any building or structure in violation of any condition or limitation specified on any placard affixed to, or posted at, a building or structure pursuant to this Chapter.

B. It shall be unlawful for any person to knowingly enter or continue to occupy any building or structure in violation of any condition or limitation placed on such entry or occupancy by the Chief Building Official, whether or not a placard remains affixed to, or posted at, the building or structure.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Mayor and Councilmembers

FROM: Environmental Services, Finance Department

SUBJECT: Used Oil Recycling Block Grant Application – Fifteenth Cycle

RECOMMENDATION: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the Finance Director to Submit an Application to the State of California Integrated Waste Management Board for Fiscal Year 2010 Used Oil Recycling Block Grant – Fifteenth Cycle, in the amount of \$22,812;
- B. If the grant is funded, accept the Used Oil Recycling Block Grant – Fifteenth Cycle, in the amount of \$22,812, for Fiscal Year 2010; and
- C. Increase Fiscal Year 2010 Miscellaneous Grants Fund estimated revenue and appropriations by \$22,812 for the Used Oil Recycling Block Grant.

DISCUSSION:

BACKGROUND

The California Integrated Waste Management Board (CIWMB) provides annual non-competitive Used Oil Recycling Block Grants to local governments for establishing and enhancing community used oil collection programs. These funds must be directed toward used motor oil collection and/or related educational programs. Grant awards are based on the population size of each jurisdiction.

The City of Santa Barbara (City) was successful in being awarded a grant in the amount of \$22,812, for Fiscal Year 2009. Over the past several fiscal years, the City has designated these grant funds for promotional activities to educate the public about proper management of used motor oil. The Environmental Services Division will be working in conjunction with the Waterfront Department to spend the Fifteenth Cycle Used Oil Block Grant funding.

Once again, the CIWMB is offering used oil grants. The term of the grant will begin on July 1, 2009, and end on June 30, 2010. The annual fund allocation for the coming Fiscal Year is \$22,812.

The City will use the funds from this Fifteenth Cycle grant to:

- Ensure that residents and the boating community are exposed to the used oil education message by utilizing a variety of media;
- Distribute oil-absorbent pads, free, to the public. This helps keep bilges free of surface oil, and subsequently helps keep bilge pumps from causing a sheen on the harbor;
- Conduct public education and outreach, including brochures, pamphlets, signage, stenciling, etc.;
- Set-up and conduct temporary HHW collection events at the Harbor, where used oil is accepted;
- Purchase and distribute free used-oil collection materials (funnels, rags, etc.); and
- Make facility improvements that help maintain compliance with requirements of Waterfront Department's Storm Water Pollution Prevention Plan.

Environmental Services staff will oversee the administrative portion of the project, while working with Waterfront staff on overall direction of the campaign and providing creative input.

BUDGET/FINANCIAL INFORMATION:

With approval of the grant, the project will be fully grant funded.

SUSTAINABILITY IMPACT:

The campaign will be designed to prevent motor oil pollution in the ocean, creeks, and groundwater by providing avenues for safe disposal rather than environmental dumping.

PREPARED BY: Stephen MacIntosh, Environmental Services Supervisor

SUBMITTED BY: Robert D. Peirson, Finance Director

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE FINANCE DIRECTOR TO SUBMIT AN APPLICATION TO THE STATE OF CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD FOR FISCAL YEAR 2010 USED OIL RECYCLING BLOCK GRANT – FIFTEENTH CYCLE, IN THE AMOUNT OF \$22,812

WHEREAS, the people of the State of California have enacted the California Oil Recycling Enhancement Act that provides funds to cities and counties for establishing and maintaining local used oil collection programs that encourage recycling or proper disposal of used oil;

WHEREAS, the California Integrated Waste Management Board has been delegated the responsibility for the administration of the program within the state, setting up necessary procedures governing application by cities and counties under the program; and

WHEREAS, the City will enter into an agreement with the State of California for implementation of a used oil collection program.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. Authorizes the submittal of grant applications to the California Integrated Waste Management Board for all available grants under the California Oil Recycling Enhancement Act for the period of July 1, 2009 to June 30, 2010.

SECTION 2. The Finance Director, or his designee, is hereby authorized and empowered to execute in the name of the City of Santa Barbara all necessary applications, contracts, payment requests, agreements and amendments hereto for the purposes of securing grant funds and to implement and carry out the purposes specified in the grant application.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Mayor and Councilmembers

FROM: Recreation Division, Parks and Recreation Department

SUBJECT: Agreement For Funding Of Swimming Programming

RECOMMENDATION: That Council:

- A. Authorize the Parks and Recreation Director to execute an agreement for funding of swimming programming with the Friends of Los Baños del Mar Pool; and
- B. Appropriate \$9,100 in revenue and expenditures to the Parks and Recreation Miscellaneous Grants Fund.

DISCUSSION:

The Parks and Recreation Fiscal Year 2010 budget includes reductions in swimming programs to achieve the Department's mandated budget savings. The Friends of Los Baños del Mar Pool has agreed to fund raise to restore Sunday lap swimming at Los Baños Pool and recreational swimming at Ortega Pool for Fiscal Year 2010. With approval of the agreement, programming will be restored as of July 1, 2009.

The agreement stipulates that the Friends of Los Baños will cover any shortfall in funds raised through the community campaign to support programming. The two parties may also agree to reduce programming should fundraising objectives fall short of expectations.

The Parks and Recreation Department sincerely appreciates the efforts by the Friends of Los Baños and, in particular, board member Monica Jones, to raise funds to reinstate these two communities swimming programs. The Sunday lap swim at Los Baños serves an average of 43 swimmers, while over 4,400 swimmers participated in the recreational swimming program at Ortega Park Pool last year.

BUDGET/FINANCIAL INFORMATION:

The Friends of Los Baños del Mar Pool agrees to make a total contribution of \$9,100 to fund the Sunday lap swim and Ortega recreation swimming programming for Fiscal Year 2010. This amount will be appropriated in revenue and expense in the Parks and Recreation Department Miscellaneous Grants Fund, and used solely for the above described purposes.

PREPARED BY: Rich Hanna, Aquatic Recreation Supervisor

SUBMITTED BY: Nancy L. Rapp, Parks and Recreation Director

APPROVED BY: City Administrators Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Execution Of Amendment To License Agreement With Santa Barbara Certified Farmer's Market

RECOMMENDATION:

That Council approve and authorize the City Administrator to execute Amendment No. 1 to the existing License Agreement No. 21,535 with Santa Barbara Certified Farmer's Market, Inc., for the operation of the Old Town Farmer's Market located in the 500-600 Blocks of State Street, the Downtown Farmer's Market located in the Cota Commuter Parking Lot at 119 East Cota Street, and the Coast Village Farmer's Market located in the 1100-1200 Blocks of Coast Village Road.

DISCUSSION:

Pursuant to various agreements, the Downtown Farmers Market has operated at the Cota Commuter Lot site since 1978, the Old Town Farmers Market has operated at the State Street site since 1989, and operated at the Coast Village Farmers Market site since 1994. This Amendment No. 1 is proposed to amend License Agreement No. 21,535, to provide for current operating and insurance requirements for the respective Farmers Markets.

To establish current guidelines for the continuing operation the Old Town Farmers Market, on Tuesdays, and the Downtown Farmer's Market, on Saturdays, on January 8, 2009, the City's Planning Commission adopted Resolution No. 001-09 to approve a new Conditional Use Permit (CUP). The new CUP will expire on October 16, 2013, and replaces the earlier CUP approved as Planning Commission Resolution No. 061-03, which expired on October 16, 2008.

To establish guidelines for the ongoing operation of the Coast Village Farmers Market, on Fridays, on July 20, 2006, the City's Planning Commission adopted Resolution No. 031-06 to approve the CUP, which is still in effect and will expire on July 20, 2011.

With the exception of the revised agreement terms and new insurance provisions, all of the existing provisions stated in License Agreement No. 21,535 shall remain in effect, including payment of license fees based on the City's Parking and Business Improvement Area (PBIA) assessment, and including traffic and parking controls. The proposed Amendment No. 1 will provide for continuing operations of the Farmers Markets pursuant to the CUPs now in effect, and provide for current insurance requirements.

COPIES OF PLANNING COMMISSION RESOLUTION NOS. 001-09, AND 031-06 ARE AVAILABLE FOR REVIEW IN THE CITY CLERK'S OFFICE.

PREPARED BY: Pat Kelly, Assistant Public Works Director, City Engineer/DT/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Design Services For The Escondido And Bothin Water Pump Stations Rehabilitation

RECOMMENDATION:

That Council authorize the Public Works Director to execute a contract with AECOM, USA, Incorporated (AECOM), in the amount of \$109,065 for design services for the Escondido and Bothin Water Pump Stations Rehabilitation, and authorize the Public Works Director to approve expenditures of up to \$10,900 for extra services of AECOM that may result from necessary changes in the scope of work.

DISCUSSION:

BACKGROUND

The Escondido Pump Station is located at Escondido Reservoir, 110 Skyline Circle, and supplies domestic water to areas on the Mesa. Demand for water in the Escondido Pump Station service area has seen an increase since its last major overhaul in 1985. The Urban Water Management Plan predicts an additional 11% increase in water demand based on future development potential.

Bothin Pump Station is located at East Reservoir, 51 Crestview Lane, and supplies domestic water to a small north-eastern portion of the City. The area served by the Bothin Pump Station has not seen significant changes in water demands, and is currently operating as originally designed. Future water demands for the Bothin Pump Station are anticipated to remain relatively consistent.

Both pump stations have been in operation 24 hours per day, 7 days per week, since their last major rehabilitation in 1985. The current water pumps, mechanical appurtenances, electrical services, and instrumentation systems at both pump stations are outdated and nearing the end of their lifecycles. Preliminary research into energy use at both pump stations indicates a potential for energy savings and a reduction in maintenance by incorporating newer technology that would reduce the current frequency of on and off cycling of the pumps and motors.

PROJECT DESCRIPTION

The primary goals of the project are to increase the size of the pumps at the Escondido Pump Station to accommodate future water demands, and to replace the existing fixed speed pumps and motors at both pump stations with variable frequency drive pumps and motors. This will provide both greater pumping efficiencies and energy savings. The work at both pump stations includes pump replacements, pipe and valve replacements, pressure gauge replacements, electrical improvements, and Supervisory Control And Data Acquisition system integration.

DESIGN PHASE CONSULTANT ENGINEERING SERVICES

Staff recommends that Council authorize the Public Works Director to execute a contract with AECOM in the amount of \$109,065 for professional engineering services for the design of water pump, mechanical, electrical, and instrumentation rehabilitation at the Escondido and Bothin Pump Stations. AECOM submitted a proposal in response to the Request For Proposals (RFP) issued by the City. Three other qualified firms also submitted proposals. All proposals were reviewed and evaluated by City staff and a Water Commissioner. AECOM's proposal was selected based on their technical response to the RFP and their experience in this type of work.

FUNDING

The following summarizes all estimated total project costs:

ESTIMATED TOTAL PROJECT COST

Design (by Contract)	\$109,065
Design Extra Services (by Contract)	\$10,900
Other Design Costs - City staff and Special Supplies/Expenses	\$32,140
Subtotal	\$152,105
Estimated Construction Contract w/Change Order Allowance	\$456,547
Estimated Construction Management/Inspection (by City)	\$44,010
Estimated Other Construction Costs (construction support services, special supplies/expenses)	\$10,500
Subtotal	\$511,057
TOTAL PROJECT COST	\$663,162

There are sufficient funds in the Water Capital Fund to cover these costs.

SUSTAINABILITY IMPACT:

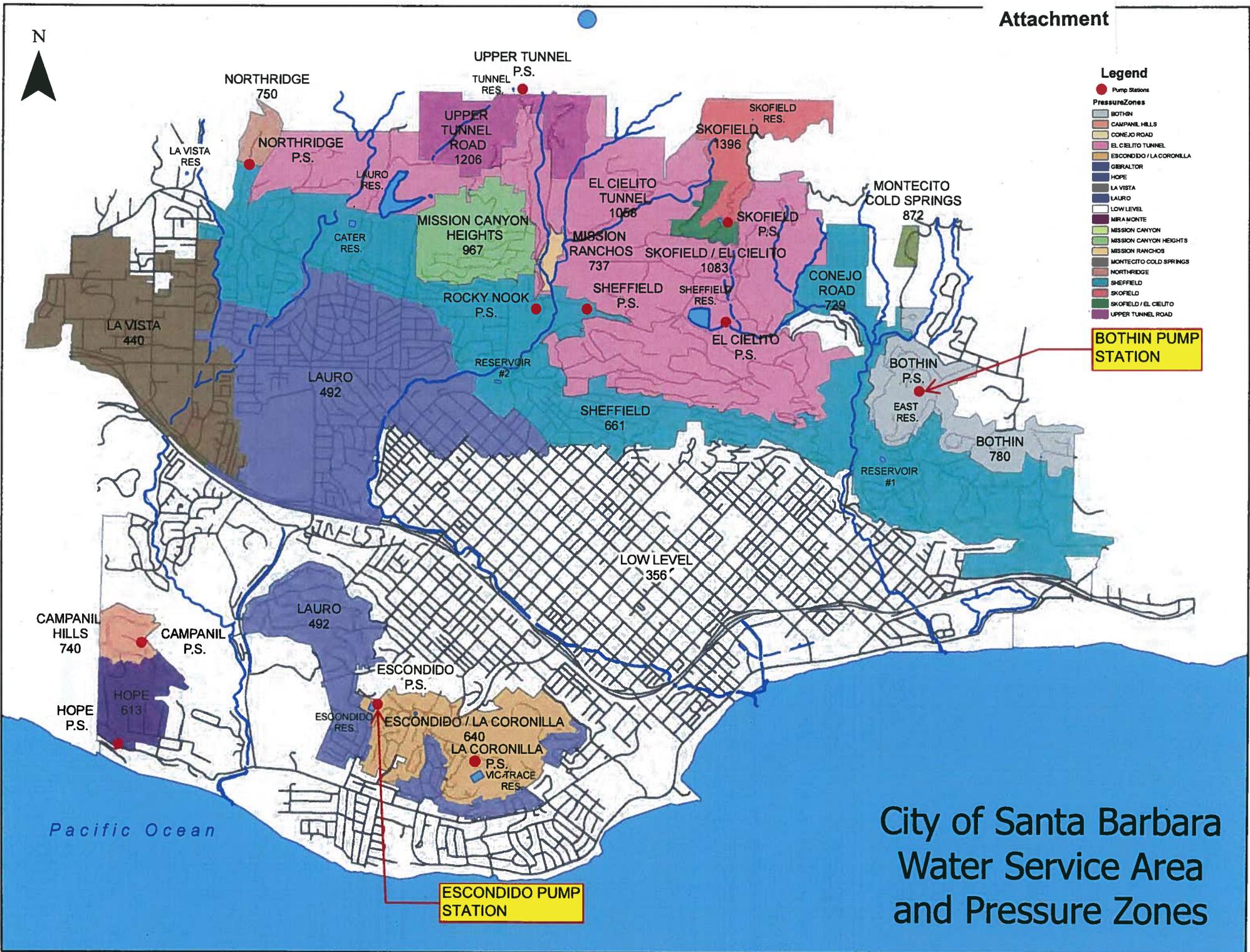
The pump station upgrades will result in increased pump/motor efficiencies that will yield a reduction in energy per volume of water pumped at each of the stations.

ATTACHMENT: City of Santa Barbara Water Service Area and Pressure Zones

PREPARED BY: Joshua N. Haggmark, Principal Civil Engineer/AH/mj

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



Legend

- Pump Stations
- Pressure Zones
 - BOTHIN
 - CAMPANIL HILLS
 - CONEJO ROAD
 - EL CIELITO TUNNEL
 - ESCONDIDO / LA CORONILLA
 - GERALTOR
 - HOPE
 - LA VISTA
 - LAURO
 - LOW LEVEL
 - MIRAMONTE
 - MISSION CANYON
 - MISSION CANYON HEIGHTS
 - MISSION RANCHOS
 - MONTECITO COLD SPRINGS
 - NORTHRIDGE
 - SHEFFIELD
 - SKOFIELD
 - SKOFIELD / EL CIELITO
 - UPPER TUNNEL ROAD

BOTHIN PUMP STATION

ESCONDIDO PUMP STATION

City of Santa Barbara Water Service Area and Pressure Zones



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Purchase Order For Powdered Activated Carbon For The William B. Cater Water Treatment Plant

RECOMMENDATION:

That Council waive the formal bidding process, as authorized by Municipal Code Section 4.52.080(k), and authorize the City General Services Manager to issue a Blanket Purchase Order to Mead West Vaco Corporation in the amount of \$57,420 for the purchase of up to 66,000 pounds (two loads) of Mead West Vaco's Aqua Nuchar Powdered Activated Carbon (PAC) for use at the William B. Cater Water Treatment Plant (Cater).

DISCUSSION:

Cater provides regional water treatment to the communities of Santa Barbara, Summerland, Montecito, and Carpinteria. Changes to the water chemistry after the Zaca Fire have necessitated the use of PAC for water treatment. When added to water, PAC binds with organic material, specifically Total Organic Carbons (TOC). The resulting compound is filtered out during the treatment process. The TOC would otherwise bind with chlorine to form disinfection by-products, which are compounds regulated by the Environmental Protection Agency. Without using PAC, the water produced at Cater would not meet federal drinking water standards.

Each PAC manufacturer uses different carbon, and each carbon varies in its ability to remove TOC. Cater has bench-scale tested many different manufacturers' PAC. Mead West Vaco's PAC has proven to be worthy of full-scale testing to completely evaluate its performance. The requested 66,000 pounds of PAC is enough material to conduct up to two weeks of full-scale testing; ample time to sufficiently evaluate the performance of the PAC and compare it to the PAC currently used at Cater. If Mead West Vaco's PAC performs as well or better than the current PAC, Mead West Vaco will be added to the list of approved PAC vendors for future bidding opportunities.

Cater staff has an ongoing process of aggressively testing all treatment chemicals in an effort to improve the treatment process, and to increase competition among approved bidders. Performing a full-scale test of Mead West Vaco's PAC supports these efforts.

Council Agenda Report
Purchase Order For Powdered Activated Carbon For The William B. Cater Water
Treatment Plant
July 14, 2009
Page 2

FINANCIAL INFORMATION:

Sufficient funding in the 2010 Water Operating Budget has been approved to cover the cost of this material. This item will be reported to the Board of Water Commissioners at its regularly scheduled meeting of July 13, 2009.

PREPARED BY: Catherine Taylor, P.E., Water System Manager

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Mayor and Councilmembers

FROM: Housing and Redevelopment, Community Development Department

SUBJECT: Revised 2008-2009 Substantial Action Plan Amendment For Use Of 2009 Community Development Block Grant Recovery Act Funds

RECOMMENDATION:

That Council approve the proposed revised substantial amendment to the City's 2008-2009 Consolidated Action Plan to include utilizing \$289,274 in American Recovery and Reinvestment Act of 2009 funds.

DISCUSSION:

The American Recovery and Reinvestment Act of 2009 (Recovery Act) was signed into law by President Obama on February 17, 2009. The Act provides increased funds for various U.S. Department of Housing and Urban Development (HUD) programs, including the Community Development Block Grant (CDBG) program. The City will be allocated an additional \$289,274 in CDBG Recovery (CDBG-R) funds. In order to receive these funds the City was required to submit a substantial amendment to its 2008-2009 Action Plan (AP) by June 5, 2009.

May 19, 2009, Council approved the City of Santa Barbara's Fiscal Year 2008-2009 Substantial Action Plan Amendment; which included the utilization of \$289,274 in CDBG-R funds for six capital projects. This amendment was submitted to HUD by the due date of June 5, 2009. The projects approved by Council are as follows:

Project	Cost
Franklin Center Roof Replacement	\$65,000
Haley Street Youth Sports Center Roof Replacement	\$25,000
Ortega Welcome House Roof Replacement	\$20,000
Sunflower Park Landscape and Irrigation	\$27,000
Eastside Neighborhood Park Playground	\$63,000
Alisos St. Access Ramp and Sidewalk Infill	\$89,274
TOTAL:	\$289,274

Subsequent to staff's recommendation and Council's approval of the above projects, HUD informed the City that previously undisclosed criteria precluded certain parks and recreation projects on our May 19, 2009 list. As a result, staff worked closely with our local HUD representative to identify acceptable replacement projects. Therefore, staff is proposing a revised 2008-2009 Action Plan Amendment that includes the removal of four City Parks and Recreation projects, an increase in funding for the two remaining projects and the use of the allowed 15% public service funding for the City's Job Apprenticeship Program. The proposed use of allocated CDBG Recovery (CDBG-R) funds is as follows:

	Activity	Cost
1.	Franklin Center and Public Health Clinic: The purpose of this project is to stimulate the economy by contracting with local contractors to provide energy efficiency rehabilitation to this low-income neighborhood public health clinic and social services building. Rehabilitation will include the following: roof replacement; installation of an electronic building automation system to control all lighting and mechanical systems; installation of lighting occupancy sensors to minimize lighting "on" time; system commissioning to ensure that all mechanical and electrical systems are balanced and working according to design; and installation of air to air economizers on air conditioning systems to enable outside air to cool the building instead of mechanical cooling.	\$89,000
2.	Alisos St. Sidewalk, Access Ramp and Lighting Installation: The purpose of this project is to stimulate the economy by contracting with a local contractor to modernize the infrastructure on this residential street, including the installation of sidewalks and curb cuts at intersections, to meet ADA requirements, and the installation of energy efficient mid-block lighting.	\$156,883
3.	Job Apprenticeship Program: The purpose of this project is to stimulate the economy and expand educational opportunities for low-income youth by providing participants with training and temporary employment to increase their potential for future employability.	\$43,391
	TOTAL:	\$289,274

A copy of the revised 2008-2009 Substantial Action Plan Amendment is available for public review on the City's webpage at www.SantaBarbaraCa.gov, and, in the office of the City Clerk, Main Public Library and the Community Development Department.

Staff feels that these three projects meet the intent of the Recovery Act and are a prudent use of CDBG-R funding. The Haley Street Youth Sports Center and Ortega Welcome House roof replacements will be completed using State Workforce Housing funds that were frozen by the State and have now become available. The City Area Target Neighborhood Improvement Task Force will decide whether to apply for Fiscal Year 2011 CDBG funding for the remaining two projects, Sunflower Park Landscape and Irrigation and Eastside Neighborhood Park Playground.

PREPARED BY: Brian Bosse, Housing and Redevelopment Manager/SLG

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

JOINT COUNCIL AND REDEVELOPMENT AGENCY

AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Mayor and Councilmembers
Chairperson and Boardmembers

FROM: Engineering Division, Public Works Department
Housing and Redevelopment Division, Community Development
Department

SUBJECT: Agency Board Approval Of Grant Of Easement At Railroad Depot
And Council Introduction Of Ordinance Approving Grant Of
Easement On City Property Near The Moreton Bay Fig Tree For
The Lower Mission Creek Project

RECOMMENDATION:

- A. That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Grant of Easement to Santa Barbara County Flood Control and Water Conservation District for the Lower Mission Creek Project; and
- B. That the Agency Board approve the Grant of Easement to Santa Barbara County Flood Control and Water Conservation District for the Lower Mission Creek Project and authorize the Executive Director to execute the easement.

BACKGROUND

In the last 100 years, records indicate that Lower Mission Creek has flooded 23 times, with significant flood damage occurring in 1995. As a result, the Federal Government has authorized flood work and prevention measures on several occasions.

The Lower Mission Creek Flood Control Project (Project) is intended to reduce flooding on the lower portions of Mission Creek. The Project spans from Cabrillo Boulevard, approximately 1.3 miles up to Canon Perdido Street along the Mission Creek corridor (Attachment 1).

The project includes channel widening for better water conveyance, improving aquatic habitat, and restoration of native plant and tree species. Currently, Mission Creek's capacity can handle an 8-year rain event. This Project will increase capacity to at least a 20-year event.

The Project Environmental Impact Study and Environmental Impact Report (EIS/EIR) was finalized in September 2000. On December 4, 2001, Council adopted Resolution No. 01-137, approving the EIS/EIR in accordance with the California Environmental Quality Act and the National Environmental Policy Act.

On December 11, 2007, the Santa Barbara County Flood Control and Water Conservation District Board, (County Flood Control District) authorized proceeding with the acquisition of the easements necessary for the Project.

DISCUSSION

The easements specific to this discussion are for the portion of the Project in the area of the historic Santa Barbara Railroad Depot (Railroad Depot). The project crosses six parcels owned by the Redevelopment Agency (RDA), and one parcel owned by the City, dedicated as the Moreton Bay Fig Tree Park (Fig Park) (Attachment 2).

In January 2009, the County Flood Control District completed the construction of a box culvert and sub-surface channel element of the Project under the Union Pacific Railroad tracks at Chapala Street. The proposed easements are for a subsequent increment of sub-surface flood control improvements to connect this box culvert to an existing culvert, previously installed by Caltrans, that runs under the 101 Freeway at Montecito Street. The new improvements will pass underneath Montecito Street, through a portion of the Fig Tree Park to the RDA property at the Railroad Depot, and to the recently installed box culvert at the railroad tracks. The new box culvert is currently scheduled to be constructed later this year by the County Flood Control District.

Eventually, these Project box culverts, along with planned additional upstream improvements, will act as an auxiliary bypass channel to be utilized during heavy periods of flow, improve water conveyance in Mission Creek, and minimize potential flooding. In December 2008, the RDA Board appropriated up to \$2.5 million to be used for the Project.

The RDA and the Parks and Recreation Department have reviewed the District's plans, and are recommending that the necessary easements be granted. The County will formally accept the offers of easement dedication after approval and execution by the Council and the RDA.

If the proposed new easements are approved as recommended, the box culvert and sub-surface channel installations will be utilized and maintained by the County Flood Control District.

Joint City Council and Redevelopment Agency Agenda Report
Agency Board Approval Of Grant Of Easement At Railroad Depot And Council
Introduction Of Ordinance Approving Grant Of Easement On City Property Near The
Moreton Bay Fig Tree For The Lower Mission Creek Project
July 14, 2009
Page 3

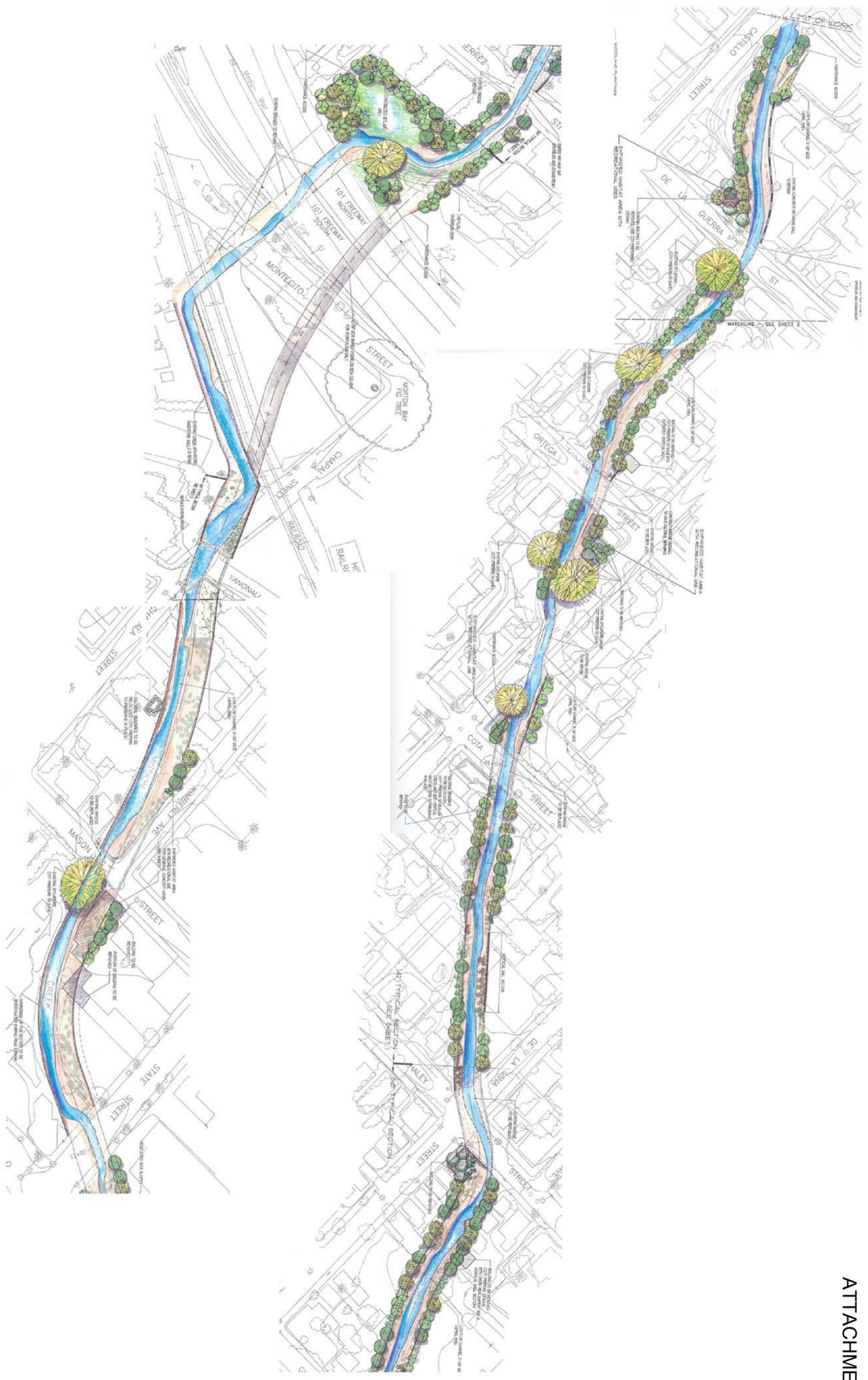
These improvements will represent a significant accomplishment in the implementation of the Project and be of great benefit to the City and County in their efforts to control flooding along Mission Creek.

ATTACHMENTS: 1) Overall LMC Project Improvement Limits
2) Parcel map showing RDA and Moreton Bay Fig Tree easements

PREPARED BY: Pat Kelly, Assistant Public Works Director/DT/kts
Brian Bosse, Housing and Redevelopment Manager

SUBMITTED BY: Christine F. Andersen, Public Works Director
Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office



LOWER MISSION CREEK FLOOD CONTROL PROJECT
OVERALL PROJECT IMPROVEMENT LIMITS



Drawn By: _____
Date: _____

FIGURE 1

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SANTA BARBARA APPROVING A GRANT OF EASEMENT
TO SANTA BARBARA COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT FOR THE LOWER
MISSION CREEK PROJECT

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. That the Grant of Easement to The County of Santa Barbara Water Conservation District, a political subdivision of the State of California, for the purposes of construction, access and maintenance of flood control improvements located on a portion of City owned property known as Moreton Bay Fig Tree Park (APN 033-042-018) is approved pursuant to the City Charter and the City Administrator is authorized to execute the same.

SECTION 2. That upon the effective date of the ordinance, the City Clerk is authorized to record said Easement in the Official Records, in the Office of the County Recorder, Santa Barbara County.



CITY OF SANTA BARBARA

REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Chairperson and Boardmembers

FROM: Housing and Redevelopment Division, Community Development Department

SUBJECT: Approval Of \$500,000 Grant Agreement To Santa Barbara Trust For Historic Preservation For Improvements to Alhecama Theatre

RECOMMENDATION:

That the Redevelopment Agency Board authorize the Deputy Director to execute a grant agreement for capital improvements to the Alhecama Theatre with the Santa Barbara Trust for Historic Preservation in a form acceptable to Agency Counsel.

BACKGROUND:

On June 20, 2006, the Redevelopment Agency Board approved the Redevelopment Agency budget for Fiscal Year 2007. Included in that budget was over \$4.5 million that was made available for community grants. Among those community grants was a proposed joint project between the Santa Barbara Trust for Historic Preservation (Trust) and the Ensemble Theatre Company to improve the Alhecama Theatre and the Old City College site courtyard/plaza area immediately in front of the Alhecama Theatre. Both the Alhecama Theatre and the courtyard/plaza area are part of the larger El Presidio Campus owned by the State of California which is leased to, and managed by, the Trust. The proposed project is located outside of the Central City Redevelopment Project Area and in accordance with California Community Redevelopment Law, findings were made by the Agency Board on July 18, 2006, that allowed the funding of the proposed improvements. The Redevelopment Agency grant, as originally proposed, was to be administered by the Trust with \$1.5 million in grant funding divided as follows:

Grant Recipient	Amount	Activities
Ensemble Theatre Company	\$1,000,000	Alhecama Theatre Improvements including electrical, plumbing, stage, dressing rooms, etc
Trust	\$500,000	Alhecama Plaza improvements
Total	\$1,500,000	

In order to secure the proposed grant agreement amount of \$1.5 million, the Agency requested that the Trust be under a new long-term lease with the State of California and that the Ensemble Theatre Company be under a long term lease (minimum of 10 years) with the Trust as the primary user of the Alhecama Theatre. The Trust and the Ensemble Theatre Company worked for many months to effectuate a long-term lease while the Ensemble Theatre Company continued to operate on a month-to-month lease at the Alhecama. To date, however, neither the Trust nor Ensemble have concluded these negotiations. Consequently, a Redevelopment Agency grant agreement has not been executed and the \$1.5 million in Agency funding remains in the project account. The Ensemble has pursued other options, including a long-term lease of the Victoria Theatre, This too, however, remains uncertain at this time. As an interim measure, and to allow much needed improvement to the Alhecama to occur, the Trust and Ensemble have jointly requested that the original allocation of \$1.5 million be modified such that an initial amount of \$500,000 may be utilized by the Trust for Alhecama Theatre capital improvements.

DISCUSSION:

The intent of the original grant was to create a vibrant, long-term home for the Ensemble Theatre Company and further restore the El Presidio campus. While it is not clear to the Redevelopment Agency whether the Alhecama or an alternate location, such as the Victoria Theatre, will ultimately be the long-term home of The Ensemble Theatre, it will remain at the Alhecama Theatre for a minimum of one additional season. Therefore, both parties have requested to move forward with the proposed improvements at the Alhecama Theatre; which could be pursued and completed in time for the upcoming theatre season.

The Ensemble Theater and the Trust have requested that the original allocation for the joint project be separated into a \$500,000 Redevelopment Agency grant agreement with the Trust and the remaining \$1 million remain un-programmed at this time with the intent of directing those funds to the Ensemble Theatre Company upon securing a permanent home. The Trust would like to use the \$500,000 to make various upgrades to the Alhecama Theatre as follows:

Task	Cost Estimate
Electrical System Upgrades	\$218,914
Exterior Improvements	\$198,001
ADA Accessibility Design Plans for Old City College Site	\$79,510
Contingency	\$3,575
Total	\$500,000

The proposed modifications are consistent with the overall intent of the original funding approval which was to improve the Alhecama Theater and its immediate surroundings and to assist the Ensemble Theatre Company in developing a theater facility.

Agency staff will keep the Agency Board apprised of the status of the Ensemble Theatre's long-term plans.

ATTACHMENT: Request from the Ensemble Theatre Company and the Santa Barbara Trust for Historic Preservation dated May 14, 2009

PREPARED BY: Brian J. Bosse, Housing and Redevelopment Manager

SUBMITTED BY: Paul Casey, Deputy Director

APPROVED BY: City Administrator's Office



DEREK A. WESTEN
ATTORNEY AT LAW
1800 JELINDA DRIVE
SANTA BARBARA, CALIFORNIA 93108

ATTACHMENT

EMAIL: DEREK@WESTENLAW.COM
FACSIMILE: (805) 963-7131
TELEPHONE: (805) 963-7130

May 14, 2009

Brian Bosse, Director
Redevelopment Agency of Santa Barbara
630 Garden Street
Santa Barbara CA 93101

Re: Ensemble Theatre Company/Trust for Historic Preservation Grant

Dear Brian:

We appreciate it that you and Dave Gustafson met with Jerry Jackman and me to review the status of our plans for utilization of the \$1.5M grant allocation to the Trust for improvements to the Alhecama Theatre, which has been ETC's home for decades.

We are writing jointly to request that the RDA approve a restructuring of the allocation into two separate grants to enable the Trust to move forward with the next phase of its plans for renovating the Alhecama.

Background

As you know, the RDA initially awarded an allocation to ETC of \$2.5M in connection with ETC's plans to build a new theatre in the 1200 block of State Street, the Granada block. When that project became infeasible (the property owners decided not to sell), the RDA modified its prior allocation by awarding an allocation of \$1.5 to the Trust for use in making improvements to the Alhecama Theatre for the benefit of ETC and the Trust.

Since that time ETC has worked on preliminary plans to make renovations to the Alhecama, while also working to acquire a long-term lease on the Victoria Theatre—a facility that might well meet our needs for the long-term home, closer to the performing arts district.

As of the date of this letter, we are not in a position to say for sure whether we will be proposing renovations to the Alhecama or renovation of the Victoria Theatre. But we do not want to further delay needed improvements to the Alhecama.



DEREK A. WESTEN

ATTORNEY AT LAW

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May 14, 2009

Victoria Theatre

We are pleased that we have now finalized agreements in principal pursuant to which ETC will be able to lease the Victoria Theatre for up to 30 years.¹ In the hope that the remaining obstacles to that project will be overcome, we have developed conceptual plans to make major renovations to the theatre so that it would function as a modern, well-equipped, beautiful and comfortable theatre. With this facility ETC would be able to offer an additional theatrical production each season, while still making the facility available to other organizations approximately 20 weeks out of the year for dance, ballet, chamber and choral music, lectures, and film.

To meet the needs of ETC and the larger performing arts community, the Victoria would require significant interior renovation. The renovations would include relocation of the restrooms off the stage and to the lobby area, raising of the audience floor closest to the stage, reconfiguration of the seating to eliminate the current division of the audience into separate sections, improvement of the lighting and sound systems, and general updating of the interior design and décor. We have completed conceptual plans for the work. We anticipate an initial capital campaign of approximately \$4,700,000 to make the vision a reality.

If the remaining issues can be resolved, we believe that a renovated Victoria Theatre would meet ETC's and Santa Barbara's need for a modern, beautiful, technically-well-equipped theatre, located in the heart of the performing arts district, just a block from the Granada and Arlington, close to many fine restaurants, and with ample parking. We believe the proposal would be a win-win-win proposal for the property's owners, for ETC, and for the performing arts community.

Alhecama Theatre

Concurrently with our work on the Victoria, the Trust has moved ahead with its plans to renovate the Alhecama Theatre. The Trust has already installed expensive fire safety improvements. It has now also developed plans to paint the exterior, repair exterior defects, renovate the restrooms, and freshen the interior décor. These changes would make a great improvement to the experience of anyone who attends events at the Alhecama, whether those be ETC productions or other offerings in the theatre. The cost for these improvements is approximately \$500,000.

If the Trust were able to begin those improvements quickly, the improvements would be of benefit to ETC. Even if ETC relocates to the Victoria, provided the work is funded and completed soon, the improvements would benefit ETC all of the next season. And if it ultimately proves

¹ As of the date of this letter, we are in the final stages of a negotiation for a six-year lease with four options to renew, each for an additional six-years, and we are awaiting final approval of the Victoria Building Council.



DEREK A. WESTEN
ATTORNEY AT LAW

-3-

May 14, 2009

infeasible for ETC to relocate, those improvements, together with others that ETC and the Trust would want to make, would be crucial to ETC's ability to thrive in that location.

The primary goal of this joint request is to allow \$500,000 of the grant to be funded now, and not delayed pending resolution of ETC's long-term facilities plans. It is our joint hope that this request will allow the Trust to make renovations to the Alhecama soon, hopefully over the summer.

Allocation/Grant Modification

With the foregoing background, the Trust and ETC jointly request that the RDA restructure and re-allocate the \$1,500,000 grant as follows:

1. \$500,000 of the grant would be allocated to a new grant to the Trust for the specific renovations to the Alhecama Theatre outlined above.
2. \$1,000,000 of the grant would be allocated to a separate future grant to ETC specifically for renovations to *either* to the Victoria Theatre or the Alhecama.

2.1 If ETC finalizes its agreement pertaining to the Victoria, documents to the RDA that it has obtained the requisite approvals for the renovations, and demonstrates the financial capability to complete the renovations, the RDA would allocate this portion of the grant to ETC for the Victoria renovations.

2.2 If ETC is unable to acquire the Victoria and meet the requirements set forth in Section 2.1, ETC and the Trust would submit proposed plans for renovation of the Alhecama and request allocation of the funds to those improvements.

2.3 It would be a condition of the grant to ETC that either for the Victoria Theatre or the Alhecama, ETC, have a lease for a term (or initial term with options to renew) of at least ten (10) years.

This is a joint request from the Trust and ETC that both organizations believe is in their best interests, and in the interests of the RDA and the City of Santa Barbara.

We are attaching to this letter a copy of the description of the Trust's planned improvements to the Alhecama.



DEREK A. WESTEN
ATTORNEY AT LAW

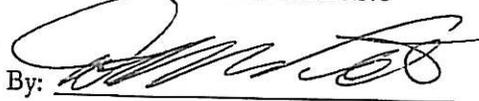
-5-

May 13, 2009

Thank you very much for your assistance.

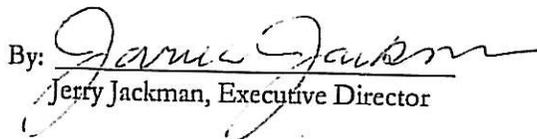
Sincerely,

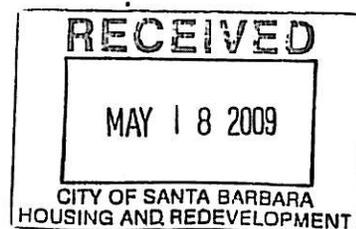
ENSEMBLE THEATRE COMPANY

By: 

Derek A. Westen, President

THE SANTA BARBARA TRUST FOR HISTORIC
PRESERVATION

By: 
Jerry Jackman, Executive Director





CITY OF SANTA BARBARA

JOINT COUNCIL AND REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Mayor and Councilmembers
Chair and Boardmembers

FROM: Engineering Division, Public Works Department
Housing and Redevelopment Division, Community Development
Department

SUBJECT: Contract For Construction For The West Downtown Pedestrian
Improvement Project

RECOMMENDATION:

- A. That the Redevelopment Agency (RDA) Board authorize the expenditure of \$2,852,845 for the West Downtown Pedestrian Improvement Project (Project);
- B. That Council reject the bid protest and award and authorize the Public Works Director to execute a contract with C.S. Legacy Construction, Inc. (Legacy), waiving minor irregularities, in their low bid amount of \$2,299,220, for construction of the Project, Bid No. 3481, and authorize the Public Works Director to approve expenditures up to \$230,000 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment, and to accept the final contract amount, with approved changes, and filing all Notices of Completion (NOC) with the County Clerk Recorder's Office;
- C. That Council authorize the Public Works Director to execute a contract with Penfield & Smith in the amount of \$50,325 for design support services during construction;
- D. That Council authorize the General Services Manager to issue a Purchase Order to Fugro in the amount of \$12,000 for material testing services and to approve expenditures of up to \$2,000 for extra services of Fugro that may result from necessary changes in the scope of work; and
- E. That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving and Adopting the Findings Required by Health and Safety Code Section 33445 for Funding of Capital Improvements to the West Downtown Pedestrian Improvement Project.

EXECUTIVE SUMMARY:

Staff has received seven bids for the Project and is requesting that Council authorize the Public Works Director to execute a contract with the low bidder, Legacy. Staff also recommends that Council authorize the General Services Manager to issue a Purchase Order to Fugro for material testing, and the Public Works Director to execute a contract with Penfield & Smith for design support services during construction. Direction to proceed with construction will be the last step in improving pedestrian safety and enhancing the neighborhood sense-of-place along the Westside corridors of Anapamu and Ortega Streets.

BACKGROUND:

As part of the 2003 Tax Allocation Bond Issuance, the RDA included funding for various West Downtown improvements at a level of \$4 million. Since that time, the RDA has adjusted the Project budget by the reallocation of funds, including \$250,000 to establish the Westside Community Center Parkland Improvements Project. The current total Project budget is \$3,750,000.

Based on the priorities and Project elements identified by neighborhood residents through a public outreach process, RDA staff worked with the Public Works Engineering and Transportation Divisions to develop the current scope for the Project. The goals of the Project are to improve pedestrian safety and enhance the neighborhood sense-of-place. The Project elements focus on enhancing Westside corridors along Anapamu and Ortega Streets that extend from the Highway 101 pedestrian overbridges to Chapala Street and into the City's commercial core.

Through the development phase, Staff continued efforts to engage public discussion regarding proposed design elements. The Project was vetted at onsite public outreach meetings, and underwent extensive City design review. These discussions included the proposed removal of street trees within the Project area. The Project design was reviewed by the Street Tree Advisory Committee, Parks and Recreation Commission, Historic Landmarks Commission, and received final approval from the Architectural Board of Review (ABR) in April 2009.

DISCUSSION:

The Project's primary design elements include pedestrian-oriented lighting, sidewalk replacement as needed, enhanced crosswalks, bulb outs, new street trees, and drought tolerant landscaping at Project intersections. The plan, as proposed, advances the goals identified by West Downtown residents while balancing the multiple constraints present at each intersection.

The design criteria for bulb outs included consideration of existing drainage and surface flow constraints, vehicular turning movements, and existing peak-hour bicycle lanes. Bulb outs are not proposed at two of the corners of the Ortega/De La Vina intersection due to drainage constraints. Similarly, bulb outs are not proposed at certain locations at the Anapamu/De La Vina intersection due to drainage constraints, vehicular turning movements, and existing peak-hour bike lanes. Bulb outs are not proposed at one corner of the Anapamu/Chapala intersection because of the Metropolitan Transit District bus turning movements and existing peak hour bike lanes. In addition, the ABR asked that the design team address concerns regarding intersection symmetry and consistency, primarily as it relates to the bulb outs. This was accomplished to their satisfaction.

In an effort to reduce costs and Project delays, the design of necessary water infrastructure relocations associated with certain Project design elements was executed as a separate purchase order. These relocations are currently under construction.

CONTRACT BIDS

A total of seven bids were received for the subject work, ranging as follows:

	BIDDER	BID AMOUNT
1.	C.S. Legacy Construction, Inc. Chino	\$2,299,220.00*
2.	Granite Construction Watsonville	\$2,466,991.00
3.	Lash Construction Santa Barbara	\$2,511,209.48*
4.	V. Lopez & Sons Santa Maria	\$2,558,938.82*
5.	Elevation General Engineering Santa Maria	\$2,840,390.25*
6.	Berry General Engineering Ventura	\$2,938,039.45
7.	R. Burke Corporation San Luis Obispo	\$3,883,926.50

*corrected bid total

The low bid of \$2,299,220, submitted by Legacy, is an acceptable bid that is responsive to and meets the requirements of the bid specifications.

The change order funding recommendation of \$230,000, or 10%, is typical for this type of work and size of project.

BID PROTEST

On June 10, 2009, a written bid protest was filed by the second apparent low bidder, Granite Construction Company (Granite). Granite asserted that bidder instructions were not followed because (i) the proposal submitted by Legacy was removed from the bound documents, (ii) Legacy's qualifying experience should be carefully reviewed as this Project is expected to be a "show case," and (iii) Legacy had not submitted a complete list of firms that will subcontract the work, such as the brick crosswalk work.

Legacy's removal of its proposal from the bound bid documents is considered a minor bid irregularity. This determination of minor bid irregularity is consistent with decisions previously made in similar situations such as the contract for construction for the Fire Station No. 1 Seismic Renovation Project on April 22, 2008. Staff recommends that Council waive minor bid irregularities. Staff has reviewed Legacy's qualifying experience and is confident that Legacy meets the requirements to perform this contract work. Through additional information submitted by Legacy, staff has confirmed that Legacy is capable of self-performing work that is not subcontracted. Legacy will self-perform the brick crosswalk work, which is permissible per its contractor's license.

Staff has contacted Granite regarding its intent to submit evidence supporting its bid protest at the Council meeting. Granite has not responded to staff's inquiries. Staff recommends that Council reject Granite's bid protest and award the contract to Legacy.

CONSTRUCTION PHASE CONTRACT SERVICES

Material testing and certification services will be required continuously throughout the contract period. Staff has negotiated an acceptable proposal with Fugro to provide testing services for \$12,000 and requests authorization of \$2,000 for extra services that may result from necessary changes in the scope of work. The firm is a local material testing laboratory that has successfully provided services of similar scope to the City on past projects.

Penfield & Smith was the civil engineering firm in the design phase of the Project and has been asked to provide design support services during construction. Staff has negotiated an acceptable proposal with Penfield & Smith to provide these support services for \$50,325.

FUNDING

This Project is funded by RDA Bond Funds. There are sufficient funds in the Project account to cover the cost of the proposed construction contract.

The following summarizes the expenditures recommended in this report:

CONSTRUCTION CONTRACT FUNDING SUMMARY

	Basic Contract	Change Funds	Total
C.S. Legacy	\$2,299,220	\$230,000	\$2,529,220
Fugro Material Testing	\$12,000	\$2,000	\$14,000
Penfield & Smith - Design Support Services	\$50,325		\$50,325
TOTAL RECOMMENDED AUTHORIZATION			\$2,593,545

The following summarizes all project design costs, construction contract funding, and other project costs:

ESTIMATED TOTAL PROJECT COST

Design by Contract	\$323,773
Design by City Staff	\$97,808
Soils Testing for Design	\$11,950
Other Design Costs - City staff and Environmental Assessment	\$68,220
Subtotal	\$501,751
Construction Contract	\$2,299,220
Construction Change Order Allowance	\$230,000
Construction of Water Infrastructure Relocation Work	\$121,581
Subtotal	\$2,650,801
Construction Support Services Contract	\$50,325
Materials Testing	\$14,000
Construction Management/Inspection (by City staff)	\$247,800
Other Construction Costs (permits, monitoring, special supplies)	\$11,500
Subtotal	\$323,625
TOTAL PROJECT COST	\$3,476,177

The following summarizes all project costs included in the current RDA authorization request:

CURRENT RDA AUTHORIZATION REQUEST

Construction Contract	\$2,299,220
Construction Change Order Allowance	\$230,000
Other Construction Costs (listed in table above)	\$323,625
TOTAL CURRENT RDA AUTHORIZATION REQUEST	\$2,852,845

SUSTAINABILITY IMPACT:

This Project incorporates environmentally responsible design and construction techniques that encourage pedestrian travel, specifies the use of recycled content in the concrete, requires 100% recycling of concrete and asphalt demolition debris, and incorporates the use of reclaimed water and drought tolerant landscaping.

HEALTH AND SAFETY CODE SECTION 33445:

California Community Redevelopment Law Section 33445 does allow, with the consent of the legislative body, the funding of projects on property that is publicly-owned if the project meets certain findings. This Project meets all the required findings in Health and Safety Code Section 33445 because the proposed improvements are on publicly-owned land, and are of benefit to the Central City Redevelopment Project Area, by generating additional pedestrian activity by residents and tourists, and add to the safety and attractive environment of the Project area. No other reasonable means of financing the improvements are available. In addition, the improvements to the site will eliminate blight conditions inside the Project area by encouraging pedestrian activity in and around the site. An increase in these activities improves the vitality of the Project area by encouraging economic activity by local residents and visitors, which leads to additional public and private improvements, and thereby eliminates blight and the conditions that lead to blight.

PREPARED BY: Joshua Haggmark, Principal Civil Engineer/LA/mj
Brian Bosse, Housing and Redevelopment Manager/MEA/JC

SUBMITTED BY: Christine F. Andersen, Public Works Director
Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AND ADOPTING THE FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445 FOR FUNDING OF CAPITAL IMPROVEMENTS TO THE WEST DOWNTOWN PEDESTRIAN IMPROVEMENT PROJECT

WHEREAS, the Redevelopment Agency of the City of Santa Barbara is undertaking certain activities for the planning and execution of redevelopment projects in the Central City Redevelopment Project Area;

WHEREAS, the redevelopment of the West Downtown pedestrian corridors will increase safety and add to the attractive environment of the Central City Redevelopment Project Area and the City of Santa Barbara;

WHEREAS, the construction of crosswalks, sidewalk repair, pedestrian lighting, drought tolerant landscaping and other pedestrian amenities will increase the safety and attractiveness of the West Downtown pedestrian corridors; and

WHEREAS, the Redevelopment Agency's funding of the redevelopment of the West Downtown pedestrian corridors will benefit the Central City Redevelopment Project Area by encouraging pedestrian and neighborhood activity in the project area, which increases the vitality of the project area by encouraging economic activity by residents and visitors, encouraging public and private improvements, and eliminating blight and the conditions that lead to blight.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The proposed elements of the West Downtown Pedestrian Improvement Project, to be funded by the Redevelopment Agency, are of benefit to the Central City Redevelopment Project area as the improvements will generate additional pedestrian activity by locals and tourists. An increase in these activities improves the vitality of the project area by encouraging economic activity by locals and visitors and will lead to additional public and private improvements, and thereby, eliminate blight and the conditions that lead to blight.

SECTION 2. No other reasonable means of financing the improvements to the West Downtown pedestrian corridors are available.



CITY OF SANTA BARBARA

JOINT COUNCIL AND REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Mayor and Councilmembers
Chairperson and Boardmembers

FROM: Engineering Division, Public Works Department
Redevelopment Agency, Community Development Department

SUBJECT: Purchase Order For Additional Soil And Groundwater Sampling At
631 Garden Street

RECOMMENDATION:

- A. That the Agency Board authorize the expenditure of \$34,400 for additional soil and groundwater sampling efforts at 631 Garden Street; and
- B. That Council authorize the General Services Manager to execute a Purchase Order Contract with Trak Environmental (TRAK), in an amount not to exceed \$28,670, and up to \$5,730 for extra services for additional soil and groundwater sampling at 631 Garden Street.

BACKGROUND:

For many years, local arts groups have emphasized the lack of rehearsal, production, set construction, and performance space within the community. To address this need, the Redevelopment Agency (RDA) Board appropriated \$1 million in the Fiscal Year 2001 budget for "Artists Workspace." The program name changed to "Community Arts Workshop," or CAW, to reflect the community-based needs of local cultural arts organizations.

In 2005, Council identified the then City-owned property at 631 Garden Street, the site of the former Community Environmental Council's recycling facility, as a potential location for a CAW. At the direction of the City Council/Agency Board, the property was conveyed to the Redevelopment Agency, and Agency staff has worked with Public Works Water Resources Division and Summer Solstice Administration to effectively develop a CAW on the site. In 2007, the Historic Landmarks Commission approved plans to develop the site as a CAW.

DISCUSSION:

In 2008, Public Works Engineering staff reviewed the plans in preparation for taking on the construction management activities. As part of this review, staff requested that additional soil samples be taken in the locations of the construction activity to determine if the underlying soil was considered hazardous, as this would significantly impact development of the site.

To ensure public safety, Public Works staff initiated a variety of tests and assessments to ascertain the condition of the soil and groundwater under the site. Based on the results from the pre-construction soil and soil vapor survey, and a subsequent indoor air assessment, the Santa Barbara County Fire Prevention Division (County FPD) directed the City to perform further site assessment work. Staff submitted a Work Plan for an Additional Investigation and Feasibility Study that proposed additional soil borings to determine the lateral and vertical extent of contamination in soil and groundwater. The County FPD approved the Workplan on June 8, 2009.

The results from the proposed testing will allow City staff and County FPD to properly assess the site conditions and develop an appropriate plan for future use of the site. Testing will be completed by August 15, 2009, and a final report is tentatively scheduled to be completed by September 30, 2009.

BUDGET/FINANCIAL INFORMATION:

The proposal by TRAK includes all work to be performed at a not-to-exceed amount of \$28,670. Staff requests 20%, or \$5,730, for extra services, for a total not-to-exceed amount of \$34,400. The extra services request will address issues that may arise from unknowns associated with multiple sources of contamination and County FPD oversight. The RDA's Community Arts Workshop project account currently has a balance of approximately \$613,500 and can adequately cover the proposed testing services.

PREPARED BY: Joshua Haggmark, Principle Civil Engineer/JW/mj
Brian J. Bosse, Housing and Redevelopment Manager

SUBMITTED BY: Christine F. Andersen, Public Works Director
Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 330.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 14, 2009

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Cabrillo Boulevard Bridge Replacement Project

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of Necessity by the Council of the City of Santa Barbara for Permanent and Temporary Easements Located on Real Property Commonly Known as 22 W. Cabrillo Boulevard, 6 and 10 State Street, and 13 E. Cabrillo Boulevard, Assessor's Parcel Numbers 033-102-017; 033-111-011, -012 and -006.

BACKGROUND:

The Cabrillo Boulevard Bridge Replacement Project (Project) will replace the existing structurally deficient bridge over Mission Creek, located in the Santa Barbara Waterfront, at the intersection of State and Cabrillo Streets, directly adjacent to Stearns Wharf. The Project is part of the Highway Bridge Program (HBP) administered and funded by the State via Federal Highway Administration (FHWA). The Project includes the improvement of the hydraulic conveyance and restoration and rehabilitation of the deteriorated retaining walls and creek banks of Mission Creek, from State Street to approximately 160 feet downstream from Cabrillo Boulevard. The work is in compliance with the Lower Mission Creek Feasibility Report from September 2000 and the accompanying Environmental Impact Study/Environmental Impact Report done by the Army Corp of Engineers and approved by Council on November 30, 2001.

DISCUSSION:

The Project requires the City's acquisition of certain Real Property Rights of Way in the form of temporary easements for construction and permanent easements for street, drainage, and flood control purposes, as identified below and on the Attachment.

The easements must be acquired by the City in accordance with applicable Federal and State laws and guidelines, with oversight provided by the California Department of Transportation (Caltrans), due to the City's eligibility for reimbursement of Project costs using HBP funds provided by the FHWA.

Project Easements To Be Obtained

As depicted on the Attachment, there are seven total Temporary Construction Easements (one from the County of Santa Barbara was already granted and is not listed here), and five permanent easements, for a total of 11 easements to be included in the Resolution.

Temporary Construction Easements

<u>Address</u>	<u>Parcel Number</u>	<u>Owner</u>
22 W. Cabrillo Blvd.	033-102-017-01	Antonio Romasanta
6 State Street	033-111-011-03	Lighthouse & Corner, LLC
13 E. Cabrillo Blvd.	033-111-012-02	Lighthouse & Corner, LLC
13 E. Cabrillo Blvd.	033-111-012-03	Lighthouse & Corner, LLC
13 E. Cabrillo Blvd.	033-111-012-05	Lighthouse & Corner, LLC
10 State Street	033-111-006-01	Above Mission Creek, LLC

Permanent Easements

<u>Address</u>	<u>Parcel Number</u>	<u>Owner</u>
6 State Street	033-111-011-01	Lighthouse & Corner, LLC
6 State Street	033-111-011-02	Lighthouse & Corner, LLC
6 State Street	033-111-011-04	Lighthouse & Corner, LLC
13 E. Cabrillo Street	033-111-012-01	Lighthouse & Corner, LLC
13 E. Cabrillo Street	033-111-012-04	Lighthouse & Corner, LLC

Purpose of Hearing

To comply with requirements of the Federal and State agencies governing the funding of the Project and reimbursement of costs to the City, there must be a determination made of the necessity for the acquisition of the Real Property Rights, including the findings supporting the adoption of a Resolution of Necessity by the City.

In addition to the adoption of the proposed Resolution of Necessity, in order to proceed with eminent domain, it is a State requirement to conduct a public hearing concerning each of the required property rights being sought by the City, subject to the evidence presented at such hearings. Council should consider adoption of the Resolution of Necessity authorizing the property rights acquisitions through the use of eminent domain, if it ultimately becomes necessary.

Per Section 1245.235 et seq. of the California Code of Civil Procedure, written notices were delivered to the respective property owners 15 days prior to the scheduled Council hearing to inform them of Council's intent to hear any evidence and to consider the possible adoption of the proposed Resolution of Necessity. The Notices sent to all of the affected owners satisfies all legal noticing requirements for the hearings.

As provided in the State Code of Civil Procedure, the public hearing related to the proposed adoption of the Resolution of Necessity should be limited to discussion of the requisite statutory findings specifically set forth in Section 1240.030 of the State Code of Civil Procedure; namely:

- That the public interest and necessity require the proposed Project.
- That the proposed Project is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury.
- That the property described in the Resolution is necessary for the proposed Project.
- That either the offer required by Section 7267.2 of the California Government Code has been made to the owner or owners of record, or the offer has not been made because the owner cannot be located with reasonable diligence.

In addition, the Planning Commission adopted a Final Mitigated Negative Declaration and approved a Coastal Development Permit for the Cabrillo Boulevard Bridge Replacement over Mission Creek Project (MST2004-00878/CDP2007-00001) on July 12, 2007; State Clearinghouse No. 2007021124.

The environmental findings, reports, permits, and adopting actions have been made available to Council in their reading file, and to the public at the City Clerk's Office and the public counter of the Community Development building at 630 Garden Street.

Pursuant to Section 1245.240 of the California Code of Civil Procedure, the adoption of the proposed Resolution of Necessity requires approval by five Councilmembers. Staff and legal counsel will continue negotiation efforts to successfully acquire said rights.

A copy of the Notice of Hearing on the Intent of the City of Santa Barbara to Adopt a Resolution of Necessity to Acquire Property by Eminent Domain, and its attached Exhibits A-K describing the various property interest to be acquired by eminent domain is lodged with and available for public review at the City Clerk's office located at 735 State Street, Santa Barbara, California.

BUDGET/FINANCIAL INFORMATION:

There are sufficient funds in the Streets Capital Fund to purchase the required easements. The funds include a Caltrans reimbursement of 88.53%, paid by FHWA. The City is responsible for 11.47% of the costs.

ATTACHMENT: Right of Way Appraisal Map

PREPARED BY: Pat Kelly, Assistant Public Works Director/City Engineer/DT/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF NECESSITY BY THE COUNCIL OF THE CITY OF SANTA BARBARA FOR PERMANENT AND TEMPORARY EASEMENTS LOCATED ON REAL PROPERTY COMMONLY KNOWN AS 22 W. CABRILLO BOULEVARD, 6 AND 10 STATE STREET, AND 13 E. CABRILLO BOULEVARD, ASSESSOR'S PARCEL NUMBERS 033-102 -017, 033-111-011, -012 and -006

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES HEREBY DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1: Notice and Hearing Compliance. On July 14, 2009, after fifteen days' written notice to the owners of the property described hereafter, as they appeared on the last equalized County Assessment Roll, the City Council held a hearing for the purpose of allowing the owners thereof and other persons, a reasonable opportunity to appear and be heard on the following matters:

- a. The public interest and necessity require the Cabrillo Boulevard Bridge Replacement Project ("Proposed Project"), Bridge No. 51C-0350 (Replacing existing Bridge No. 51C-0326), City of Santa Barbara Project No. 7661 as shown on plans permanently on file at the Public Works Department of the City of Santa Barbara;
- b. The Proposed Project is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury;
- c. The property described in the resolution is necessary for the Proposed Project;
- d. The offer required by Government Code section 7267 has been made to the owner or owners of record;
- e. The environmental impact of the Proposed Project has been evaluated in the Categorical Exemption/Categorical Exclusion Form dated 7-1-08 and in Final Mitigated Negative Declaration MST2004-00878 dated July 12, 2007 (State Clearinghouse No. 2007021124); and
- f. Such other and further matters as may be referred to in Code of Civil Procedure section 1245.230.

SECTION 2: Public Use. The public use for which the real property is to be acquired is to repair, replace, maintain and operate the Cabrillo Boulevard Bridge at Mission Creek. The City is authorized to acquire by eminent domain property necessary for such a purpose.

SECTION 3: Description of Property. The property to be acquired is shown on **Exhibits A through K**, attached hereto and incorporated herein, and is located at or near 22 W. Cabrillo Boulevard, 6 and 10 State Street, and 13 East Cabrillo Boulevard, Santa Barbara, California, APN Nos. 033-111-011, 033-111-012; 033-111-006; and 033-102-017.

SECTION 4: Findings. The Council of the City of Santa Barbara does hereby find, determine and declare that:

- a. The public interest and necessity require the Proposed Project;
- b. The Proposed Project is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury;
- c. All the property described in this resolution is necessary for the Proposed Project;
- d. The offer required by Government Code section 7267.2 has been made to the owner or owners of record; and
- e. The environmental impact of the Proposed Project was evaluated in Categorical Exemption/Categorical Exclusion Form dated 7-1-08 and in Final Mitigated Negative Declaration MST2004-00878 dated July 12, 2007 (State Clearinghouse No. 2007021124) pursuant to California Environmental Quality Act (CEQA).

The taking of the easements described in this resolution is authorized by section 19 of Article I of the California Constitution, Government Code section 37350.5, and Code of Civil Procedure sections 1240.010 through 1240.125.

SECTION 5: Mitigation Features. As part of the Proposed Project, the City of Santa Barbara shall work with the owners of the properties to be acquired to reconstruct improvements currently located on or adjacent to the subject properties and to Mission Creek which will be impacted by the Proposed Project.

SECTION 6: Further Activities. The City Attorney is hereby authorized and directed to prepare, institute and prosecute in the name of the City, and is authorized to retain a law firm as Special Counsel for such proceedings, if necessary, in the proper court having jurisdiction thereof, as may be necessary for the acquisition of the interests described in the attached exhibits. The City Attorney/Special Counsel is also authorized and directed to obtain a necessary order of court granting to the City the right of immediate possession and occupancy of the described easements and, at the discretion of the City Attorney, to approve and execute a settlement agreement or stipulated judgment vesting title to the Property described in **Exhibits A through K** on terms and conditions approved by the City Attorney in the best interests of the City. The City Attorney/ Special Counsel is further authorized to correct any errors or to make or agree to non-material changes in the legal descriptions of the real property that is deemed necessary for the conduct of the condemnation action, or any other proceedings or transactions requested to acquire the subject real property.

SECTION 7: Environment Findings. The Environmental Quality Control Act of 1970, as amended, and guidelines adopted pursuant thereto, have been complied for the Proposed Project by the preparation of the Final Mitigated Negative Declaration MST2004-00878 dated July 12, 2007, which is on file with the City Clerk.

RECORDING REQUESTED BY and
AFTER RECORDING MAIL TO:

EXHIBIT A

Office of Santa Barbara City Attorney
David C. McDermott, Assistant City Attorney
740 State Street, Suite 201
Santa Barbara, California 93101
Phone: (805) 564-5329

APN: 033-102-017-01

NO FEES DUE - FOR BENEFIT OF PUBLIC AGENCY
(Space above this line for County Recorders Use Only)
No documentary tax due R & T 11922 (amended)

TEMPORARY CONSTRUCTION EASEMENT

(25 Months)

Grantor, Antonio E. Romasanta, as Trustee of the Romasanta Family Living Trust U/T/A dated December 3, 2007 ("Grantor"), hereby grants and conveys to City of Santa Barbara, a municipal corporation ("Grantee"), a temporary construction easement ("Easement") and right of entry to use the area described in Exhibit "A" and depicted in Exhibit "B", attached hereto and incorporated herein, for reasonable and necessary ingress and egress to survey, inspect, excavate, construct, repair, remove, replace and reconstruct the Cabrillo Boulevard Bridge and other appurtenant public works, improvements and facilities. The temporary construction easement shall be for a period of 25 months which shall begin upon written notice from Grantee to Grantor, unless otherwise extended by the parties. Grantee, upon completion of construction, will return the area of the temporary construction easement to the same or similar condition prior to construction, including replacing plants and vegetation removed or damaged by construction activities, except within the creek.

The easement is to facilitate Grantee's activities in removing and replacing the Cabrillo Boulevard Bridge and related public improvements and to modify, conform and rehabilitate improvements owned by Grantor adjacent to the bridge and creek.

IN WITNESS WHEREOF, Grantor has executed this Grant of Temporary Construction Easement as of this _____ day of _____, 2009.

GRANTOR:

By: _____

Print name: _____

Dated: _____

Exclusive Temporary Construction Easement

EXHIBIT "A" Page 1 of 1

(Parcel 033-102-017-01)

That portion of Block 323 in the City of Santa Barbara, County of Santa Barbara, State of California, being a portion of the parcel of land described as Parcel 2 in the Trust Transfer Deed to Anthony Romasanta, as Trustee of the Romasanta Family Living Trust recorded June 8, 2004 as Instrument No. 2004-0061155 of Official Records, in the Office of the County Recorder of said County.

Said portion of land is described as follows:

Commencing at the intersection of the southwesterly line of State Street and the northwesterly line of Cabrillo Boulevard; thence, northwesterly along said southwesterly line of State Street, N 47° 34' 53" W, 143.23 feet to the True Point of Beginning of the portion of land herein described; thence,

- 1st continuing along said southwesterly line of State Street N 47° 34' 53" W 10.62 feet; thence,
- 2nd S 42° 24' 14" W, 20.56 feet to the northerly line of the easement granted to the County of Santa Barbara and the Santa Barbara County Flood Control and Water Conservation District in the Easement Deed recorded December 15, 2004 as described in Instrument No. 2004-0132179 of Official Records, County of Santa Barbara; thence,
- 3rd along said northerly line of said easement, northeasterly 23.15 feet to the point of beginning.

Containing an area of approximately 105 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

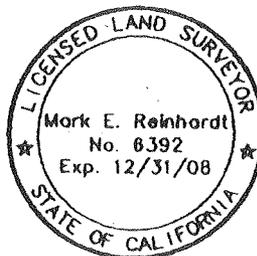
Signature:



Mark E. Reinhardt, P.L.S.

Date:

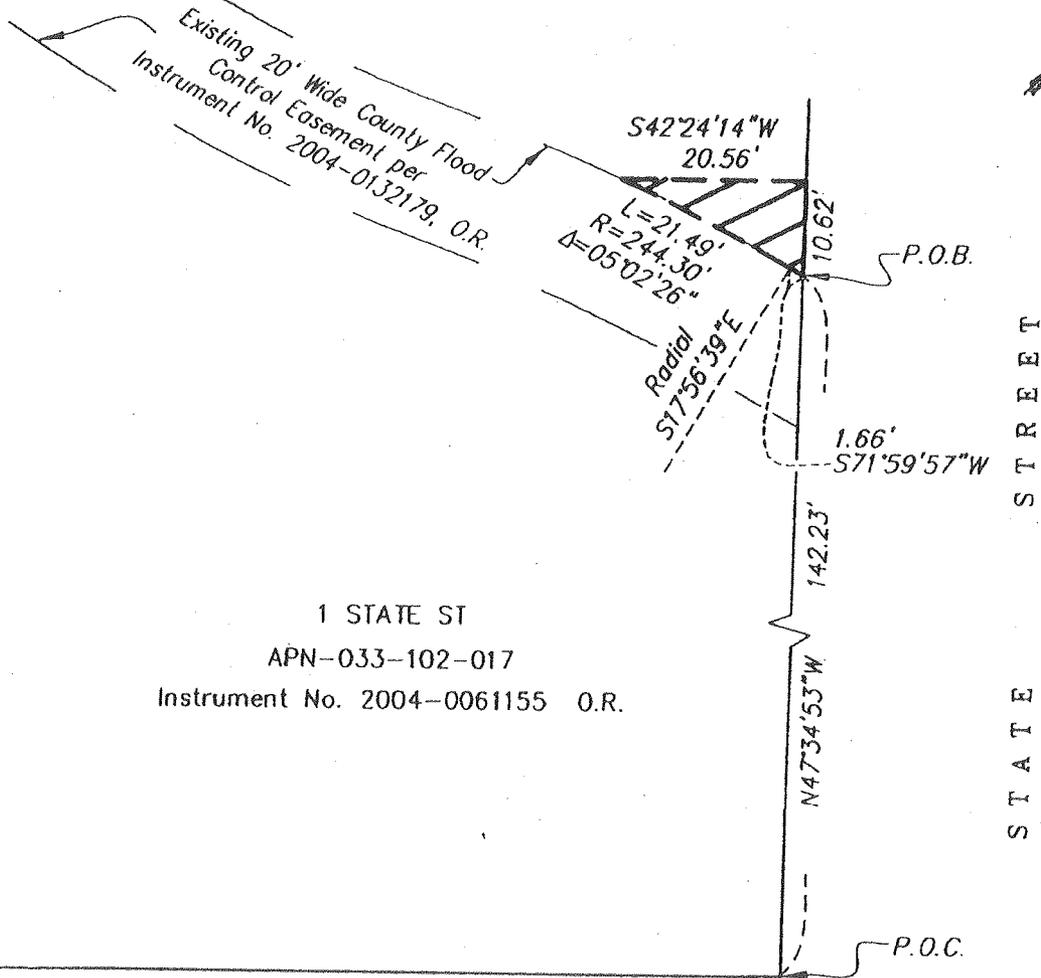
8-28-08



Exclusive Temporary Construction Easement

EXHIBIT "B" Page 1 of 1

Parcel 033-102-017-01



1 STATE ST
 APN-033-102-017
 Instrument No. 2004-0061155 O.R.

C A B R I L L O

B O U L E V A R D

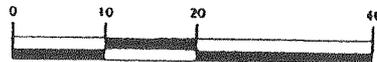


ENGINEERS • SURVEYORS • CONSTRUCTION MANAGERS
 Quality Infrastructure Services

4050 CALLE REAL SUITE 110, SANTA BARBARA, CA 93110
 TELEPHONE (805) 692-6921 FAX (805) 692-6931

10-00105_845 * 100105_EXB.dwg * 12/07 * IR * E-FILE

GRAPHIC SCALE



(IN FEET)

1 inch = 20 ft.

8. EXHIBITS for RPR/dwg 8/29/2008 8:00:15 AM PDT

as shown on map of Cabrillo Blvd/CA 101-0105 showing SURVEY POINT OF WAY APPRAISAL MAP.

ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
Corporate Officer

- Partner(s)
Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other:

- Limited
General

Title or Type of Document
Number Of Pages
Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this instrument to the City of Santa Barbara, a public entity, is hereby accepted by the undersigned which the City of Santa Barbara consents to the recordation of this deed by its duly authorized officer.

Dated: _____

By: _____

Its: _____

CITY OF SANTA BARBARA

Resolution Number _____

Adopted on _____, 2009

RECORDING REQUESTED BY and
AFTER RECORDING MAIL TO:

Office of Santa Barbara City Attorney
David C. McDermott, Assistant City Attorney
740 State Street, Suite 201
Santa Barbara, California 93101
Phone: (805) 564-5329

APN: 033-111-006-01

NO FEES DUE - FOR BENEFIT OF PUBLIC AGENCY
(Space above this line for County Recorders Use Only)
No documentary tax due R & T 11922 (amended)

TEMPORARY CONSTRUCTION EASEMENT
(18 Months)

Grantors, Virginia Castagnola Hunter, as to an undivided 37.5% interest, Scott Hollister, as to undivided 3.571429% interest, George Hollister, as an undivided 3.571426% interest, Catherine Wallenfels, as an undivided 3.571429% interest, Francesca Hunter, as an undivided 3.571429% interest, Alexis Chernow, as an undivided 3.571429% interest, Above Mission Creek, LLC, as an undivided 44.642858% interest, ("Grantors"), hereby grant and convey to City of Santa Barbara, a municipal corporation ("Grantee"), a temporary construction easement ("Easement") and right of entry to use the area described in Exhibit "B" and depicted in Exhibit "C", attached hereto and incorporated herein, for reasonable and necessary ingress and egress to survey, inspect, excavate, construct, repair, remove, replace and reconstruct the Cabrillo Boulevard Bridge and a patio adjacent to Grantors' property and other appurtenant public works, improvements and facilities. The temporary construction easement shall be for a period of 18 months which shall begin upon written notice from Grantee to Grantors, unless otherwise extended by the parties. Grantee, upon completion of construction, will return the area of the temporary construction easement to the same or similar condition prior to construction, including replacing plants and vegetation removed or damaged by construction activities, except within the creek.

The easement is to facilitate Grantee's activities in removing and replacing the Cabrillo Boulevard Bridge and related public improvements and to modify, conform and rehabilitate improvements owned by Grantors adjacent to the bridge and creek.

IN WITNESS WHEREOF, Grantors have executed this Grant of Temporary Construction Easement as of this ____ day of _____, 2009.

GRANTORS:

Dated: _____

By: _____

Print name: _____

Exclusive Temporary Construction Easement

EXHIBIT "B" Page 1 of 1

(Parcel 033-111-006-01)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, being a portion of the parcel of land described as Exhibit "A" in the Quitclaim Deed to Above Mission Creek, LLC recorded January 3, 2008 as Instrument No. 2008-0000484 of Official Records, in the Office of the County Recorder of said County.

Said portion of land is described as follows:

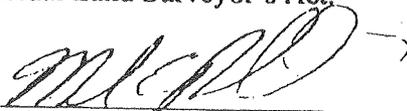
Beginning at the most southerly corner of said parcel; thence,

- 1st northwesterly along the northeasterly line of State Street, 11.50 feet; thence,
- 2nd N 60° 36' 26"E, 36.84 feet to a point on the southeasterly line of said parcel; thence,
- 3rd southwesterly along said southeasterly line, 35.00 feet to the point of beginning.

Containing an area of approximately 201 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

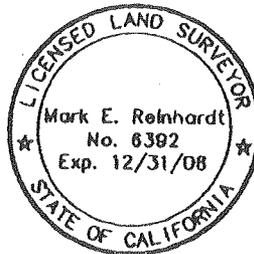
Signature:



Mark E. Reinhardt, P.L.S.

Date:

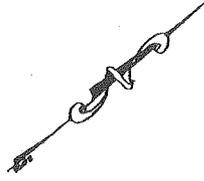
9-17-08



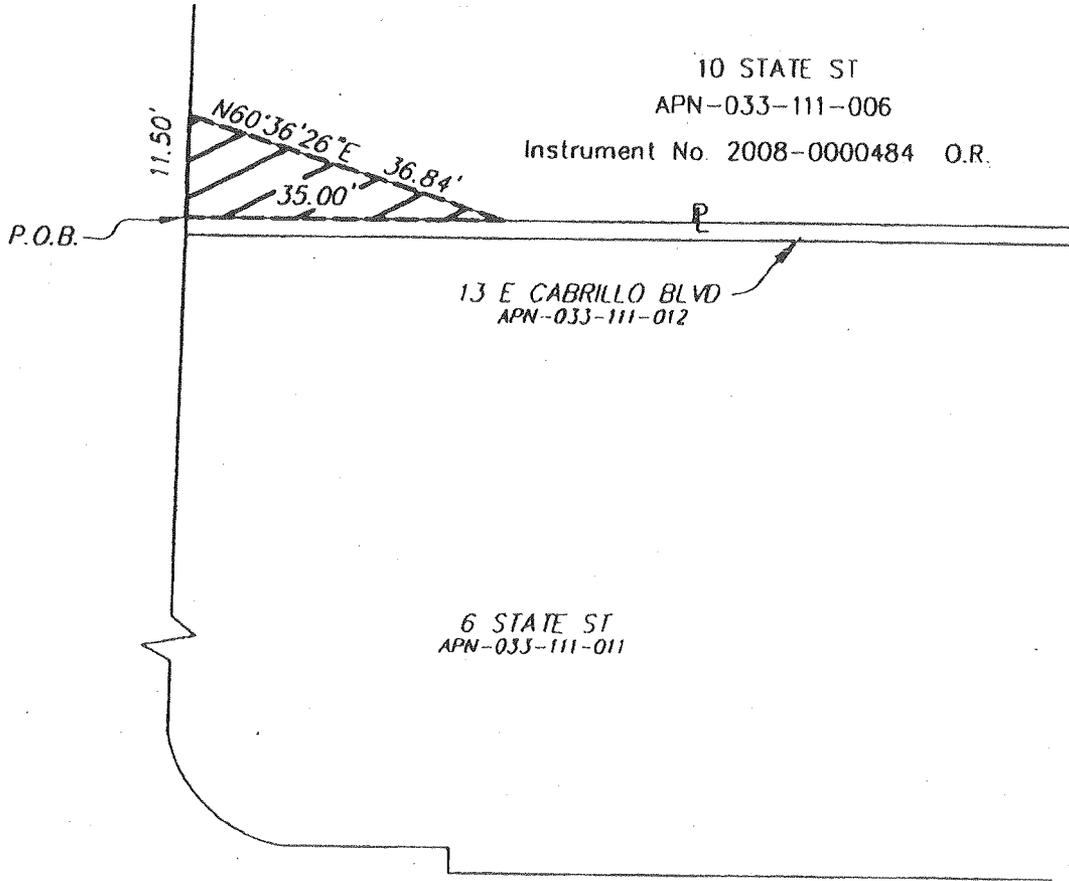
Exclusive Temporary Construction Easement

EXHIBIT "C" Page 1 of 1

Parcel 033-111-006-01



S T A T E
S T R E E T



13 E CABRILLO BLVD
APN-033-111-012

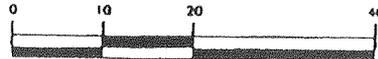
6 STATE ST
APN-033-111-011

C A B R I L L O

B O U L E V A R D



GRAPHIC SCALE



(IN FEET)

1 inch = 20 ft.

6_EXHIBITS for RPD.dwg 9/17/2008 2:33:34 PM PDT

PLANNED BAY AREA COUNTY OF CALIFORNIA SURVEYOR'S SURVEY RIGHT OF WAY APPRAISAL MAP/EX

EVANS ENGINEERS • SURVEYORS • CONSTRUCTION MANAGERS
Quality Infrastructure Services

4050 CALLE REAL, SUITE 110, SANTA BARBARA, CA 93110
TELEPHONE (805) 692-8921 FAX (805) 692-8931

10-00105_B45 * 100105_EXB.dwg * 12/07 * TR * E-FILE

RPD/RPR

ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
Corporate Officer

- Partner(s) Limited General
Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other:

Title or Type of Document

Number Of Pages

Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this instrument to the City of Santa Barbara, a public entity, is hereby accepted by the undersigned which the City of Santa Barbara consents to the recordation of this deed by its duly authorized officer.

Dated: _____

By: _____

Its: _____

CITY OF SANTA BARBARA

Resolution Number _____

Adopted on _____, 2009

RECORDING REQUESTED BY and
FOR RECORDING MAIL TO:

Office of Santa Barbara City Attorney
David C. McDermott, Assistant City Attorney
740 State Street, Suite 201
Santa Barbara, California 93101
Phone: (805) 564-5329

APN: 033-111-011-01

NO FEES DUE - FOR BENEFIT OF PUBLIC AGENCY
(Space above this line for County Recorders Use Only)
No documentary tax due R & T 11922 (amended)

EASEMENT FOR STREET DRAINAGE AND FLOOD CONTROL

Grantors, Virginia Castagnola Hunter, as to an undivided 37.5% interest, Scott Hollister, as to an undivided 3.571429% interest, George Hollister, as an undivided 3.571426% interest, Catherine Jenfels, as an undivided 3.571429% interest, Francesca Hunter, as an undivided 3.571429% interest, Alexis Chernow, as an undivided 3.571429% interest, and Lighthouse & Corner, LLC, as an undivided 44.642858% interest, ("Grantors"), hereby grant and convey to City of Santa Barbara, a municipal corporation ("Grantee"), a permanent easement ("Easement") and right of way to use the area described in Exhibit "1" and depicted in Exhibit "2", attached hereto and incorporated herein, for street drainage and flood control purposes, over, under, along, through and across said property, together with the rights to construct, maintain, repair and replace improvements therein.

IN WITNESS WHEREOF, Grantors have executed this Grant of Permanent Easement for Street Drainage and Flood Control as of this _____ day of _____, 2009.

GRANTORS:

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

ed: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Easement for Street Drainage and Flood Control Purposes

(Parcel 033-111-011-01)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000482 of Official Records, in the Office of the County Recorder of said County.

Said portion of land is described as follows:

Commencing at the most easterly corner of said parcel; thence, along the northwesterly line of Cabrillo Boulevard, S 42°23'15" W, a distance of 92.35 feet to the True Point of Beginning, said point being the beginning of a non-tangent curve, concaved northerly, having a central angle of 41°56'57", a radial bearing of S 45°59'32" E and a radius of 25.00 feet; thence,

- 1st southwesterly along the arc of said curve, 18.30 feet to the beginning of a reverse curve, concave southerly, having a central angle of 24°54'56" and a radius of 25.00 feet; thence,
- 2nd southwesterly along the arc of said curve 10.87 feet to the beginning of a compound curve having a central angle of 03°41'08" and a radius of 298.50 feet; thence,
- 3rd along the arc of said curve, 19.20 feet to a point on the northeasterly line of State Street; thence,
- 4th southeasterly along said line of State Street a distance of 18.00 feet to the intersection of the northeasterly line of State Street with the northwesterly line of Cabrillo Boulevard; thence,
- 5th along the northwesterly line of Cabrillo Boulevard N 42°23'15" E, 31.30 feet to the point of beginning.

EXCEPTING THEREFROM:

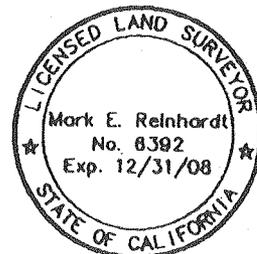
That portion of said land granted to the City of Santa Barbara by Grant Deed recorded February 11, 1983 in Instrument No. 83-6905 of Official Records, County of Santa Barbara.

Containing an area of approximately 273 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature: 
Mark E. Reinhardt, P.L.S.

Date: 9-2-08



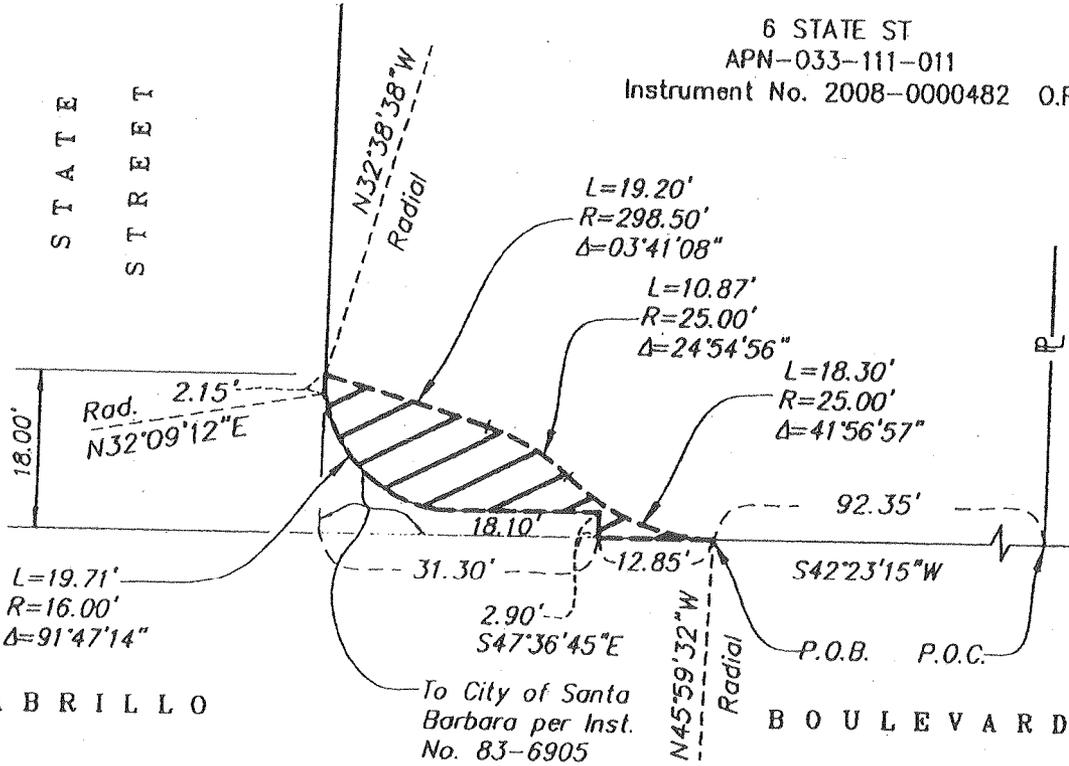
Easement for Street Drainage and Flood Control Purposes

Parcel 033-111-011-01



STATE STREET

6 STATE ST
 APN-033-111-011
 Instrument No. 2008-0000482 O.R.



C A B R I L L O

B O U L E V A R D

To City of Santa Barbara per Inst. No. 83-6905

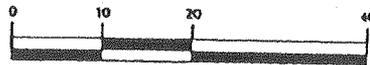


MINS ENGINEERS • SURVEYORS • CONSTRUCTION MANAGERS
 Quality Infrastructure Services

4050 CALLE REAL, SUITE 110, SANTA BARBARA, CA 93110
 TELEPHONE (805) 692-6921 FAX. (805) 692-8831

10-00105_845 * 100105_EXB.dwg * 12/07 * TR * E-FILE

GRAPHIC SCALE



(IN FEET)

1 inch = 20 ft.

ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
Corporate Officer

- Partner(s)
Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other: _____
Title(s)
Limited
General

Title or Type of Document
Number Of Pages
Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this instrument to the City of Santa Barbara, a public entity, is hereby accepted by the undersigned which the City of Santa Barbara consents to the recordation of this deed by its duly authorized officer.

Dated: _____

By: _____

Its: _____

CITY OF SANTA BARBARA

Resolution Number _____

Adopted on _____, 2009

RECORDING REQUESTED BY and
FOR RECORDING MAIL TO:

Office of Santa Barbara City Attorney
David C. McDermott, Assistant City Attorney
740 State Street, Suite 201
Santa Barbara, California 93101
Phone: (805) 564-5329

APN: 033-111-011-02

NO FEES DUE - FOR BENEFIT OF PUBLIC AGENCY
(Space above this line for County Recorders Use Only)
No documentary tax due R & T 11922 (amended)

EASEMENT FOR DRAINAGE AND FLOOD CONTROL

Grantors, Virginia Castagnola Hunter, as to an undivided 37.5% interest, Scott Hollister, as to undivided 3.571429% interest, George Hollister, as an undivided 3.571426% interest, Catherine Jenfels, as an undivided 3.571429% interest, Francesca Hunter, as an undivided 3.571429% interest, Alexis Chernow, as an undivided 3.571429% interest, and Lighthouse & Corner, LLC, as an undivided 44.642858% interest, ("Grantors"); hereby grant and convey to City of Santa Barbara, a municipal corporation ("Grantee"), a permanent easement ("Easement") and right of way to use the area described in Exhibit "1" and depicted in Exhibit "2", attached hereto and incorporated herein, for drainage and flood control purposes, over, under, along, through and across said property, together with the rights to construct, maintain, repair and replace improvements therein.

IN WITNESS WHEREOF, Grantors have executed this Grant of Permanent Easement for Street Drainage and Flood Control as of this _____ day of _____, 2009.

GRANTORS:

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

ed: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Easement for Drainage and Flood Control Purposes

(Parcel 033-111-011-02)

That portion of land in the City of Santa Barbara, County of Santa Barbara, State of California, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000482 of Official Records, in the Office of the County Recorder of said County.

Said portion of land is described as follows:

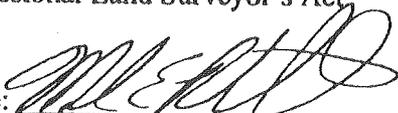
Commencing at the southwesterly corner of said parcel; thence, southeasterly along the northeasterly line of State Street, 8.00 feet to the TRUE POINT OF BEGINNING; thence

- 1st N 61°07'03" E, a distance of 68.62 feet; thence,
- 2nd N 67° 51' 05" E, a distance of 79.17 feet to the northeasterly line of said parcel; thence
- 3rd along said northeasterly line of said parcel S 47° 34'53" E, a distance of 42.32 feet to a line which is 0.50 feet northwesterly and parallel to the northwesterly line of Cabrillo Boulevard; thence,
- 4th S 42°23'15" W, along said parallel line, 92.35 feet; thence,
- 5th S 47°36'45" E, a distance of 0.50 feet to a point on the northwesterly line of Cabrillo Boulevard and the beginning of a non-tangent curve, concave northerly having a radial bearing of S 45°59'32" E and a radius of 25.00 feet; thence,
- 6th southwesterly along said non-tangent curve a distance of 18.30 feet to the beginning of a reverse curve, concave southerly, having a radius of 25.00 feet; thence,
- 7th northwesterly along said reverse curve 10.87 feet to the beginning of a compound curve, concave southerly, having a radius of 298.50 feet; thence,
- 8th along said compound curve 19.20 feet to said northeasterly line of State Street; thence
- 9th N 47°34'53" W along said northeasterly line of State Street 76.96 feet to the point of beginning.

Containing an area of approximately 9,531 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

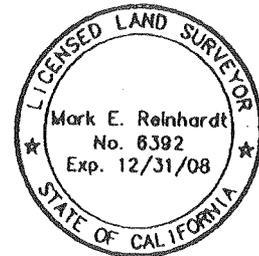
Signature:



Mark E. Reinhardt, P.L.S.

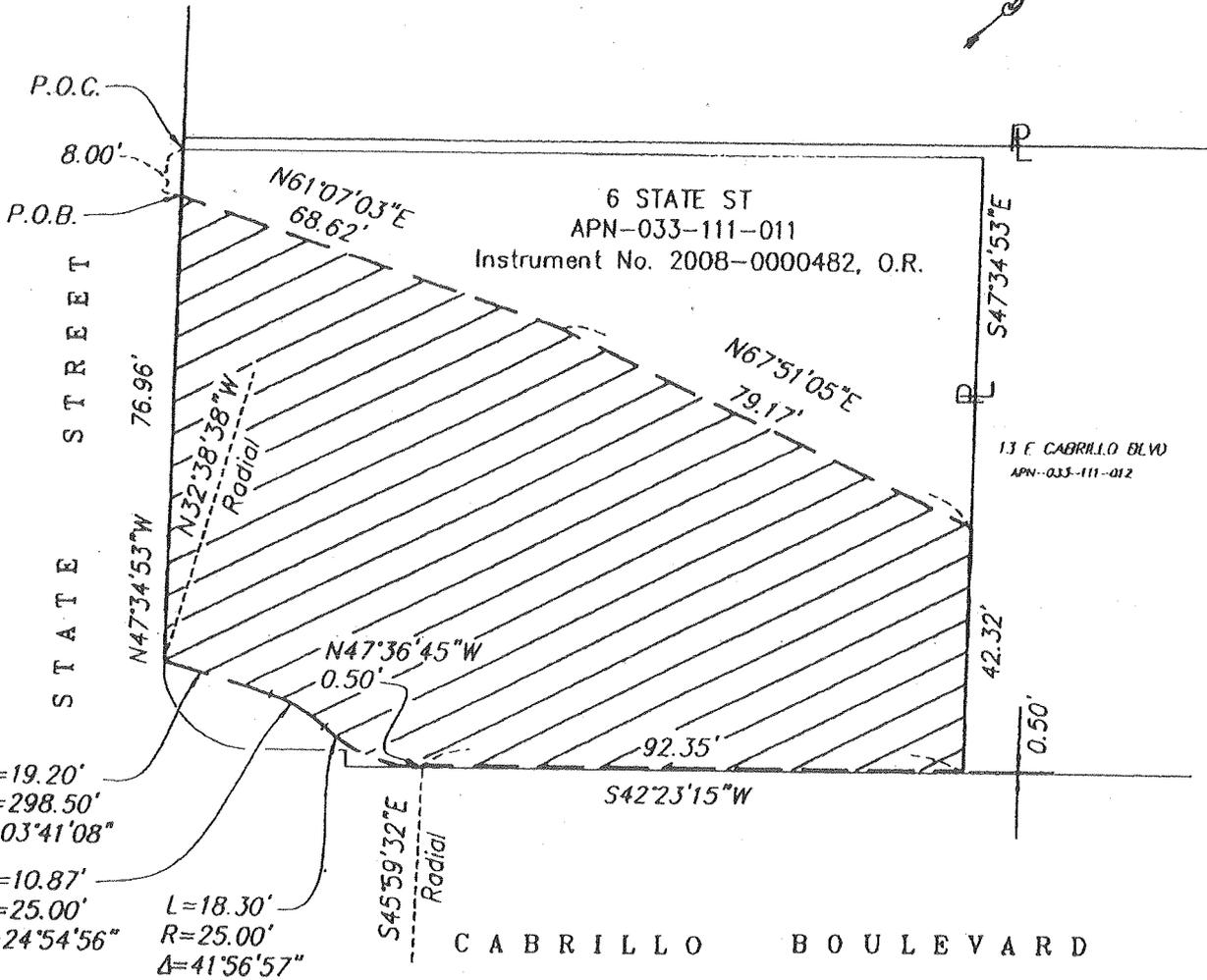
Date:

9-2-08



Easement for Drainage and Flood Control Purposes

Parcel 033-111-011-02



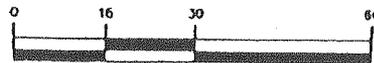
L=19.20'
R=298.50'
Δ=03°41'08"

L=10.87'
R=25.00'
Δ=24°54'56"

L=18.30'
R=25.00'
Δ=41°56'57"



GRAPHIC SCALE



(IN FEET)

1 inch = 30 ft.

MNS EXHIBITS FOR REFILING & REVISIONS 9-18-04 AM PDT

MNS ENGINEERS INC. 4050 CALLE REAL, SUITE 110, SANTA BARBARA, CA 93110. TELEPHONE (805) 692-6921 FAX (805) 692-6931

10-00105_045 * 100105_EXB.dwg * 12/07 * TR * E-FILE

ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____
Date Name And Title Of Officer (e.g. 'Jane Doe, Notary Public')

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
Corporate Officer

- Partner(s)
Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other:
Limited
General

Title or Type of Document
Number Of Pages
Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this instrument to the City of Santa Barbara, a public entity, is hereby accepted by the undersigned which the City of Santa Barbara consents to the recordation of this deed by its duly authorized officer.

Dated: _____

By: _____

Its: _____

CITY OF SANTA BARBARA

Resolution Number _____

Adopted on _____, 2009

EXHIBIT E

RECORDING REQUESTED BY and
AFTER RECORDING MAIL TO:

Office of Santa Barbara City Attorney
David C. McDermott, Assistant City Attorney
740 State Street, Suite 201
Santa Barbara, California 93101
Phone: (805) 564-5329

APN: 033-111-011-03

NO FEES DUE - FOR BENEFIT OF PUBLIC AGENCY
(Space above this line for County Recorders Use Only)
No documentary tax due R & T 11922 (amended)

TEMPORARY CONSTRUCTION EASEMENT

(18 Months)

Grantors, Virginia Castagnola Hunter, as to an undivided 37.5% interest, Scott Hollister, as to undivided 3.571429% interest, George Hollister, as an undivided 3.571426% interest, Catherine Wallenfels, as an undivided 3.571429% interest, Francesca Hunter, as an undivided 3.571429% interest, Alexis Chernow, as an undivided 3.571429% interest, and Lighthouse & Corner, LLC, as an undivided 4.642858% interest, ("Grantors"), hereby grant and convey to City of Santa Barbara, a municipal corporation ("Grantee"), a temporary construction easement ("Easement") and right of entry to use the area described in Exhibit "1" and depicted in Exhibit "2", attached hereto and incorporated herein, for reasonable and necessary ingress and egress to survey, inspect, excavate, construct, repair, remove, replace and reconstruct the Cabrillo Boulevard Bridge and a patio adjacent to Grantors' property and other appurtenant public works, improvements and facilities. The temporary construction easement shall be for a period of 18 months which shall begin upon written notice from Grantee to Grantors, unless otherwise extended by the parties. Grantee, upon completion of construction, will return the area of the temporary construction easement to the same or similar condition prior to construction, including replacing plants and vegetation removed or damaged by construction activities, except within the creek.

The easement is to facilitate Grantee's activities in removing and replacing the Cabrillo Boulevard Bridge and related public improvements and to modify, conform and rehabilitate improvements owned by Grantors adjacent to the bridge and creek.

IN WITNESS WHEREOF, Grantors have executed this Grant of Temporary Construction Easement as of this _____ day of _____, 2009.

GRANTORS:

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

ed: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Exclusive Temporary Construction Easement

(Parcel 033-111-011-03)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000482 of Official Records, in the Office of the County Recorder of said County.

Said portion of land is described as follows:

Beginning at the most westerly corner of said parcel; thence,

- 1st along the northeasterly line of State Street, S 41° 34' 53" E, 8.00; thence,
- 2nd N 61° 07' 03" E, 68.62 feet; thence,
- 3rd N 67° 51' 05" E, 79.17 feet to a point on the northeasterly line of said parcel; thence,
- 4th along the northeasterly line of said parcel, N 47° 34' 53" W, 64.00 feet to the most northerly corner of said parcel; thence,
- 5th along the northwesterly line of said parcel S 42° 25' 06" W, 136.50 feet to the feet to the point of beginning.

Containing an area of approximately 4,596 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature:



Mark E. Reinhardt, PLS

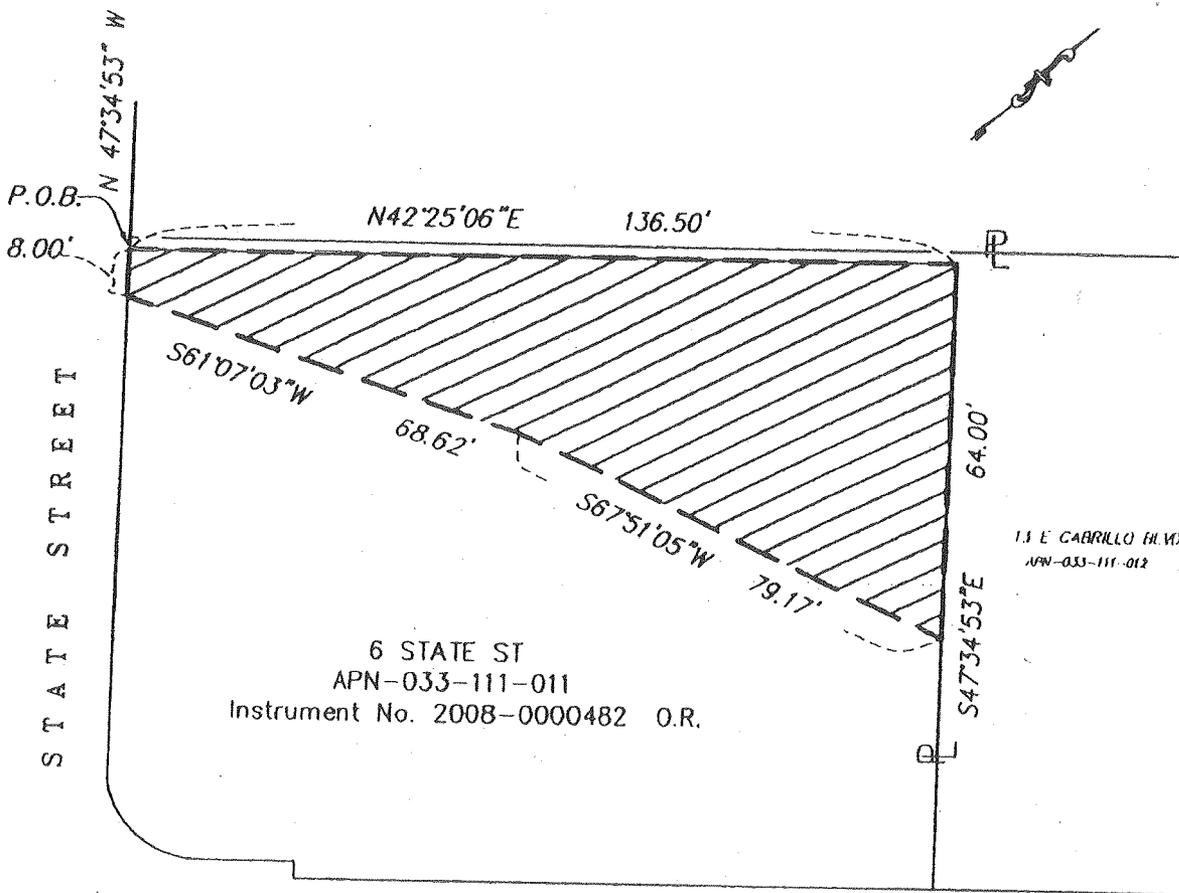
Date:

8-28-08



Exclusive Temporary Construction Easement

Parcel 033-111-011-03

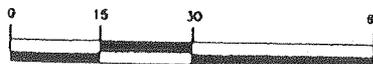


C A B R I L L O

B O U L E V A R D



GRAPHIC SCALE



(IN FEET)

1 inch = 30 ft.

MNS ENGINEERS • SURVEYORS • CONSTRUCTION MANAGERS
 ENGINEERS INC. Quality Infrastructure Services

4050 CALLE REAL, SUITE 110, SANTA BARBARA, CA 93110
 TELEPHONE (805) 692-6021 FAX. (805) 692-6951

10-00105_845 • 100105_EXB.dwg • 12/07 • TR • E-FILE

/RPR

P.N. 10-00105

Exhibit 2

ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____
Date Name And Title Of Officer (e.g. 'Jane Doe, Notary Public')

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above _____
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
Corporate Officer

- Partner(s)
Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other:
Limited
General

Title or Type of Document
Number Of Pages
Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this instrument to the City of Santa Barbara, a public entity, is hereby accepted by the undersigned which the City of Santa Barbara consents to the recordation of this deed by its duly authorized officer.

Dated: _____

By: _____

Its: _____

CITY OF SANTA BARBARA

Resolution Number _____

Adopted on _____, 2009

RECORDING REQUESTED BY and
FOR RECORDING MAIL TO:

Office of Santa Barbara City Attorney
David C. McDermott, Assistant City Attorney
740 State Street, Suite 201
Santa Barbara, California 93101
Phone: (805) 564-5329

APN: 033-111-011-04

NO FEES DUE - FOR BENEFIT OF PUBLIC AGENCY
(Space above this line for County Recorders Use Only)
No documentary tax due R & T 11922 (amended)

EASEMENT FOR STREET AND ROAD RIGHT OF WAY

Grantors, Virginia Castagnola Hunter, as to an undivided 37.5% interest, Scott Hollister, as to undivided 3.571429% interest, George Hollister, as an undivided 3.571426% interest, Catherine Henfels, as an undivided 3.571429% interest, Francesca Hunter, as an undivided 3.571429% interest, Alexis Chernow, as an undivided 3.571429% interest, and Lighthouse & Corner, LLC, as an undivided 44.642858% interest, ("Grantors"), hereby grant and convey to City of Santa Barbara, a municipal corporation ("Grantee"), a permanent easement ("Easement") and right of way described in Exhibit "1" and depicted in Exhibit "2", attached hereto and incorporated herein, for a public street over, under, along, through and across said property, together with the rights to construct, maintain, repair and replace improvements therein.

IN WITNESS WHEREOF, Grantors have executed this Grant of Permanent Easement for Street Drainage and Flood Control as of this _____ day of _____, 2009.

GRANTORS:

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

*ed: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Easement for Street Purposes

Parcel 033-111-011-04

STATE STREET

6 STATE ST
APN-033-111-011
Instrument No. 2008-0000482 O.R.

13 E CABRILLO (R.W.)
APN-033-111-012

N47°36'45"W
0.50'

N42°23'15"E
92.35'

92.35'
S42°23'15"W

S47°34'53"E

S47°34'53"E
0.50'

P.O.B.

CABRILLO

BOULEVARD

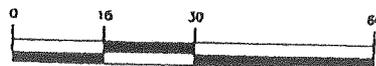


MINS ENGINEERS • SURVEYORS • CONSTRUCTION MANAGERS
Quality Infrastructure Services

4050 CALLE REAL, SUITE 110, SANTA BARBARA, CA 93110
TELEPHONE (805) 692-8921 FAX. (805) 692-8931

10-00105_845 • 100105_EXB.dwg • 12/07 • TR • E-FILE

GRAPHIC SCALE



(IN FEET)

1 inch = 30 ft.

P.N. 10-00105

Exhibit 2

10-00105_EXB.dwg 8/29/2008 9:44:59 AM PDT

10-00105_EXB.dwg 8/29/2008 9:44:59 AM PDT

ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
Corporate Officer

- Partner(s)
Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other: _____

- Title(s)
Limited
General

Title or Type of Document
Number Of Pages
Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this instrument to the City of Santa Barbara, a public entity, is hereby accepted by the undersigned which the City of Santa Barbara consents to the recordation of this deed by its duly authorized officer.

Dated: _____

By: _____

Its: _____

CITY OF SANTA BARBARA

Resolution Number _____

Adopted on _____, 2009

EXHIBIT G

RECORDING REQUESTED BY and
FEE RECORDING MAIL TO:

Office of Santa Barbara City Attorney
David C. McDermott, Assistant City Attorney
740 State Street, Suite 201
Santa Barbara, California 93101
Phone: (805) 564-5329

APN: 033-111-012 -01

NO FEES DUE - FOR BENEFIT OF PUBLIC AGENCY
(Space above this line for County Recorders Use Only)
No documentary tax due R & T 11922 (amended)

EASEMENT FOR STREET DRAINAGE AND FLOOD CONTROL

Grantors, Virginia Castagnola Hunter, as to an undivided 37.5% interest, Scott Hollister, as to an undivided 3.571429% interest, George Hollister, as an undivided 3.571426% interest, Catherine Lenfels, as an undivided 3.571429% interest, Francesca Hunter, as an undivided 3.571429% interest, Alexis Chernow, as an undivided 3.571429% interest, and Lighthouse & Corner, LLC, as an undivided 44.642858% interest, ("Grantors"), hereby grant and convey to City of Santa Barbara, a municipal corporation ("Grantee"), a permanent easement ("Easement") and right of way described in Exhibit "1" and depicted in Exhibit "2", attached hereto and incorporated herein, for street drainage and flood control purposes over, under, along, through and across said property, together with the rights to construct, maintain, repair and replace improvements therein.

IN WITNESS WHEREOF, Grantors have executed this Grant of Permanent Easement for Street Drainage and Flood Control as of this _____ day of _____, 2009.

GRANTORS:

Dated: _____

By: _____

Print name: _____

Easement for Street Drainage and Flood Control Purposes

(Parcel 033-111-012-01)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000483 of Official Records, in the office of the County Recorder of said County.

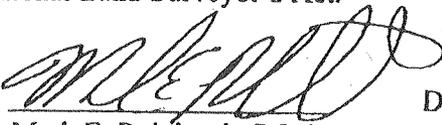
Said portion of land is described as follows:

Beginning at a point on the southwesterly line of said parcel N 47° 34' 53" W, a distance of 25.85 feet from the most southerly corner of said parcel as bounded by the northwesterly line of Cabrillo Boulevard; thence,

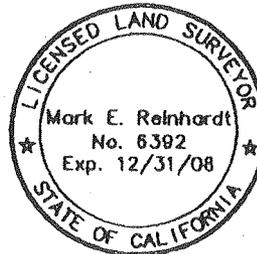
- 1st N 73° 06' 46" E, a distance of 1.15 feet to the most westerly corner of the easement granted to the County of Santa Barbara and the Santa Barbara County Flood Control and Water Conservation District in Grant Deed recorded February 14, 1983 in Instrument No. 83-7191 of Official Records, County of Santa Barbara; thence,
- 2nd along said Flood Control Easement's southwesterly line S 47° 36' 45" E, a distance of 25.26 feet; thence,
- 3rd S 42° 23' 15" W, a distance of 1.00 feet to a point on the southwesterly line of said Lighthouse & Corner parcel; thence,
- 4th along said parcel's southwesterly line N 47° 34' 53" W, a distance of 25.35 feet to the point of beginning.

Containing an area of approximately 25 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature: 
Mark E. Reinhardt, P.L.S.

Date: 8-31-08



ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
Corporate Officer

- Partner(s)
Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other: _____

- Limited
General

Title or Type of Document
Number Of Pages
Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this instrument to the City of Santa Barbara, a public entity, is hereby accepted by the undersigned which the City of Santa Barbara consents to the recordation of this deed by its duly authorized officer.

Dated: _____

By: _____

Its: _____

CITY OF SANTA BARBARA

Resolution Number _____

Adopted on _____, 2009

RECORDING REQUESTED BY and
AFTER RECORDING MAIL TO:

Office of Santa Barbara City Attorney
David C. McDermott, Assistant City Attorney
740 State Street, Suite 201
Santa Barbara, California 93101
Phone: (805) 564-5329

APN: 033-111-012-02

NO FEES DUE - FOR BENEFIT OF PUBLIC AGENCY
(Space above this line for County Recorders Use Only)
No documentary tax due R & T 11922 (amended)

TEMPORARY CONSTRUCTION EASEMENT

(18 Months)

Grantors, Virginia Castagnola Hunter, as to an undivided 37.5% interest, Scott Hollister, as to undivided 3.571429% interest, George Hollister, as an undivided 3.571426% interest, Catherine Wallenfels, as an undivided 3.571429% interest, Francesca Hunter, as an undivided 3.571429% interest, Alexis Chernow, as an undivided 3.571429% interest, and Lighthouse & Corner, LLC, as an undivided 44.642858% interest, ("Grantors"), hereby grant and convey to City of Santa Barbara, a municipal corporation ("Grantee"), a temporary construction easement ("Easement") and right of entry to use the area described in Exhibit "1" and depicted in Exhibit "2", attached hereto and incorporated herein, for reasonable and necessary ingress and egress to survey, inspect, excavate, construct, repair, remove, replace and reconstruct the Cabrillo Boulevard Bridge and a patio adjacent to Grantors' property and other appurtenant public works, improvements and facilities. The temporary construction easement shall be for a period of 18 months which shall begin upon written notice from Grantee to Grantors, unless otherwise extended by the parties. Grantee, upon completion of construction, will return the area of the temporary construction easement to the same or similar condition prior to construction, including replacing plants and vegetation removed or damaged by construction activities, except within the creek.

The easement is to facilitate Grantee's activities in removing and replacing the Cabrillo Boulevard Bridge and related public improvements and to modify, conform and rehabilitate improvements owned by Grantors adjacent to the bridge and creek.

IN WITNESS WHEREOF, Grantors have executed this Grant of Temporary Construction Easement as of this _____ day of _____, 2009.

GRANTORS:

Dated: _____

By: _____

Print name: _____

Non-Exclusive Temporary Construction Easement

(Parcel 033-111-012-02)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000483 of Official Records, in the office of the County Recorder of said County.

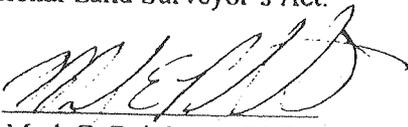
Said portion of land is described as follows:

Beginning at the most northerly point of the portion of land described in the deed to the City of Santa Barbara in Street Easement Deed recorded July 11, 1997 as Instrument No. 97-40084 of Official Records of said county; thence,

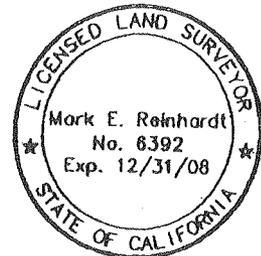
- 1st S 02° 35' 49" E, a distance of 13.43 feet to a point which lies 0.50 feet northwesterly as measured perpendicular to the northwesterly line of Cabrillo Boulevard; thence,
- 2nd along a line parallel with and 0.50 feet northwesterly of said line of Cabrillo Boulevard S 42° 23' 15" W a distance of 11.35 feet to a point on the northerly boundary of the portion of land described in the easement granted to the County of Santa Barbara and the Santa Barbara County Flood Control and Water Conservation District in a Grant Deed recorded February 14, 1983 in Instrument No. 83-7191 of Official Records of said County; thence,
- 3rd along said northerly boundary S 73° 06' 46" W, a distance of 18.59 feet; thence,
- 4th N 42° 23' 15" E a distance of 26.83 feet; thence,
- 5th N 02° 35' 49" W, a distance of 14.15 feet to a point on the southwesterly line of Helena Avenue; thence,
- 6th along the southwesterly line of Helena Avenue S 47° 34' 53" E a distance of 10.00 feet to the point of beginning.

Containing an area of approximately 279 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

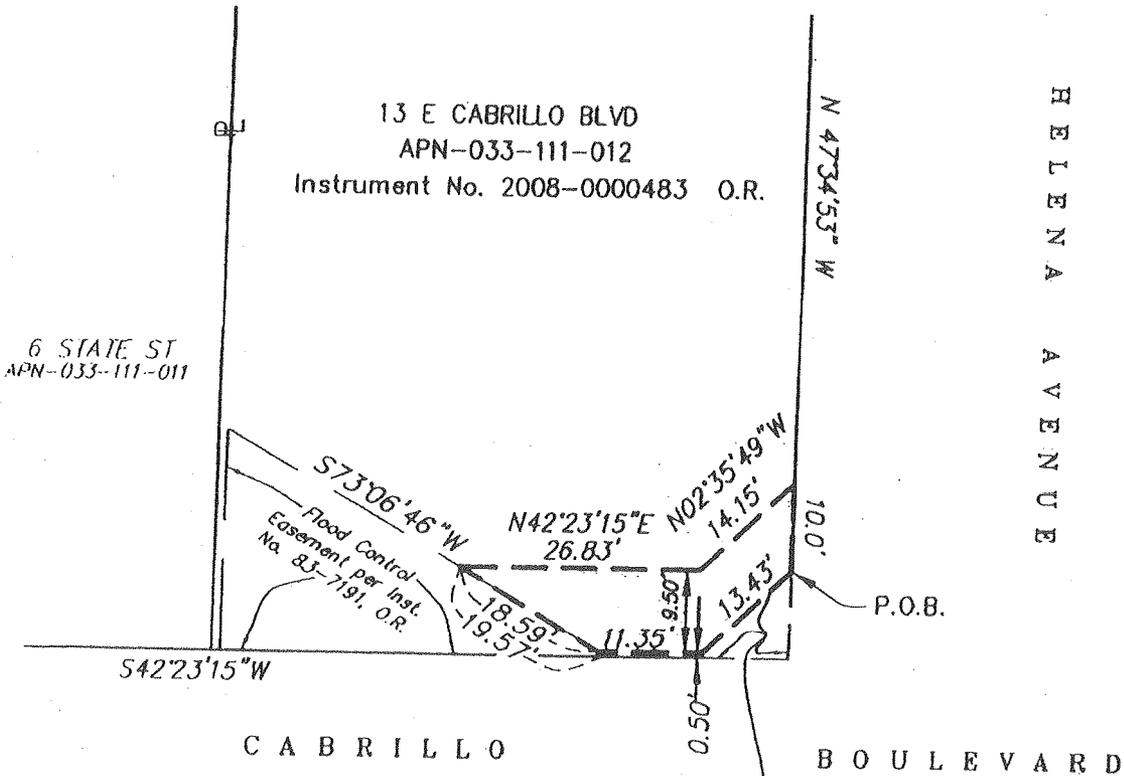
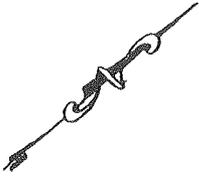
Signature: 
Mark E. Reinhardt, PLS

Date: 8-29-08



Non-Exclusive Temporary Construction Easement

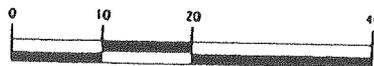
Parcel 033-111-012-02



Easement to City of Santa Barbara per Inst. No. 97-40081, O.R.



GRAPHIC SCALE



(IN FEET)
1 inch = 20 ft.

10-0005_EXHIBITS for RFDing 8/29/2008 8:17:56 AM PNT

Survey conducted by CAD/CADD using SURVEY RIGHT OF WAY APPRAISAL

MNS ENGINEERS • SURVEYORS • CONSTRUCTION MANAGERS
Quality Infrastructure Services

4050 CALLE REAL, SUITE 110, SANTA BARBARA, CA 93110
TELEPHONE (805) 692-6921 FAX. (805) 692-6931

10-00105_845 • 100105_EXB.dwg • 12/07 • TR • E-FILE

P.N. 10-00105

ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____
Date Name And Title Of Officer (e.g. 'Jane Doe, Notary Public')

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
Corporate Officer

- Partner(s) Limited
General
Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other:

Title or Type of Document

Number Of Pages

Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this instrument to the City of Santa Barbara, a public entity, is hereby accepted by the undersigned which the City of Santa Barbara consents to the recordation of this deed by its duly authorized officer.

Dated: _____

By: _____

Its: _____

CITY OF SANTA BARBARA

Resolution Number _____

Adopted on _____, 2009

EXHIBIT I

RECORDING REQUESTED BY and
AFTER RECORDING MAIL TO:

Office of Santa Barbara City Attorney
David C. McDermott, Assistant City Attorney
740 State Street, Suite 201
Santa Barbara, California 93101
Phone: (805) 564-5329

APN: 033-111-012-03

NO FEES DUE - FOR BENEFIT OF PUBLIC AGENCY
(Space above this line for County Recorders Use Only)
No documentary tax due R & T 11922 (amended)

TEMPORARY CONSTRUCTION EASEMENT

(18 Months)

Grantors, Virginia Castagnola Hunter, as to an undivided 37.5% interest, Scott Hollister, as to undivided 3.571429% interest, George Hollister, as an undivided 3.571426% interest, Catherine Wallenfels, as an undivided 3.571429% interest, Francesca Hunter, as an undivided 3.571429% interest, Alexis Chernow, as an undivided 3.571429% interest, and Lighthouse & Corner, LLC, as an undivided 44.642858% interest, ("Grantors"), hereby grant and convey to City of Santa Barbara, a municipal corporation ("Grantee"); a temporary construction easement ("Easement") and right of entry to use the area described in Exhibit "1" and depicted in Exhibit "2", attached hereto and incorporated herein, for reasonable and necessary ingress and egress to survey, inspect, excavate, construct, repair, remove, replace and reconstruct the Cabrillo Boulevard Bridge and a patio adjacent to Grantors' property and other appurtenant public works, improvements and facilities. The temporary construction easement shall be for a period of 18 months which shall begin upon written notice from Grantee to Grantors, unless otherwise extended by the parties. Grantee, upon completion of construction, will return the area of the temporary construction easement to the same or similar condition prior to construction, including replacing plants and vegetation removed or damaged by construction activities, except within the creek.

The easement is to facilitate Grantee's activities in removing and replacing the Cabrillo Boulevard Bridge and related public improvements and to modify, conform and rehabilitate improvements owned by Grantors adjacent to the bridge and creek.

IN WITNESS WHEREOF, Grantors have executed this Grant of Temporary Construction Easement as of this _____ day of _____, 2009.

GRANTORS:

Dated: _____

By: _____

Print name: _____

Exclusive Temporary Construction Easement

(Parcel 033-111-012-03)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, being a portion of the parcel of land described in Exhibit A in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000483 of Official Records, in the Office of the County Recorder of said County.

Said portion of land is described as follows:

Beginning at the most westerly corner of said parcel of land; thence,

- 1st Northeasterly along the northwesterly line of said parcel, 40.00 feet; thence,
- 2nd at right angles southeasterly 2.00 feet to a point on the southeasterly boundary of said parcel; thence,
- 3rd Southwesterly along said southeasterly boundary 40.00 feet to a point on the northeasterly boundary of State Street and the southwesterly boundary of said parcel; thence,
- 4th Northwesterly along said southwesterly boundary 2.00 feet to the point of beginning.

Containing an area of approximately 80 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

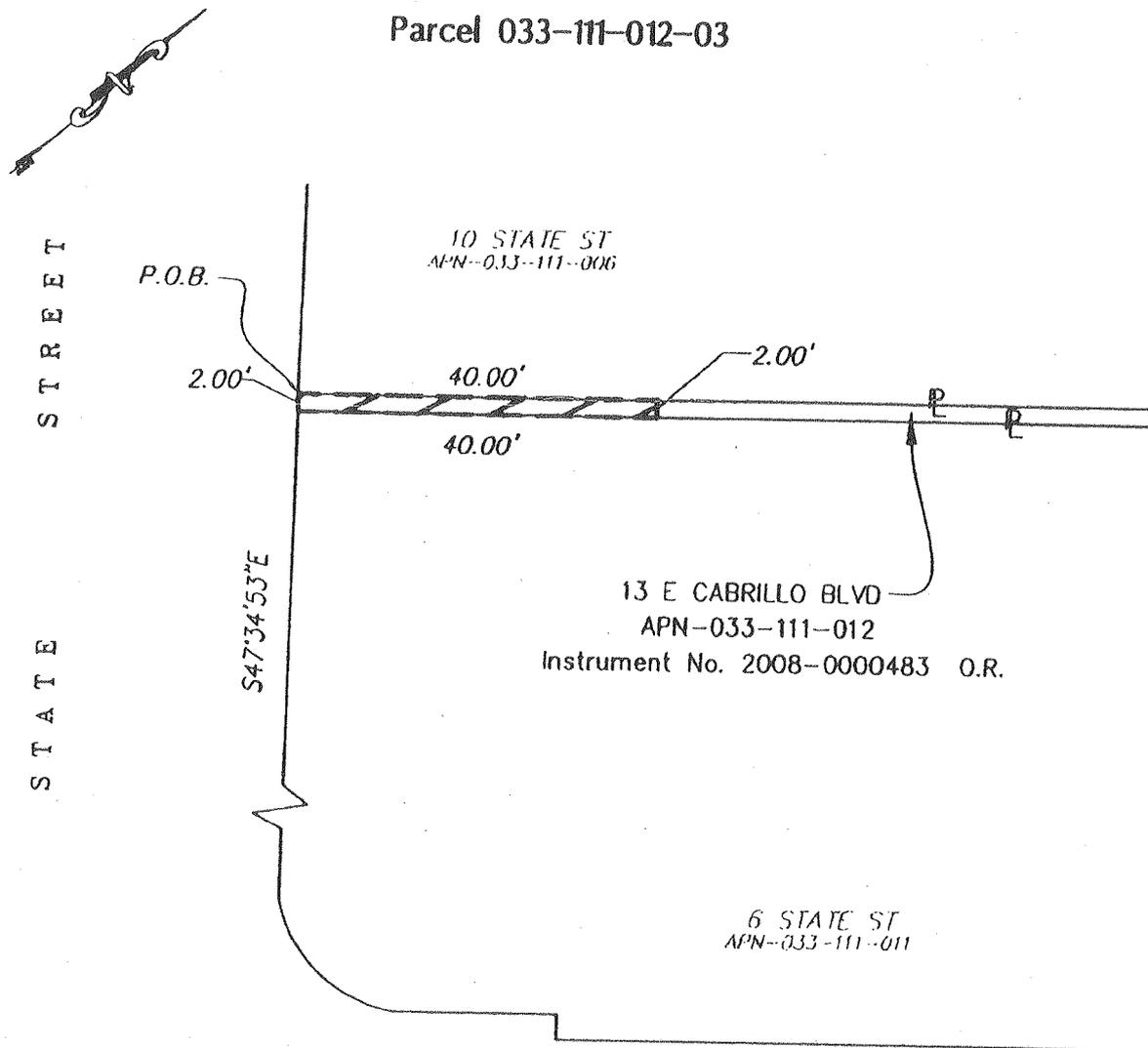
Signature: 
Mark E. Reinhardt, P.L.S.

Date: 9-2-08



Exclusive Temporary Construction Easement

Parcel 033-111-012-03



STATE STREET

P.O.B.

2.00'

40.00'

2.00'

40.00'

S47°34'53"E

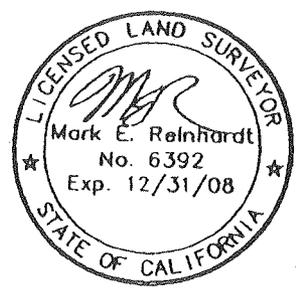
13 E CABRILLO BLVD
APN-033-111-012

Instrument No. 2008-0000483 O.R.

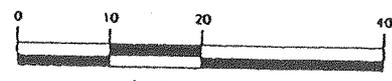
6 STATE ST
APN-033-111-011

C A B R I L L O

B O U L E V A R D



GRAPHIC SCALE



(IN FEET)

1 inch = 20 ft.

MNS ENGINEERS • SURVEYORS • CONSTRUCTION MANAGERS
 ENGINEERS INC *Quality Infrastructure Services*

4050 CALLE REAL, SUITE 110, SANTA BARBARA, CA 93110
 TELEPHONE (805) 692-6921 FAX. (805) 692-6931

10-00105_645 • 100105_EXB.dwg • 12/07 • TR • E-FRE

/RPD

P.N. 10-00105

Exhibit 2

ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
Corporate Officer

- Partner(s)
Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other:

- Limited
General

Title or Type of Document
Number Of Pages
Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this instrument to the City of Santa Barbara, a public entity, is hereby accepted by the undersigned which the City of Santa Barbara consents to the recordation of this deed by its duly authorized officer.

Dated: _____

By: _____

Its: _____

CITY OF SANTA BARBARA

Resolution Number _____

Adopted on _____, 2009

EXHIBIT J

RECORDING REQUESTED BY and
RECORDER RECORDING MAIL TO:

Office of Santa Barbara City Attorney
David C. McDermott, Assistant City Attorney
740 State Street, Suite 201
Santa Barbara, California 93101
Phone: (805) 564-5329

APN: 033-111-012-04

NO FEES DUE - FOR BENEFIT OF PUBLIC AGENCY
(Space above this line for County Recorders Use Only)
No documentary tax due R & T 11922 (amended)

EASEMENT FOR STREET RIGHT OF WAY

Grantors, Virginia Castagnola Hunter, as to an undivided 37.5% interest, Scott Hollister, as to an undivided 3.571429% interest, George Hollister, as an undivided 3.571426% interest, Catherine Jenfels, as an undivided 3.571429% interest, Francesca Hunter, as an undivided 3.571429% interest, Alexis Chernow, as an undivided 3.571429% interest, and Lighthouse & Corner, LLC, as an undivided 44.642858% interest, ("Grantors"), hereby grant and convey to City of Santa Barbara, a municipal corporation ("Grantee"), a permanent easement ("Easement") and right of way described in Exhibit "1" and depicted in Exhibit "2", attached hereto and incorporated herein, for a public street over, under, along, through and across said property, together with the rights to construct, maintain, repair and replace improvements therein.

IN WITNESS WHEREOF, Grantors have executed this Grant of Permanent Easement for Street Drainage and Flood Control as of this _____ day of _____, 2009.

GRANTORS:

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

ed: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Dated: _____

By: _____

Print name: _____

Easement for Street Purposes

(Parcel 033-111-012-04)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000483 of Official Records in the office of the County Recorder of said County.

Said portion of land is described as follows:

The southeasterly 0.50 feet of said parcel lying adjacent to and northwesterly of the northwesterly line of Cabrillo Boulevard.

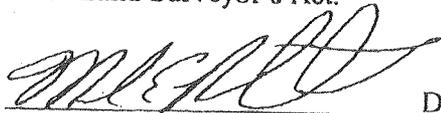
EXCEPTING THEREFROM:

That portion that lies within the land as described in the Street Easement Deed to the City of Santa Barbara recorded July 11, 1997 as Instrument No. 97-040081 of Official Records in the office of the County Recorder of said County.

Containing an area of 27 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

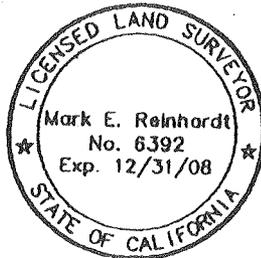
Signature:



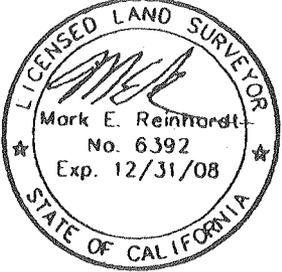
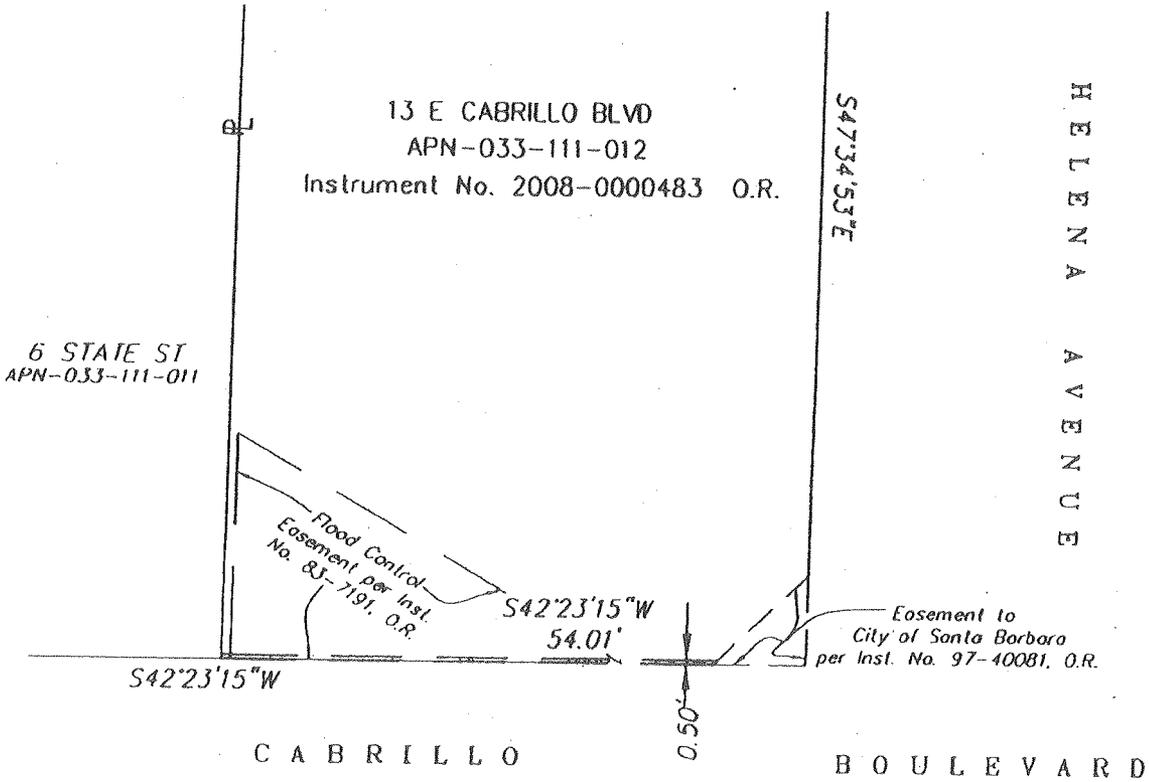
Date:

9-02-08

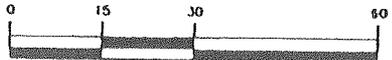
Mark E. Reinhardt, P.L.S.



Parcel 033-111-012-04



GRAPHIC SCALE



(IN FEET)

1 inch = 30 ft.

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Quality Infrastructure Services

4050 CALLE REAL, SUITE 110, SANTA BARBARA, CA 93110
 TELEPHONE (805) 692-6921 FAX. (805) 692-6931

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ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____
Date Name And Title Of Officer (e.g. 'Jane Doe, Notary Public')

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
Corporate Officer

- Partner(s)
Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other:

- Limited
General

Title or Type of Document
Number Of Pages
Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by this instrument to the City of Santa Barbara, a public entity, is hereby accepted by the undersigned which the City of Santa Barbara consents to the recordation of this deed by its duly authorized officer.

Dated: _____

By: _____

Its: _____

CITY OF SANTA BARBARA

Resolution Number _____

Adopted on _____, 2009

EXHIBIT K

RECORDING REQUESTED BY and
AFTER RECORDING MAIL TO:

Office of Santa Barbara City Attorney
David C. McDermott, Assistant City Attorney
740 State Street, Suite 201
Santa Barbara, California 93101
Phone: (805) 564-5329

APN: 033-111-012-05

NO FEES DUE - FOR BENEFIT OF PUBLIC AGENCY
(Space above this line for County Recorders Use Only)
No documentary tax due R & T 11922 (amended)

TEMPORARY CONSTRUCTION EASEMENT
(18 Months)

Grantors, Virginia Castagnola Hunter, as to an undivided 37.5% interest, Scott Hollister, as to undivided 3.571429% interest, George Hollister, as an undivided 3.571426% interest, Catherine Wallenfels, as an undivided 3.571429% interest, Francesca Hunter, as an undivided 3.571429% interest, Alexis Chernow, as an undivided 3.571429% interest, and Lighthouse & Corner, LLC, as an undivided 44.642858% interest, ("Grantors"), hereby grant and convey to City of Santa Barbara, a municipal corporation ("Grantee"), a temporary construction easement ("Easement") and right of entry to use the area described in Exhibit "1" and depicted in Exhibit "2", attached hereto and incorporated herein, for reasonable and necessary ingress and egress to survey, inspect, excavate, construct, repair, remove, replace and reconstruct the Cabrillo Boulevard Bridge and a patio adjacent to Grantors' property and other appurtenant public works, improvements and facilities. The temporary construction easement shall be for a period of 18 months which shall begin upon written notice from Grantee to Grantors, unless otherwise extended by the parties. Grantee, upon completion of construction, will return the area of the temporary construction easement to the same or similar condition prior to construction, including replacing plants and vegetation removed or damaged by construction activities, except within the creek.

The easement is to facilitate Grantee's activities in removing and replacing the Cabrillo Boulevard Bridge and related public improvements and to modify, conform and rehabilitate improvements owned by Grantors adjacent to the bridge and creek.

IN WITNESS WHEREOF, Grantors have executed this Grant of Temporary Construction Easement as of this _____ day of _____, 2009.

GRANTORS:

Dated: _____

By: _____

Print name: _____

Exhibit _____
(Parcel 033-111-012-05)

That portion of Block 322 in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, being a portion of the parcel of land described in Exhibit "A" in the Quitclaim Deed to Lighthouse & Corner, LLC recorded January 3, 2008 as Instrument No. 2008-0000483 of Official Records, in the office of the County Recorder of said County.

Said portion of land is described as follows:

Commencing at the most northerly point of the portion of land described in the deed to the City of Santa Barbara in Street Easement Deed recorded July 11, 1997 as Instrument No. 97-40081 of Official Records of said County; thence, along a line parallel with and 10.00 feet northwesterly of and as measured at right angles to the northwesterly line of Cabrillo Boulevard S 42° 23' 15" W, a distance of 36.83 feet to a point on the northerly boundary of the portion of land described in the easement granted to the County of Santa Barbara and the Santa Barbara County Flood Control and Water Conservation District in a Grant Deed recorded February 14, 1983 in Instrument No. 83-7191 of Official Records of said County and the True Point of Beginning of the portion of land herein described; thence,

- 1st continuing along said parallel line, S 42° 23' 15" W, a distance of 25.67 feet to a point on the southwesterly boundary of the portion of land described in said Flood Control easement; thence,
- 2nd along said southwesterly boundary S 47° 36' 45" E, a distance of 9.50 feet to a point on a line parallel with and 0.50 feet northwesterly of and as measured at right angles to the northwesterly line of Cabrillo Boulevard; thence,
- 3rd along said parallel line N 42° 23' 15" E a distance of 41.66 feet to a point on the northerly boundary of said Flood Control easement; thence,
- 4th along said northerly boundary S 73° 06' 46" W, a distance of 18.59 feet to point of beginning.

Containing an area of approximately 320 square feet.

This real property description was prepared by me, or under my direction, in conformance with the Professional Land Surveyor's Act.

Signature: _____

Mark E. Reinhardt, PLS

Date: _____

4-2-09

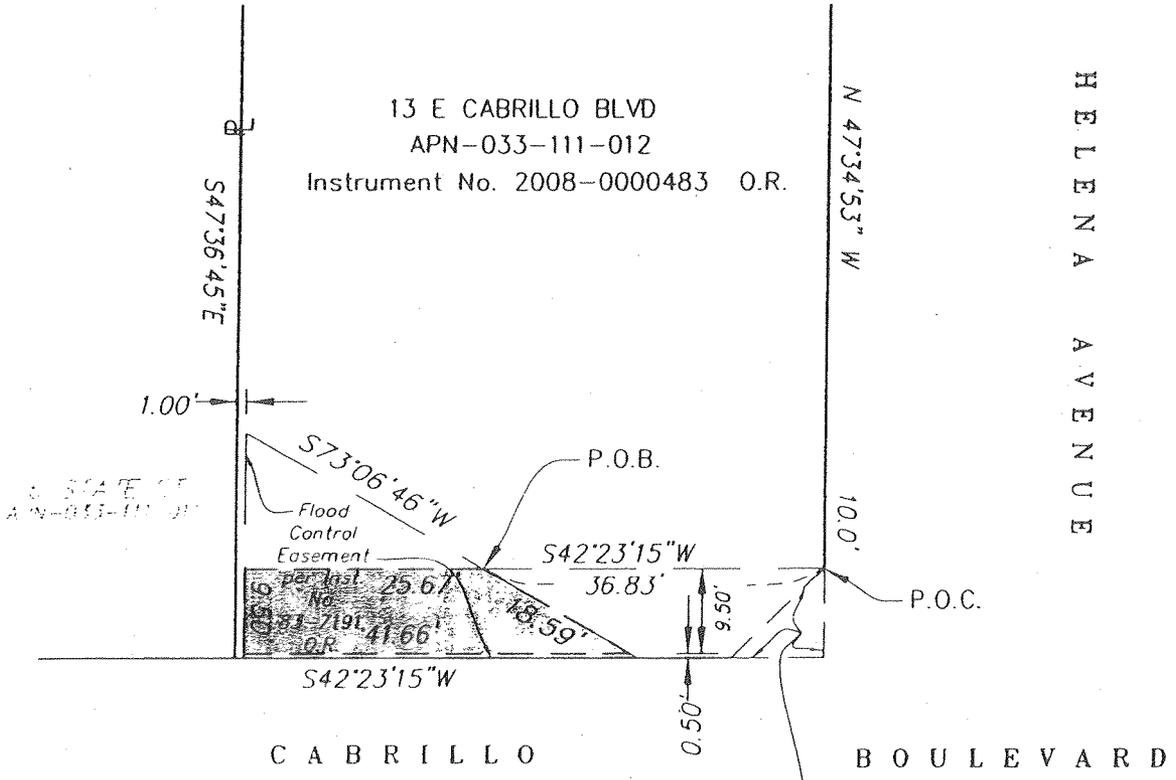


EXHIBIT _____
Parcel 033-111-012-05

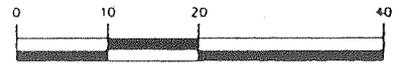
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10-00105_B45.dwg 3/13/2009 4:04:53 PM PDT



GRAPHIC SCALE



(IN FEET)
1 inch = 20 ft.

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ALL-PURPOSE ACKNOWLEDGMENT FOR CALIFORNIA

STATE OF CALIFORNIA
COUNTY OF _____

On _____, before me, _____
Date Name And Title Of Officer (e.g. 'Jane Doe, Notary Public')

personally appeared _____
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document
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CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- Individual
Corporate Officer

- Partner(s)
Attorney-In-Fact
Trustee(s)
Guardian/Conservator
Other: _____

- Title(s)
Limited
General

Title or Type of Document
Number Of Pages
Date Of Document

Signer is representing:
Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

CERTIFICATE OF ACCEPTANCE

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Dated: _____

By: _____

Its: _____

CITY OF SANTA BARBARA

Resolution Number _____

Adopted on _____, 2009



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 14, 2009
TO: Mayor and Councilmembers
FROM: City Administrator's Office
SUBJECT: Conference With Real Property Negotiators – Encroachment Permit
And Possible Temporary Lease

RECOMMENDATION:

That Council hold a closed session to consider instructions to City Staff regarding real property negotiations for the real property located at 1200 Punta Gorda Street, Santa Barbara, California pursuant to the authority of Government Code §54956.8. Instructions to negotiator concern the terms of an encroachment permit allowing an encroachment over a City interest in the real property and the terms of a short term lease for the property.

Property: Cypress Tree Apartments, 1200 Punta Gorda Street (APN 017-334-01)

City Negotiator: Public Works Real Property Staff and the City Attorney's office.

Negotiating Party: Board of Directors of Cypress Tree Apartments (Ms. Veronica Smith, President and Matt Estes, Charles Huller and Ema Sequoia, Directors)

Under Negotiation: Term of an encroachment permit and a possible short term lease or leases.

SCHEDULING:

Duration: 20 minutes; anytime

REPORT:

None Anticipated

PREPARED BY: David C. McDermott, Assistant City Attorney

SUBMITTED BY: Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office