

CITY OF ARCADIA

City Council Regular Meeting Agenda



Tuesday, April 1, 2025, 7:00 p.m.

Location: City Council Chambers, 240 W. Huntington Drive, Arcadia

Pursuant to the Americans with Disabilities Act, persons with a disability who require a disability related modification or accommodation in order to participate in a meeting, including auxiliary aids or services, may request such modification or accommodation from the City Clerk at (626) 574-5455. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to assure accessibility to the meeting.

根据《美国残障人法案》，需要调整或提供便利设施才能参加会议的残障人士（包括辅助器材或服务）可与市书记官办公室联系（电话：(626) 574-5455）。请在会前 48 小时通知市书记官办公室，以便作出合理安排，确保顺利参加会议。

Pursuant to the City of Arcadia's Language Access Services Policy, limited-English proficient speakers who require translation services in order to participate in a meeting may request the use of a volunteer or professional translator by contacting the City Clerk's Office at (626) 574-5455 at least 72 hours prior to the meeting.

根据阿凯迪亚市的语言便利服务政策，英语能力有限并需要翻译服务才能参加会议的人可与市书记官办公室联系（电话：(626) 574-5455），请求提供志愿或专业翻译服务，请至少在会前 72 小时提出请求。

How to Submit Public Comment:

Members of the Public who wish to submit public comment may do so using one of the following methods. Public comment is limited to the time and words allotted.

1. **In-Person:** Complete a Speaker Card, indicating the agenda item number and submit it to the City Clerk prior to the meeting, or simply come to the podium when the Mayor asks for those who wish to speak. Speakers are generally limited to five (5) minutes per person; any changes to the allotted time will be announced prior to the Public Comment period. At the Mayor's discretion, the time limit may be shortened to allow speakers to address the City Council.

Electronic submission of Public Comment is also available via the City's website or by email as noted below. Public Comment submitted electronically will not be read into the record at the posted meeting time but are forwarded to the City Council prior to the meeting for consideration.

1. **Website:** Please submit your comments using our online public comment form at ArcadiaCA.gov/comment. Your comments must be received at least 30 minutes prior to the posted meeting time.
2. **Email:** Please submit your comments via email to CityClerk@ArcadiaCA.gov. Your comments must be received at least 30 minutes prior to the posted meeting time.

如何提交公众评论意见：

公众成员可以使用以下任何一种方法提交公众评论意见。请在时间和字数的限制范围内提交公众评论意见。

1. **亲自出席：**填写一张发言人卡片，注明议程项目编号，然后在会议开始前提交给市书记官，或者在市市长询问公众发言时，直接到讲台上发言。发言者通常每人限时五（5）分钟；如有时间调整，将在公众评论期间之前公告。根据市长的裁量权，时间限制可能会缩短，以便发言者向市议会发言。

亦可按照以下方法在本市网站上或通过电子邮件以电子方式提交公众评论意见。以电子方式提交的公众评论意见不会在公布的会议期间读入记录，但会在会议开始前转交给市议会，供市议会考虑。

1. **网站：**请使用以下网站中刊载的在线公众评论意见表提交您的评论意见：ArcadiaCA.gov/comment。必须在公布的会议时间前至少提前 30 分钟提交评论意见。
2. **电子邮件：**请将您的评论意见通过电子邮件发送至：CityClerk@ArcadiaCA.gov。必须在公布的会议时间前至少提前 30 分钟提交评论意见。

1. CALL TO ORDER

2. INVOCATION

Rabbi Sholom Stiefel, Chabad of Arcadia

3. PLEDGE OF ALLEGIANCE

Joseph Herrick, Navy Veteran and Arcadia Fire Captain

4. ROLL CALL OF CITY COUNCIL MEMBERS

Dr. Michael Cao, Mayor
Sharon Kwan, Mayor Pro Tem
Paul P. Cheng, Council Member
David Fu, Council Member
Eileen Wang, Council Member

5. SUPPLEMENTAL INFORMATION FROM CITY MANAGER REGARDING AGENDA ITEMS

6. PRESENTATIONS

- a. Presentation of Education and Sharing Day Proclamation to Rabbi Sholom Stiefel of Chabad of Arcadia.
- b. Presentation of Mayor's Certificate of Commendation to First Avenue Middle School Boys Soccer Team for winning the school's first 210 League Championship.
- c. Presentation of Mayor's Certificates of Commendation for the Eaton Fire and Windstorm response.

7. APPOINTMENTS

- a. Appointment to the Library Board of Trustees.

CEQA: Not a Project

Recommended Action: Make Appointment to Fill Unexpired Term

8. PUBLIC HEARING

Any person wishing to speak before the City Council on a public hearing item is asked to complete a Speaker Card noting the agenda item number and provide it to the City Clerk prior to the start of the public hearing. Separate and apart from the applicant (who may speak longer in the discretion of the City Council) speakers are generally limited to five (5) minutes per person; any changes to the allotted time will be announced prior to the Public Comment period. Under the Brown Act, the City Council is prohibited from discussing or acting on any item not listed on the posted agenda. The applicant may additionally submit rebuttal comments, at the discretion of the City Council.

You are hereby advised that should you desire to legally challenge in court or in an administrative proceeding any action taken by the City Council regarding any public hearing item, you may be limited to raising only those issues and objections you or someone else raised at the public hearing or in written correspondence delivered to the City Council at, or prior to, the public hearing.

- a. Text Amendment No. TA 24-01 amending various sections of the Arcadia Development Code related to Accessory Dwelling Units, regulations to the Residential Flex ("RF") Overlay Zone, and other text clean-ups.

CEQA: Exempt

Recommended Action: Introduce Ordinance No. 2401 Approving Text Amendments

- b. Text Amendment No. 25-01 pertaining to an Inclusionary Housing Ordinance and associated In-Lieu Development Fee.

Ordinance No. 2402 related to Text Amendment No. TA 25-01 adding a new Section 9103.16 to Article IX, Chapter 1 (Development Code) of the Arcadia Municipal Code pertaining to an Inclusionary Housing Ordinance and associated In-Lieu Development Fee.

CEQA: Exempt

Recommended Action: Introduce

Resolution No. 7621 establishing an Inclusionary Housing In-Lieu Development Fee as an alternative to providing affordable housing units required by the Inclusionary Housing Ordinance; and finding that this Resolution is exempt from the requirements of the California Environmental Quality Act ("CEQA").

CEQA: Exempt

Recommended Action: Adopt

- c. Resolution No. 7623 adopting the Initial Study/Mitigated Negative Declaration for the Goldring Well and Per-And Polyfluoroalkyl Substances Treatment Plant Project in accordance with the California Environmental Quality Act ("CEQA"), approving the Mitigation Monitoring and Reporting Program, and authorizing the execution of the Notice of Determination.

CEQA: Adopt the Initial Study/Mitigated Negative Declaration

Recommended Action: Adopt

- d. Ordinance No. 2403 amending Article V, Chapter 6 of the Arcadia Municipal Code and adopting by reference the Los Angeles County Health Code.
CEQA: Not a Project
Recommended Action: Adopt

9. PUBLIC COMMENTS (5-minute time limit each speaker)

Any person wishing to speak before the City Council is asked to complete a Speaker Card and provide it to the City Clerk prior to the start of the meeting. Speakers are generally limited to five (5) minutes per person; any changes to the allotted time will be announced prior to the Public Comment period. Under the Brown Act, the City Council is prohibited from discussing or taking action on any item not listed on the posted agenda.

10. REPORTS FROM MAYOR AND CITY COUNCIL (*including reports from the City Council related to meetings attended at City expense [AB 1234]*).

11. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless a member of the City Council, staff, or the public requests that a specific item be removed from the Consent Calendar for separate discussion and action.

- a. Special Meeting Minutes of March 15, 2025, and Regular Meeting Minutes of March 18, 2025.
CEQA: Not a Project
Recommended Action: Approve
- b. Resolution No. 7625 amending the Fiscal Year 2024-25 General Fund Budget, authorizing a supplemental budget appropriation for fire apparatus and service repairs in the amount of \$100,000, offset by a reduction in the General Fund Reserve; and approving a change order to the Purchase Order with Performance Truck Repair Inc. in the amount of \$100,000.
CEQA: Not a Project
Recommended Action: Adopt and Approve
- c. Professional Services Agreement with John L. Hunter and Associates, Inc. for inspection, monitoring, and management support for the Municipal Stormwater and Industrial Waste Programs in the amount of \$119,538.
CEQA: Not a Project
Recommended Action: Approve
- d. Record deed restriction at Tierra Verde Park to comply with Measure A grant requirements to provide pickleball courts at the facility.
CEQA: Not a Project
Recommended Action: Approve

12. ADJOURNMENT

The City Council will adjourn this meeting to Tuesday, April 15, 2025, 7:00 p.m. in the City Council Chambers.

Welcome to the Arcadia City Council Meeting!

The City Council encourages public participation, and invites you to share your views on City business.

MEETINGS: Regular Meetings of the City Council are held on the first and third Tuesday of each month at 7:00 p.m. in City Council Chambers. A full City Council agenda packet with all backup information is available at City Hall, the Arcadia Library, and on the City's website at www.ArcadiaCA.gov. Copies of individual Agenda Reports are available via email upon request (CityClerk@ArcadiaCA.gov). Documents distributed to a majority of the City Council after the posting of this agenda will be available for review at the Office of the City Clerk, 240 W. Huntington Drive, Arcadia, California. Live broadcasts and replays of the City Council Meetings are on cable television. Your attendance at this public meeting may result in the recording and broadcast of your image and/or voice as previously described.

PUBLIC PARTICIPATION: Your participation is welcomed and invited at all City Council meetings. Time is reserved at each regular meeting for those in the audience who wish to address the City Council. The City requests that persons addressing the City Council refrain from making personal, slanderous, profane, or disruptive remarks. Where possible, please submit a **Speaker Card** to the City Clerk prior to your comments, or simply come to the podium when the Mayor asks for those who wish to speak, and state your name and address (optional) for the record. Please provide the City Clerk with a copy of any written materials used in your address to the City Council as well as 10 copies of any printed materials you would like distributed to the City Council. The use of City equipment for presentations is not permitted.

MATTERS NOT ON THE AGENDA should be presented during the time designated as "PUBLIC COMMENTS." In general, each speaker will be given five (5) minutes to address the City Council; however, the Mayor, at his/her discretion, may shorten the speaking time limit to allow all speakers time to address the City Council. **By State law, the City Council may not discuss or vote on items not on the agenda. The matter will automatically be referred to staff for appropriate action or response or will be placed on the agenda of a future meeting.**

MATTERS ON THE AGENDA should be addressed when the City Council considers that item. Please indicate the Agenda Item Numbers(s) on the **Speaker Card**. Your name will be called at the appropriate time and you may proceed with your presentation within the five (5) minute time frame. The Mayor, at his/her discretion, may shorten the speaking time limit to allow all speakers to address the City Council.

PUBLIC HEARINGS AND APPEALS are items scheduled for which public input is either required or desired. Separate and apart from the applicant (who may speak longer in the discretion of the City Council), speakers shall be limited to five (5) minutes per person. The Mayor, at his/her discretion, may shorten the speaking time limit to allow all speakers to address the City Council. The applicant may additionally submit rebuttal comments.

AGENDA ITEMS: The Agenda contains the regular order of business of the City Council. Items on the Agenda have generally been reviewed and investigated by the City Staff in advance of the meeting so that the City Council can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine by the City Council and will be acted upon by one motion. There will be no separate discussion on these items unless a member of the City Council, Staff, or the public so requests. In this event, the item will be removed from the Consent Calendar and considered and acted on separately.

DECORUM: While members of the public are free to level criticism of City policies and the action(s) or proposed action(s) of the City Council or its members, members of the public may not engage in behavior that is disruptive to the orderly conduct of the proceedings, including but not limited to, conduct that prevents other members of the audience from being heard when it is their opportunity to speak or which prevents members of the audience from hearing or seeing the proceedings. Members of the public may not threaten any person with physical harm or act in a manner that may reasonably be interpreted as an imminent threat of physical harm. All persons attending the meeting are expected to adhere to the City's policy barring harassment based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, sexual orientation, or age. The Chief of Police, or such member or members of the Police Department, shall serve as the Sergeant-at-Arms of the City Council meeting. The Sergeant-at-Arms shall carry out all orders and instructions given by the presiding official for the purpose of maintaining order and decorum at the meeting. Any person who violates the order and decorum of the meeting may be placed under arrest and such person may be prosecuted under the provisions of Penal Code Section 403 or applicable Arcadia Municipal Code section.

欢迎参加阿凯迪亚市议会会议！

市议会鼓励公众参与，并邀请您分享对城市管理的看法。

会议：市议会定期会议于每个月第一个和第三个星期二下午七时在市议会会议厅举行。在市政厅、阿凯迪亚图书馆和市政府网站（www.ArcadiaCA.gov）可以找到包含所有相关信息的完整市议会议程。单独的议程报告可应请求通过电子邮件索取（CityClerk@ArcadiaCA.gov）。至于在发布该议程后向市议会多数成员分发的文件，公众可在阿凯迪亚市书记官办公室查阅，地址：240 W. Huntington Drive, Arcadia, California。市议会会议实况将通过有线电视进行现场直播和回放。如在以往的通知中所提示，如果您参加这次公开会议，您的图像和/或声音可能被录下并播出。

公众参与：市议会欢迎并邀请您参加市议会的所有会议。在每次定期会议上都为那些希望在会上发言的市民留出时间。市政府要求在市议会发言的人杜绝个人攻击、诽谤、亵渎或破坏性言论。如有可能，请在发表意见之前向市书记官提交一张**发言卡**，亦可在市长宣布自由发言时直接上台发言，并说出您的姓名和地址（如果您愿意），以便制作会议记录。请向市书记官提供一份您在发言中使用的任何书面材料，以及 10 份您希望分发给市议会的任何印刷材料。不允许把市政府设备用于准备发言内容。

议程之外的事项应当在指定的“公众评议”时间提出。在一般情况下，每位发言者将有五（5）分钟时间向市议会陈述意见，但市长可酌情缩短发言时限，以便让所有希望发言的人都有机会发言。**根据州法，市议会不得讨论或表決未列入议程的事项。此类事项将自动转给工作人员采取适当行动或作出回应，或将其列入未来会议的议程。**

列入议程的事项应当在市议会审议该事项时讨论。请在**发言卡**上标明事项的议程编号。在适当的时间会叫到您的名字，您可以在五（5）分钟时限内发言。市长可酌情缩短发言时限，以便让所有希望发言的人都有机会发言。

公开听证和上诉是为需要或希望征求公众意见的事项安排的日程。除申请人外（市议会可酌情决定延长申请人的发言时间），每位发言人的发言不得超过五（5）分钟。市长可酌情缩短发言时限，以便让所有希望发言的人都有机会发言。申请人还可以另外提交反驳意见。

议程事项：议程包含市议会的例行议题。一般而言，由市政府工作人员在会议前对议程中的事项进行审查和调查，以便市议会在作出决定之前能够充分了解情况。

同意日历：在同意日历上列出的事项被市议会视为例行公事，并将通过一项动议采取行动。除非市议员、工作人员或公众提出请求，否则不会对这些事项进行单独讨论。如果有人提出请求，该事项将从同意日历中删除，单独进行审议和采取行动。

行为规范：尽管市民可对市政府的政策和市议会或其成员的行动或拟议行动自由地提出批评，但不得出现干扰会议正常秩序的行为，包括但不限于在别人的发言时间内阻止别人发言，或妨碍公众听到发言内容或看到议程进展状况。市民亦不得威胁进行身体伤害或以可能被合理理解为作出身体伤害紧迫威胁的方式行事。所有出席会议的人都必须遵守市政府的反骚扰政策，禁止基于个人种族、宗教信仰、肤色、原国籍、祖籍、身体残障、疾病、婚姻状况、性别、性取向或年龄骚扰他人。警察局长或警察局其他成员将担任维持市议会会议秩序的保安官。保安官将执行会议主持人的一切命令和指示，以维持会议秩序和行为规范。对任何违反会议秩序和行为规范的人可执行拘捕，并可能根据《刑法典》第 403 条或《阿凯迪亚市政法典》相关条款提出起诉。



City of Arcadia

PROCLAMATION

WHEREAS, the basis for the continuity of any society is education; and in the great city of Arcadia the education of our youth is a priority; and

WHEREAS, in order to achieve its highest goals, education must not only impart knowledge but also teach the students how to live, forming and strengthening their moral character to make a better life for themselves as individuals and for society as a whole; and

WHEREAS, a global spiritual leader, the Rebbe, Rabbi Menachem M. Schneerson, of righteous memory, stressed that a moral and ethical education empowers every individual to develop their full potential in making the world a better place; and

WHEREAS, such an education can nurture the unity of diverse peoples through encouraging increased acts of goodness and kindness, imbued with the awareness that even a single positive act of an individual can change the world and usher in an era of global peace; and

WHEREAS, April 9, 2025, will mark 123 years since the Rebbe's birth, and this year celebrates the 75 years of his leadership of the Chabad-Lubavitch movement. "Chabad" is an acronym of three Hebrew words for "wisdom, understanding and knowledge." The name "Lubavitch" comes from the city which served as the movement's headquarters for over a century and means City Of Love. Of all the ethical values which inform our civilization, none is more important than love - love of wisdom, love of our fellowman, and love of our Creator. These values, rooted in the Seven Noahide Laws, have guided the Chabad-Lubavitch movement throughout its history, and are the essence of education at its best, and we should be certain to pass on this precious heritage to all young Americans; and

WHEREAS, "Education & Sharing Day" is observed each year on the Rebbe's birthday in recognition of his outstanding and lasting contributions toward the improvement of education, morality, and acts of charity around the world; a day to pause and reflect on our responsibility to ensure our youth have the foundation necessary to lead lives rich in purpose and fulfillment through service and good works.

NOW, THEREFORE, I, Dr. Michael Cao, Mayor of Arcadia, California, do hereby proclaim Wednesday, April 9, 2025, as

EDUCATION AND SHARING DAY

in the City of Arcadia and call upon everyone to work together to create a better, brighter, and more promising future for all.



*Dated this
1st Day of April, 2025*

Michael Cao
Dr. Michael Cao, Mayor



STAFF REPORT

Office of the City Clerk

DATE: April 1, 2025

TO: Honorable Mayor and City Council

FROM: Dominic Lazzaretto, City Manager
By: Linda Rodriguez, City Clerk

SUBJECT: APPOINTMENT TO THE LIBRARY BOARD OF TRUSTEES
CEQA: Not a Project
Recommendation: Make Appointment to Fill Unexpired Term

SUMMARY

At the City Council Meeting on June 20, 2023, the City Council appointed Pardha Akalamkam to serve on the Library Board of Trustees for a four-year term, which expires June 30, 2027. On March 18, 2025, the City Council declared a vacancy on the Library Board of Trustees due to three consecutive unexcused absences by Trustee Akalamkam. This agenda item will enable the City Council to take action to fill the vacancy.

It is recommended that the City Council make an appointment to the Library Board of Trustees to fill a vacancy, with a term expiring June 30, 2027, from the four attached resumes that have been submitted for consideration.

DISCUSSION

At the City Council Meeting on June 20, 2023, the City Council made annual appointments to fill vacancies for City Boards and Commissions. During the meeting, the City Council appointed Pardha Akalamkam to serve on the Library Board of Trustees for a four-year term, which expires June 30, 2027.

On March 10, 2025, the City Clerk's Office notified Mr. Akalamkam that, due to three consecutive unexcused absences, in accordance with the City Charter and established protocols, his seat on the Board would be presented to the City Council for vacation. At the City Council Meeting on March 18, 2025, the City Council declared a vacancy on the Library Board of Trustees.

Due to the vacancy, it is recommended that the City Council make an appointment to the Library Board of Trustees from the list of attached resumes. These four applications were received during the Spring 2024 Board and Commission Recruitment effort and remain

on file with the City Clerk's Office. The individuals on the attached list were contacted and have expressed an interest in serving on the Library Board of Trustees.

To facilitate the City Council's appointment to the Library Board of Trustees, attached are the Citizen Service Resumes (in alphabetical order). Applicants have been verified as residents and registered voters of Arcadia.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), as it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

There is no fiscal impact resulting from the City Council appointing a new member to the Library Board of Trustees.

RECOMMENDATION

It is recommended that the City Council determine this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and make an appointment to the Library Board of Trustees to fill a vacancy, with a term expiring June 30, 2027.

Attachment: Citizen Service Resumes

NOV 18 2024

Citizen Service Resume



PLEASE PLACE A CHECK MARK NEXT TO THE BOARD/COMMISSION FOR WHICH YOU WOULD LIKE TO APPLY (You may make more than one selection):

☐ Arcadia Beautiful Commission*	☒ Planning Commission
☒ Arcadia Museum Commission	☒ Recreation and Parks Commission
☐ Human Resources Commission	☐ Senior Citizens Commission
☒ Library Board of Trustees	

NAME Alexander Arasawa DATE OF BIRTH [REDACTED]
FIRST LAST

RESIDENTIAL ADDRESS [REDACTED]
(Note: Cannot be a mailing address or PO Box)

I CERTIFY THAT I AM A RESIDENT OF DISTRICT ☒ ONE ☐ TWO ☐ THREE ☐ FOUR ☐ FIVE

PHONE NUMBER [REDACTED] EMAIL ADDRESS [REDACTED]

OCCUPATION IT / programmer

EMPLOYER Behavioral Health Services ARE YOU AN ARCADIA REGISTERED VOTER? ☒ YES ☐ NO

HOW LONG HAVE YOU BEEN A RESIDENT? 24 yrs ARE YOU A LEADERSHIP ACADEMY GRADUATE? ☐ YES ☒ NO

PLEASE ANSWER THE QUESTIONS BELOW. YOU MAY USE ADDITIONAL SHEETS OF PAPER AS NECESSARY.

EDUCATION (Include professional or vocational licenses or certificates)

B.S in Computer Science & Engineering

COMMUNITY INVOLVEMENT (List organization memberships and committee assignments)

Volunteer @ Arcadia Music Club
Boy Scouts (Eagle Scout)

PLEASE DESCRIBE ANY BACKGROUND, TRAINING, OR INTERESTS THAT QUALIFY YOU AS AN APPOINTEE

Very good w/ computers. Interested in getting more involved in the community. I lived here my whole life and want to offer something back

WHAT DO YOU SEE AS THE OBJECTIVES AND GOALS OF THE COMMISSION FOR WHICH YOU ARE APPLYING?

I see each as tasked w/ arbitrating matters that relate to what the commission is overseeing. Museum → museum resource, approvals, etc
Planning → city planning approvals, shops, zoning, etc
Recreation/Parks → park/tree initiatives, resources, events, etc.

ARE YOU AWARE OF THE TIME COMMITMENT NECESSARY TO FULFILL THE OBLIGATIONS OF AN APPOINTMENT TO THIS POSITION?

☒ YES ☐ NO

NOTE: FOR LIBRARY BOARD OF TRUSTEE & PLANNING COMMISSION APPLICATIONS ONLY

STATE LAW AND THE CITY CONFLICT OF INTEREST CODE REQUIRES THAT LIBRARY BOARD OF TRUSTEE MEMBERS AND PLANNING COMMISSIONERS FILE A STATEMENT OF ECONOMIC INTERESTS (FORM 700) ANNUALLY AS WELL AS RELATED FORMS WHEN ASSUMING AND LEAVING OFFICE (e.g. sources of income, loans, gifts, investments, interest in real property as required by state law). DO YOU AGREE TO FILE ALL REQUIRED FORMS IN A TIMELY MANNER AS REQUIRED BY THE CITY'S FILING OFFICIAL?

☒ YES ☐ NO

***ARCADIA BEAUTIFUL APPLICANTS ONLY**

ARE YOU AWARE THAT THE PRIMARY FUNCTION OF THE ARCADIA BEAUTIFUL COMMISSION IS TO ACT AS JUDGES FOR THE COMMISSIONS AWARD PROGRAMS (Spring Home, Holiday Decoration, and Water Smart Hero awards)?

☐ YES ☐ NO

DO YOU HAVE THE ABILITY TO TRAVEL BY CAR DURING THE DAY AND IN THE EVENING FOR THE PURPOSE OF JUDGING?

☐ YES ☐ NO

THE ARCADIA BEAUTIFUL COMMISSION USUALLY HAS FOUR REGULAR MEETINGS EACH YEAR WITH ADDITIONAL MEETINGS AND/OR TIME COMMITMENTS SCHEDULED FOR THE PURPOSE OF CONDUCTING JUDGING FOR THE AWARD PROGRAMS, PARTICIPATING IN A 3-4 HOUR HOLIDAY DECORATION AWARD RECOGNITION EVENT, AND PARTICIPATING IN ARBOR DAY PROGRAMS. ADDITIONALLY, PRELIMINARY JUDGING FOR THE SPRING HOME AND HOLIDAY DECORATION AWARDS IS DONE WITH EACH COMMISSIONER TAKING RESPONSIBILITY FOR A SECTION OF THE CITY AND DRIVING THROUGH THE NEIGHBORHOODS TO SELECT THEIR NOMINATIONS FOR FINAL JUDGING BY THE COMMISSION. ARE YOU ABLE TO FULFILL THIS TIME COMMITMENT?

☐ YES ☐ NO

I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.


SIGNATURE

11/13/2024
DATE

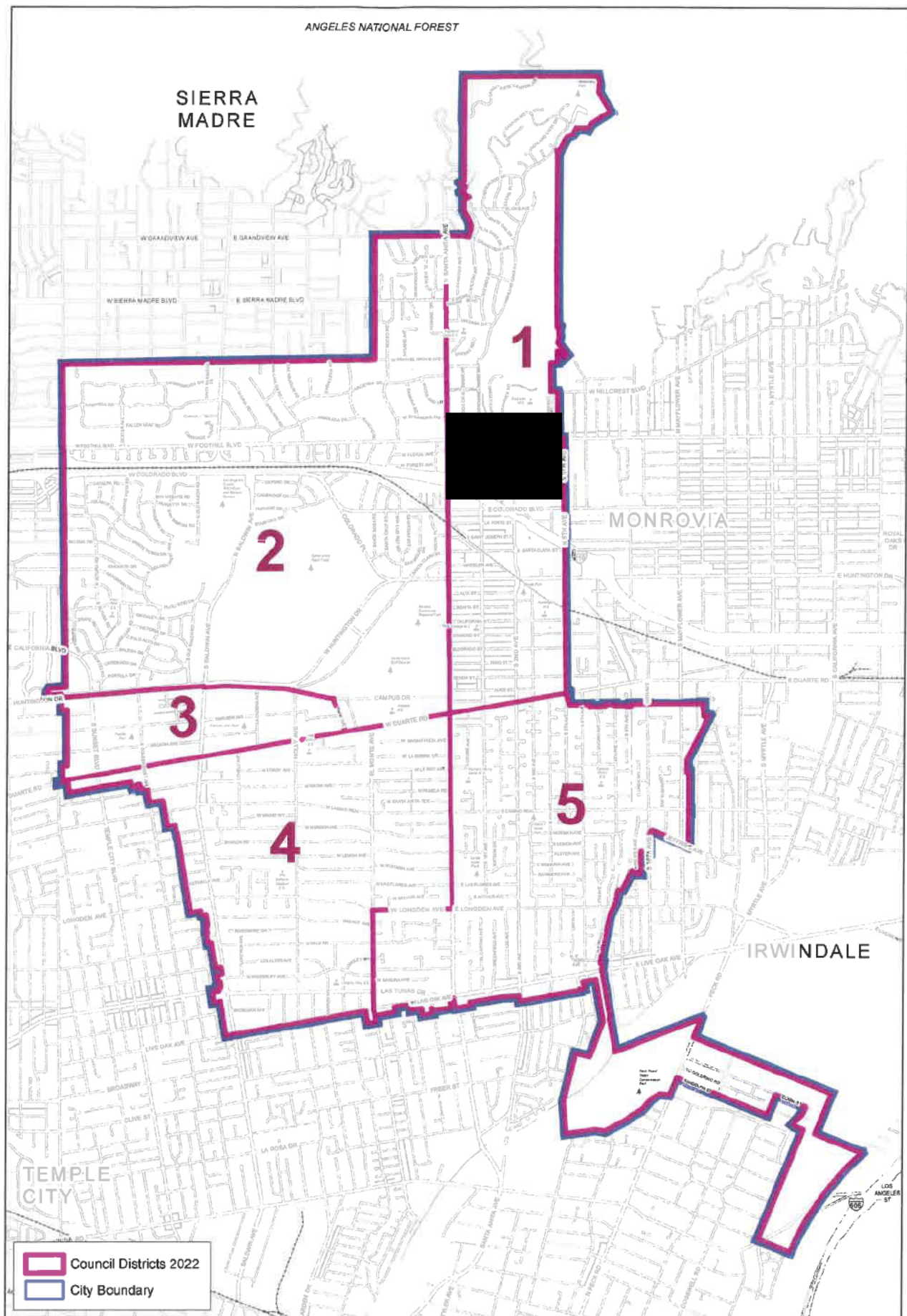
NOTE: The City of Arcadia reserves the right to use the information provided on this application to verify your residential address and voter registration status. The information provided on this application is for internal use only and confidential information will not be released to the public.

PLEASE SUBMIT YOUR COMPLETED APPLICATION TO: CITY CLERK'S OFFICE
240 W. HUNTINGTON DRIVE
ARCADIA, CA 91007

OR

Email us at CityClerk@ArcadiaCA.gov

Questions? Please contact us at (626) 574-5455



Council District **City of Arcadia, California**

Citizen Service Resume



PLEASE PLACE A CHECK MARK NEXT TO THE BOARD/COMMISSION FOR WHICH YOU WOULD LIKE TO APPLY (You may make more than one selection):

APR 8 2024

- ☐ Arcadia Beautiful Commission*
- ☐ Arcadia Museum Commission
- ☐ Human Resources Commission
- ☒ Library Board of Trustees

- ☒ Planning Commission
- ☒ Recreation and Parks Commission
- ☐ Senior Citizens Commission

NAME Ashish Guha DATE OF BIRTH [REDACTED]
FIRST LAST

RESIDENTIAL ADDRESS [REDACTED] Arcadia, CA, 91007
(Note: Cannot be a mailing address or PO Box)

I CERTIFY THAT I AM A RESIDENT OF DISTRICT ☐ ONE ☒ TWO ☐ THREE ☐ FOUR ☐ FIVE

PHONE NUMBER [REDACTED] EMAIL ADDRESS [REDACTED]

OCCUPATION CEO - Plan 20/20 Consulting Inc.

EMPLOYER Self ARE YOU AN ARCADIA REGISTERED VOTER? ☒ YES ☐ NO

HOW LONG HAVE YOU BEEN A RESIDENT? 8 yrs ARE YOU A LEADERSHIP ACADEMY GRADUATE? ☐ YES ☐ NO

PLEASE ANSWER THE QUESTIONS BELOW. YOU MAY USE ADDITIONAL SHEETS OF PAPER AS NECESSARY.

EDUCATION (Include professional or vocational licenses or certificates)

B.Arch
MS in Construction Mgmt.
MBA in Project Management and Operations

COMMUNITY INVOLVEMENT (List organization memberships and committee assignments)

Would like to serve in the Planning Commission.

PLEASE DESCRIBE ANY BACKGROUND, TRAINING, OR INTERESTS THAT QUALIFY YOU AS AN APPOINTEE

24 years of experience in Construction Mgmt. with expertise in State and Federal Laws.
Expert in implementing Energy Efficient techniques in Capital Projects.

WHAT DO YOU SEE AS THE OBJECTIVES AND GOALS OF THE COMMISSION FOR WHICH YOU ARE APPLYING?

- * Serve the community
- * Remove outdated regulations
- * Encourage balanced growth
- * Preserve the character of residential neighborhoods

ARE YOU AWARE OF THE TIME COMMITMENT NECESSARY TO FULFILL THE OBLIGATIONS OF AN APPOINTMENT TO THIS POSITION?

☒ YES ☐ NO

NOTE: FOR LIBRARY BOARD OF TRUSTEE & PLANNING COMMISSION APPLICATIONS ONLY

STATE LAW AND THE CITY CONFLICT OF INTEREST CODE REQUIRES THAT LIBRARY BOARD OF TRUSTEE MEMBERS AND PLANNING COMMISSIONERS FILE A STATEMENT OF ECONOMIC INTERESTS (FORM 700) ANNUALLY AS WELL AS RELATED FORMS WHEN ASSUMING AND LEAVING OFFICE (e.g. sources of income, loans, gifts, investments, interest in real property as required by state law). DO YOU AGREE TO FILE ALL REQUIRED FORMS IN A TIMELY MANNER AS REQUIRED BY THE CITY'S FILING OFFICIAL?

☒ YES ☐ NO

***ARCADIA BEAUTIFUL APPLICANTS ONLY**

ARE YOU AWARE THAT THE PRIMARY FUNCTION OF THE ARCADIA BEAUTIFUL COMMISSION IS TO ACT AS JUDGES FOR THE COMMISSIONS AWARD PROGRAMS (Spring Home, Holiday Decoration, and Water Smart Hero awards)?

☐ YES ☐ NO

DO YOU HAVE THE ABILITY TO TRAVEL BY CAR DURING THE DAY AND IN THE EVENING FOR THE PURPOSE OF JUDGING?

☐ YES ☐ NO

THE ARCADIA BEAUTIFUL COMMISSION USUALLY HAS FOUR REGULAR MEETINGS EACH YEAR WITH ADDITIONAL MEETINGS AND/OR TIME COMMITMENTS SCHEDULED FOR THE PURPOSE OF CONDUCTING JUDGING FOR THE AWARD PROGRAMS, PARTICIPATING IN A 3-4 HOUR HOLIDAY DECORATION AWARD RECOGNITION EVENT, AND PARTICIPATING IN ARBOR DAY PROGRAMS. ADDITIONALLY, PRELIMINARY JUDGING FOR THE SPRING HOME AND HOLIDAY DECORATION AWARDS IS DONE WITH EACH COMMISSIONER TAKING RESPONSIBILITY FOR A SECTION OF THE CITY AND DRIVING THROUGH THE NEIGHBORHOODS TO SELECT THEIR NOMINATIONS FOR FINAL JUDGING BY THE COMMISSION. ARE YOU ABLE TO FULFILL THIS TIME COMMITMENT?

☐ YES ☐ NO

I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

SIGNATURE

04.04.24

DATE

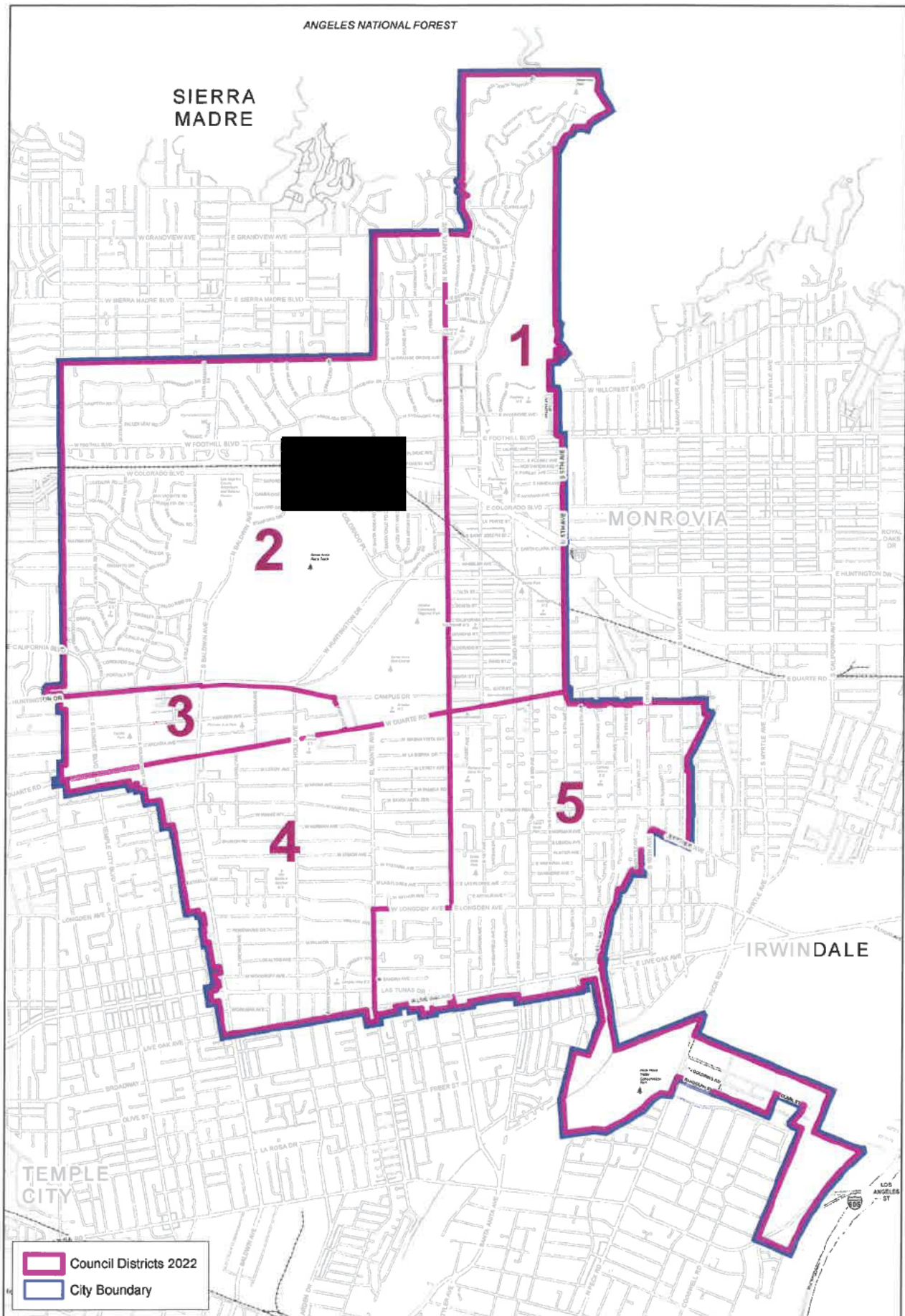
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Council District

City of Arcadia, California

Citizen Service Resume

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JUL 9 2024



CITY OF ARCADIA
CITY CLERK

PLEASE PLACE A CHECK MARK NEXT TO THE BOARD/COMMISSION FOR WHICH YOU WOULD LIKE TO APPLY (You may make more than one selection):

- ☐ Arcadia Beautiful Commission*
- ☒ Arcadia Museum Commission
- ☒ Human Resources Commission
- ☒ Library Board of Trustees

- ☒ Planning Commission
- ☒ Recreation and Parks Commission
- ☐ Senior Citizens Commission

NAME YE LIU DATE OF BIRTH [REDACTED]
FIRST LAST

RESIDENTIAL ADDRESS [REDACTED] ARCADIA, CA 91007
(Note: Cannot be a mailing address or PO Box)

I CERTIFY THAT I AM A RESIDENT OF DISTRICT

☐ ONE ☐ TWO ☒ THREE ☐ FOUR ☐ FIVE

PHONE NUMBER [REDACTED] EMAIL ADDRESS [REDACTED]

OCCUPATION MARKETING

EMPLOYER HT WINDOW FASHIONS ARE YOU AN ARCADIA REGISTERED VOTER? ☒ YES ☐ NO

HOW LONG HAVE YOU BEEN A RESIDENT? 12 ARE YOU A LEADERSHIP ACADEMY GRADUATE? ☐ YES ☒ NO

PLEASE ANSWER THE QUESTIONS BELOW. YOU MAY USE ADDITIONAL SHEETS OF PAPER AS NECESSARY.

EDUCATION (Include professional or vocational licenses or certificates)

MBA WITH CONCENTRATION IN FINANCE

MASTER IN INDUSTRIAL ENGINEERING

BACHOR IN INTERNATIONAL BUSINESS

SALES AND MARKETING EXECUTIVE INTERNATIONAL (SMEI) / REAL ESTATE LICENSE

COMMUNITY INVOLVEMENT (List organization memberships and committee assignments)

N/A

PLEASE DESCRIBE ANY BACKGROUND, TRAINING, OR INTERESTS THAT QUALIFY YOU AS AN APPOINTEE

I have over 25 years of sales and marketing in businesses. I am also running the operation for a custom window covering business. I have the fundamental knowlege of how to run a business. The principle can be applied to civil adminstration. It brings productivity and efficiency to the City. I am well traveled in US and around the world I like to bring the best practices to my neighborhood.

WHAT DO YOU SEE AS THE OBJECTIVES AND GOALS OF THE COMMISSION FOR WHICH YOU ARE APPLYING?

Observe and listen from local residents and provide feedback and recommendations to city council.
Increase the quality of life for city residents
Promote education, public health, safety, economic development and enviornmental initiatives.

ARE YOU AWARE OF THE TIME COMMITMENT NECESSARY TO FULFILL THE OBLIGATIONS OF AN APPOINTMENT TO THIS POSITION?

☒ YES ☐ NO

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☒ YES ☐ NO

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☐ YES ☐ NO

DO YOU HAVE THE ABILITY TO TRAVEL BY CAR DURING THE DAY AND IN THE EVENING FOR THE PURPOSE OF JUDGING?

☐ YES ☐ NO

THE ARCADIA BEAUTIFUL COMMISSION USUALLY HAS FOUR REGULAR MEETINGS EACH YEAR WITH ADDITIONAL MEETINGS AND/OR TIME COMMITMENTS SCHEDULED FOR THE PURPOSE OF CONDUCTING JUDGING FOR THE AWARD PROGRAMS, PARTICIPATING IN A 3-4 HOUR HOLIDAY DECORATION AWARD RECOGNITION EVENT, AND PARTICIPATING IN ARBOR DAY PROGRAMS. ADDITIONALLY, PRELIMINARY JUDGING FOR THE SPRING HOME AND HOLIDAY DECORATION AWARDS IS DONE WITH EACH COMMISSIONER TAKING RESPONSIBILITY FOR A SECTION OF THE CITY AND DRIVING THROUGH THE NEIGHBORHOODS TO SELECT THEIR NOMINATIONS FOR FINAL JUDGING BY THE COMMISSION. ARE YOU ABLE TO FULFILL THIS TIME COMMITMENT?

☐ YES ☐ NO

I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

[Redacted Signature]

06/17/2024

DATE

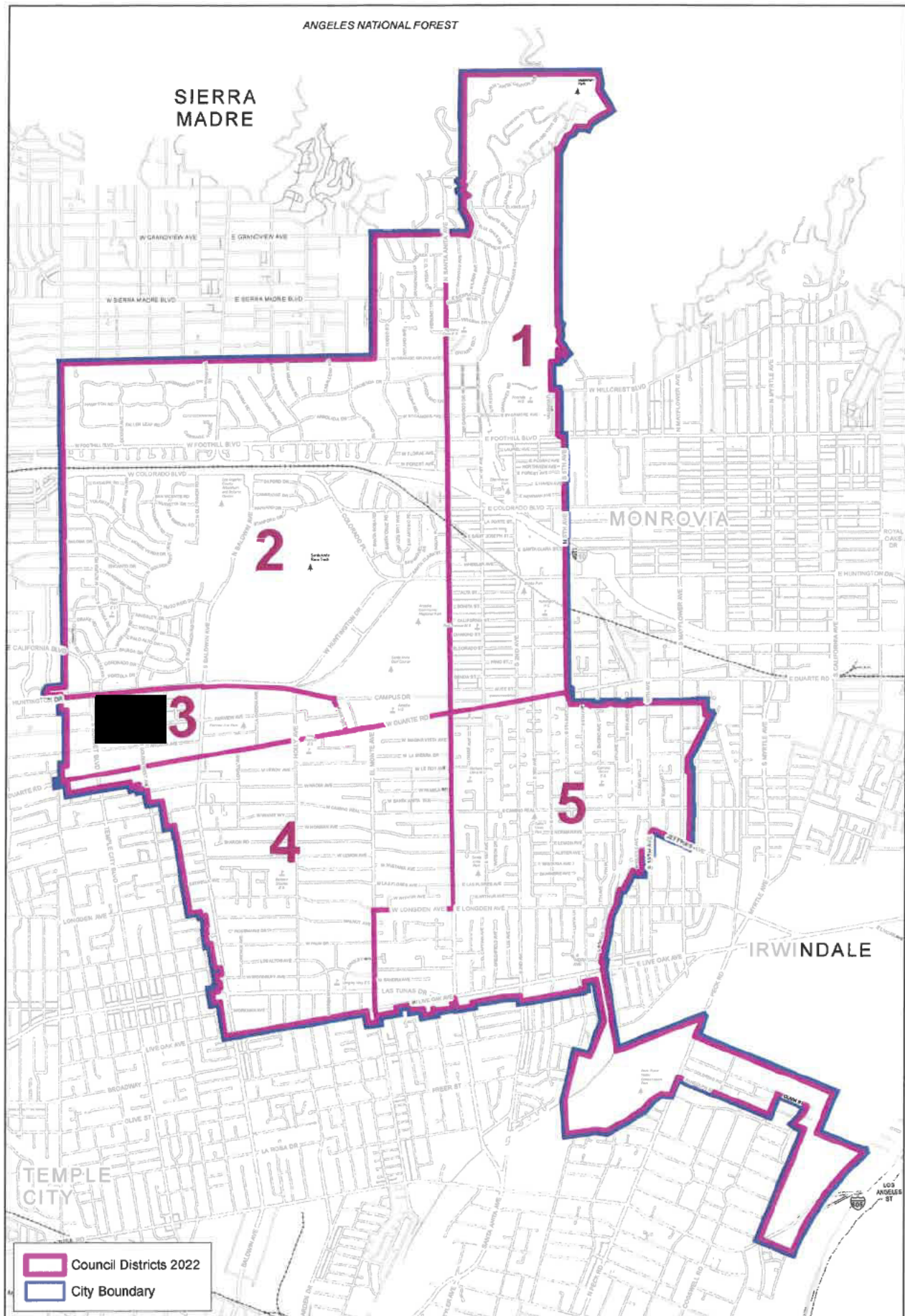
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Council District

City of Arcadia, California

Citizen Service Resume



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APR 30 2024

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☒ Arcadia Museum Commission
☐ Human Resources Commission
☒ Library Board of Trustees

- ☐ Planning Commission
☐ Recreation and Parks Commission
☐ Senior Citizens Commission

CITY OF ARCADIA
CITY CLERK

NAME Edwin Schmitt DATE OF BIRTH [REDACTED]
FIRST LAST

RESIDENTIAL ADDRESS [REDACTED] Arcadia, CA 91006
(Note: Cannot be a mailing address or PO Box)

I CERTIFY THAT I AM A RESIDENT OF DISTRICT ☐ ONE ☐ TWO ☐ THREE ☐ FOUR ☒ FIVE

PHONE NUMBER [REDACTED] EMAIL ADDRESS [REDACTED]

OCCUPATION Senior Regulatory Analyst

EMPLOYER California Public Utilities Commission ARE YOU AN ARCADIA REGISTERED VOTER? ☒ YES ☐ NO

HOW LONG HAVE YOU BEEN A RESIDENT? 2 years ARE YOU A LEADERSHIP ACADEMY GRADUATE? ☐ YES ☒ NO

PLEASE ANSWER THE QUESTIONS BELOW. YOU MAY USE ADDITIONAL SHEETS OF PAPER AS NECESSARY.

EDUCATION (Include professional or vocational licenses or certificates)

Ph.D. 2017 Anthropology The Chinese University of Hong Kong
M.A. 2011 Applied Anthropology Oregon State University
B.S. 2006 Economics University of Washington
B.A. 2006 Chinese Language and Literature University of Washington

COMMUNITY INVOLVEMENT (List organization memberships and committee assignments)

National Academy of Science Engineering and Medicine, Resilient America Roundtable

PLEASE DESCRIBE ANY BACKGROUND, TRAINING, OR INTERESTS THAT QUALIFY YOU AS AN APPOINTEE

Part of my background as an anthropologist included a training in cultural heritage management. For two years, I also worked as an archivist at the Sichuan University Museum in Chengdu, China as part of research program with the University of Washington. More recently I worked for the Norwegian Institute for Cultural Heritage Research where I managed multiple research portfolios on contentious heritage, the memorialization of pandemics, national park management and industrial heritage in the US, Norway and China.

WHAT DO YOU SEE AS THE OBJECTIVES AND GOALS OF THE COMMISSION FOR WHICH YOU ARE APPLYING?

The goals of the Arcadia Museum Commission are to

1. advise the Gilb Museum as they decided how to design interactive and educational exhibits and activities for visitors and residents of Arcadia,
2. advise the Gilb Museum on any use of public funds to purchase new collections
3. help the Gilb Museum and the City of Arcadia promote any activities or events that celebrates the history of Arcadia

4. ensure that the Gilb Museum and the City of Arcadia promotes an inclusive and positive environment for visitors and city residents to learn about the history of Arcadia

ARE YOU AWARE OF THE TIME COMMITMENT NECESSARY TO FULFILL THE OBLIGATIONS OF AN APPOINTMENT TO THIS POSITION?

☒ YES ☐ NO

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☐ YES ☐ NO

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☐ YES ☐ NO

I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

[Redacted Signature]

SIGNATURE

4/29/2024

DATE

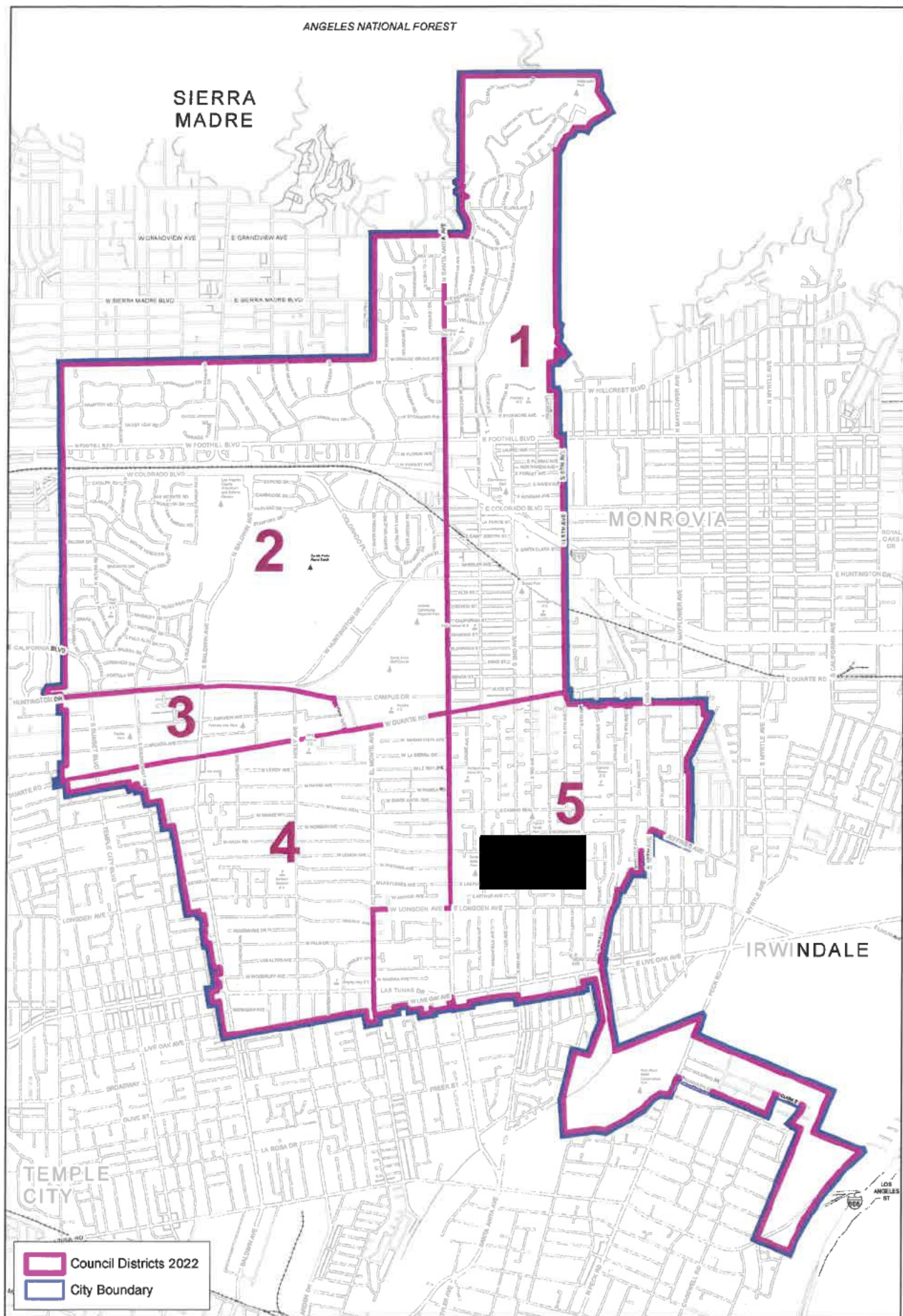
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Council District City of Arcadia, California



STAFF REPORT

Development Services Department

DATE: April 1, 2025

TO: Honorable Mayor and City Council

FROM: Jason Kruckeberg, Assistant City Manager/Development Services Director
Lisa Flores, Deputy Development Services Director
By: Fiona Graham, Planning Services Manager

SUBJECT: TEXT AMENDMENT NO. TA 24-01 AMENDING VARIOUS SECTIONS OF THE ARCADIA DEVELOPMENT CODE RELATED TO ACCESSORY DWELLING UNITS, REGULATIONS TO THE RESIDENTIAL FLEX ("RF") OVERLAY ZONE, AND OTHER TEXT CLEAN-UPS
CEQA: Exempt
Recommendation: Introduce Ordinance No. 2401 Approving Text Amendments

SUMMARY

The Development Services Department has initiated a Text Amendment to update various sections of the City's Development Code. The Text Amendment consists of five components: an update of the of the Accessory Dwelling Unit ("ADU") Ordinance to improve readability and bring the ordinance into compliance with State law, including changes to the objective design standards; an update to the Residential Flex Overlay to allow lot consolidation in certain circumstances; an update to the Downtown Parking Overlay to allow expansions of certain commercial buildings without requiring additional vehicle parking spaces; minor amendments that include changes to the applicability of Variances and permitting manufactured homes in specific residential zones; and other minor text cleanups throughout. This Text Amendment will bring the City's ADU Ordinance into compliance with State law, implement the Housing Element, and streamline the Development Code.

The Planning Commission held a public hearing on this item on February 11, 2025, and originally recommended denial. However, the Commission reconsidered this decision at their meeting on February 25 and continued the hearing to March 11, 2025, ultimately voting 3-0, with Commissioner Arvizu abstaining, to recommend the City Council approve Text Amendment No. TA 24-01. It is recommended that the City Council Introduce Ordinance No. 2401 (Attachment No. 1) and determine that Text Amendment No. TA 24-01 is exempt from the California Environmental Quality Act ("CEQA").

BACKGROUND

Periodically, the Development Services Department brings forward a suite of text amendments to the Development Code. Generally, this is undertaken in response to changes in State law or to modernize Code language. The background and purpose for each of the proposed amendments is summarized below.

Accessory Dwelling Units

Over the past decade, the State has implemented multiple changes to the Government Code regarding the development of Accessory Dwelling Units (“ADUs”). The existing ADU law includes various provisions that limit a local jurisdiction’s ability to regulate many aspects of ADUs. The City of Arcadia has consistently updated its Ordinance to reflect changes made to State ADU regulations, while retaining as much local control as possible. In 2024, the California legislature approved several new ADU bills, which went into effect on January 1, 2025. In November 2024, the Department of Housing and Community Development (“HCD”) notified the City that several aspects of the current ADU ordinance needed updating to align with the recent changes in State law. As a result, the proposed changes to the ADU Ordinance, including to the objective design standards, are being recommended.

Text Amendments Required to Implement The Housing Element

The City adopted its Housing Element update in February 2022 and, after a suite of text amendments and Zone Changes were implemented in early 2024, the Housing Element was certified by the Department of Housing and Community Development (“HCD”). Many of the implementation actions for the Housing Element update were completed as part of the February 2024 Zone Change and Text Amendment. However, the City still needs to update the Development Code to allow manufactured homes as a permitted use in most residential zones.

Additionally, as part of the February 2024 Housing Element implementation actions, the Residential Flex (“RF”) Overlay was updated and applied to General Commercial (“C-G”) Zoned property throughout the City. The RF Overlay allows for residential development in some commercial zones, where projects provide a certain amount of affordable housing and where a property is identified on the Sites Inventory List (“SI List”). Throughout the City, there are some instances where adjacent properties in the C-G Zone are under the same ownership, but only one of the parcels is on the SI List. The February 2024 update to the Residential Flex Overlay provisions did not include a process or a mechanism to allow a mutually-owned property not on the SI List, to be incorporated into a development site. These proposed changes provide for that process.

Various Other Minor Amendments and Text Cleanup

The Development Services Department regularly undertakes cleanups of the Development Code to ensure consistency, clarity, and alignment with the City's long-term planning objectives. Over time, minor errors, ambiguities, inconsistencies, and outdated language can accumulate due to prior amendments, changes in State or Federal law, and evolving best practices in urban planning. This cleanup serves to streamline the development review process, reduce confusion for applicants, and improve the enforceability of the Development Code. This includes a minor change to the provisions of the Variance application, which would allow some flexibility for well-established existing uses to undertake changes to improve public safety and welfare. The Downtown Parking Overlay ("DTP") Zone is also being updated to allow the expansion of certain properties near the City's public parking lot, without being required to provide additional parking. The remaining changes provide clarity for existing standards, remove conflicts with State law, and make other minor language clarifications.

DISCUSSION

The various proposed Text Amendments can be found in Divisions 2, 3, 6, 7, and 9 of the Development Code (refer to Exhibits "A" through "E" of Attachment No. 1).

Accessory Dwelling Unit Ordinance Update

The City has undertaken multiple ADU Ordinance updates in response to changes made to State ADU regulations over the past eight (8) years. The ADU Ordinance was most recently updated in April 2023 in response to Assembly Bill 2221 and Senate Bill 897. ADU projects have been reviewed and processed using the current ADU Ordinance since its adoption.

Most recently, the State enacted Assembly Bill 2533 and Senate Bill 1211, further changing requirements for ADUs across California. The proposed update to the City's ADU Ordinance is necessary to ensure the City remains in compliance with State law and avoids exposure to legal challenges or state-imposed remedies, including the potential invalidation of the local ADU ordinance. The changes aim to align the City's Development Code with all applicable provisions of new ADU legislation, such as multifamily ADU provisions, which allow up to eight (8) detached ADUs on existing multifamily properties, updates to ADU permit types, and formally lifting owner-occupancy rental restrictions for ADUs.

The City has also taken this opportunity to comprehensively update and restructure the ADU Ordinance to streamline regulations and enhance clarity. The substantive changes are limited to complying with the previously mentioned changes in State law. Additionally, several changes have been made to the objective design standards for ADUs. These include elimination of the requirements that the ADU's exterior materials match the

primary residence, the ADU has articulation on two facades with a minimum 8" depth, and that screening landscaping be incorporated between the ADU and a property line, with the latter being a request from the Arcadia Fire Department. These provisions have been found to be ineffectual in some instances, not achieving improved architectural outcomes as intended.

Residential Flex Overlay

The RF Overlay allows for residential development in certain commercial zones. It was expanded in February 2024 as part of the Housing Element Update to allow more areas to be eligible for residential use. Before this expansion, the RF Overlay applied only to a small area along Live Oak Avenue and Las Tunas Drive.

For a developer to use the RF Overlay, a property must be on the SI List to be eligible for residential development. The SI List, created as part of the Housing Element Update, identifies properties that provide sufficient capacity to meet the City's housing goals, as required by the Regional Housing Needs Allocation ("RHNA"). Any commercial properties not included on the SI List cannot be developed for residential uses.

The Planning Division has become aware of several instances where adjacent properties in the RF Overlay have the same ownership, but only one parcel is on the SI List. Under the current Development Code provisions, these properties cannot be consolidated for residential development. Lot consolidation is generally a preferred outcome and, to facilitate residential development in accordance with the City's Housing Element, a new mechanism is proposed to allow for lot consolidation and residential development in limited circumstances. This provision would be applicable only to properties that are both in the C-G Zone and the RF Overlay, which have the same ownership, and where one of the parcels is on the SI List.

Minor Changes to the Code

A variety of other minor changes, updates, and text cleanups have been included throughout the Development Code. The changes aim to improve the Development Code through removing unnecessary requirements, clarifying the applicability of standards, and otherwise improving readability or implementation of the Development Code. A summary of the changes can be found below:

- Table 2-1 is to be updated to include Manufactured Housing as a permitted use in all residential zones, except the Restricted High Density Residential (R-3-R) Zone. This is a required action from the City's recently certified Housing Element and will bring the Development Code into compliance with State law regarding mobile homes and manufactured housing.

- The DTP Zone allows many uses to locate in Arcadia's Downtown without needing to provide compliant parking; however, this is only applicable where no additional square footage is being added to the building. The proposed update to the DTP Zone will allow the expansion of existing commercial buildings, which are in the CBD Zone, within 150 feet of the City's public parking lot, and up to 3,000 square feet in size, without needing to provide additional, compliant parking. This update will allow greater flexibility for property and business owners in certain parts of Downtown Arcadia while ensuring adequate parking, given the requirement for proximity to the City's public parking lot.
- A minor change has been made to the requirements for a Variance. Variances can be utilized when a project deviates from the required provisions or standards of the Development Code. To support existing, long-term uses that want to make improvements to their property to improve public safety or welfare, the following has been added (underlined):

"The power to approve Variances does not extend to land uses, unless the requested use variance is for a well-established existing use, and granting the variance would demonstrably improve public safety or welfare."

- Rear yard lot coverage restrictions for all accessory structures in single family residential zones are to be eliminated. The State has removed much of the City's ability to limit construction within the rear yard for ADUs. ADUs now comprise the majority of new accessory structure development in single family zones. To ensure consistency for all detached accessory structures, and to enable the best utilization of the rear yard, the 25% maximum rear yard lot coverage requirement is being eliminated for all accessory structures. All other regulations such as total lot coverage, maximum Floor Area Ratio allowances, maximum building heights, and side and rear yard setbacks remain unchanged and will continue to apply to accessory structures.
- Administrative Modifications for ADUs have been removed in Table 7-2 to eliminate discretionary ADU actions, ensuring compliance with State law.
- The period of time a nonconforming use or structure can maintain its nonconforming protection/status once discontinued is being increased from 90 days to 180 days. This change provides property and business owners with greater flexibility in replacing tenants, furthering the City's goal of being business friendly. This practice is also consistent with many nearby Cities.
- Maximum hardscape provisions are being updated to apply to the front "yard" instead of the current front "setback". Maximum hardscape calculations in front yards ensure sufficient landscaping is maintained in residential neighborhoods.

This change will require the entire area in front of a residence to meet the maximum hardscape provisions rather than only the required setback area.

- Front fences in commercial zones are currently not allowed. It has become evident that many businesses wish to install fences or gates along their frontages for aesthetic and/or safety reasons. The Text Amendment will allow gates and fences on commercial frontages, subject to an Architectural Design Review.
- References to short term rental limitations in Urban Lot Split projects – a specific type of subdivision permitted under Senate Bill 9 – are being updated to 28 days rather than 30 days to ensure consistency with other sections of the Arcadia Municipal Code.
- Two definitions have had minor updates for clarification purposes.

PLANNING COMMISSION HEARINGS

The Planning Commission held a public hearing on February 11, 2025, and ultimately continued the item to March 11, 2025 (Refer to Attachment No. 3 for a copy of the Planning Commission Staff Reports and Resolution No. 2159).

At the February 11, 2025, meeting, four (4) Commissioners were present, with Chair Wilander absent and Vice Chair Tallerico attending the meeting virtually. Three (3) written comments were received prior to the public hearing, all expressing concerns about ADUs. Two comments were from residents of the Highlands HOA area and conveyed general concerns regarding ADUs and the proposed ADU Ordinance update. A letter from the California Housing Defense Fund (“CalHDF”) stated that a certain section of the Development Code was inconsistent with State ADU law (Refer to Attachment No. 2 for a copy of the comments). There were no speakers on the item as part of the public hearing.

The Planning Commission had a discussion on all the proposed text amendments, but mostly focused on ADUs. Vice Chair Tallerico had concerns about allowable ADU sizes and stated that cities should be able to set their own standards. Commissioner Arvizu was not supportive of the ADU Ordinance update and had concerns about impacts to residential amenities and neighborhood compatibility. He felt that there were policies within the General Plan that were not being met by the proposal. Commissioner Hui was generally supportive of the Ordinance, understanding that it is a requirement under State law, but did have some concerns regarding the impacts of ADUs throughout the City. Commissioner Tsoi did not have any issues regarding ADUs or the ADU Ordinance update. The Planning Commission expressed no issues with any of the other provisions in the Text Amendment.

Development Services Department Staff, as well as the City Attorney present at the meeting, outlined the fact that ADU regulations were following State law and, if the recent Senate Bills were not followed, the Planning Department may lose all control of regulating ADUs. Following the discussion, the Planning Commission voted 3-1, with Commissioner Tsoi dissenting, to deny Resolution No. 2159, as the findings could not be made related to the General Plan and various General Plan policies, and recommended that the City Council deny the proposed Text Amendment and continue to implement the current ADU Ordinance. Refer to Attachment No. 2 for the Excerpt of the February 11, 2025, Planning Commission Minutes.

A revised Resolution No. 2159 was presented to the Planning Commission at the February 25, 2025, Planning Commission meeting, recommending denial of the Text Amendments. The Commission pulled the resolution from the Consent Calendar for further discussion and sought additional guidance on how to proceed with their decision, as they were not opposed to the entire set of text amendments. After receiving direction and having further discussion on the amendments to the ADU regulations, the Commission decided to reconsider the entirety of the text amendments, and placed the proposal on the agenda at the March 11, 2025, Planning Commission meeting.

At the continued public hearing on March 11, 2025, four (4) Commissioners were present to discuss the item, with Commissioner Hui absent. The City received a second letter from CalHDF stating the same concerns regarding a perceived conflict between the Development Code and State ADU law. A minor change to the Development Code was proposed in response to CalHDF's letter to remove any ambiguity regarding the Code section's applicability to ADUs. Additional information was provided on the proposed changes to the regulations, the consistency of the ADU regulations with the General Plan, and the impacts of having a non-compliant ADU Ordinance. Chair Wilander and Commissioner Tsoi both expressed no concerns over the proposed updates. Vice Chair Tallerico stated his dissatisfaction with the State's authority over ADUs and preference that the City have a greater say over design, but acknowledged that a non-compliant ordinance would result in less regulatory control. Commissioner Arvizu continued to express concerns regarding ADU regulations and impacts to single family neighborhoods and abstained from voting on the item. Following the discussion, the Planning Commission voted 3-0, with Commissioner Arvizu abstaining, to approve Resolution No. 2159 and recommend that the City Council approve the proposed Text Amendment.

FINDINGS

Pursuant to Section 9108.03.060, a Text Amendment to the Development Code may be approved only if all of the following findings are met. These findings are applicable to all the changes in the attached Ordinance – refer to Attachment No. 1.

1. The proposed Development Code amendment is consistent with the goals, policies, and objectives of the General Plan; and any applicable specific plan(s);

Facts to Support the Finding: The proposed Text Amendment No. TA 24-01 is consistent with the General Plan Land Use and Community Development Element and the Housing Element goals and policies. The Text Amendment ensures that the Development Code will comply with State law, will implement actions within the General Plan Housing Element, will be updated to improve readability, enforcement, and to align with best practices, and is consistent with the following General Plan Policies:

Land Use and Community Development Element

- Policy LU-4.2: Encourage residential development that enhances the visual character, quality and uniqueness of the City's neighborhoods and districts.

Housing Element

- Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.
- Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.
- Policy H-4.4: Support infill development at appropriate locations in the City.

2. The proposed amendment is internally consistent with other applicable provisions of this Development Code.

Facts to Support the Finding: The proposed Text Amendment will update the ADU Ordinance, incorporate manufactured housing as a permitted use in residential zones as required by State law and in the City's Housing Element Update, allow lot consolidation for certain housing projects in the Residential Flex Overlay, and update various provisions throughout the Development Code to improve readability and streamline the review and entitlement process. Additionally, several Text Amendments have been made to maintain consistency with the proposed updates, particularly those related to the ADU Ordinance. Therefore, the proposed Text Amendment is consistent with the other applicable provisions of the Development Code, with necessary updates included.

ENVIRONMENTAL ANALYSIS

The proposed Text Amendments are exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3), as it can be seen with certainty that they would not have a significant effect on the environment and, thus, are not subject to CEQA review. See Attachment No. 4 for the Preliminary Environmental Assessment.

PUBLIC COMMENTS/NOTICE

The public hearing notice for this City Council meeting was published in the Arcadia Weekly on March 20, 2025. As of March 27, 2025, no additional concerns or comments from the public were received. There were three written public comments on the proposed Text Amendments, provided in advance of the Planning Commission Hearing on February 11, 2025, one of which was re-sent in advance of the March 11, 2025, Planning Commission meeting. All written comments received expressed concerns regarding ADUs. Refer to Attachment No. 2 for a copy of the comments.

FISCAL IMPACT

The proposed text amendments will have no significant fiscal impact on the City's budget.

RECOMMENDATION

It is recommended that the City Council introduce Ordinance No. 2401 and approve Text Amendment No. TA 24-01 amending various sections of the Arcadia Development Code related to Accessory Dwelling Units, regulations to the Residential Flex ("RF") Overlay Zone, and other text cleanups, with an exemption from the California Environmental Quality Act ("CEQA").

Approved:


Dominic Lazzaretto
City Manager

Attachment No. 1: Ordinance No. 2401
Exhibit "A" – Development Code, Division 2
Exhibit "B" – Development Code, Division 3
Exhibit "C" – Development Code, Division 6
Exhibit "D" – Development Code, Division 8
Exhibit "E" – Development Code, Division 9

Attachment No. 2: Excerpt of the Planning Commission Minutes, dated February 11, 2025, including three written comments from the public

Attachment No. 3: Planning Commission Resolution No. 2159 and Staff Reports, dated February 11, 2025, and March 11, 2025 excluding all other attachments

Attachment No. 4: Preliminary Exemption Assessment

Attachment No. 1

Ordinance No. 2401 with Exhibits A through
E – Text Amendments

ORDINANCE NO. 2401

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARCADIA RELATED TO TEXT AMENDMENT NO. TA 24-01 AMENDING VARIOUS SECTIONS OF ARTICLE IX, CHAPTER 1 (DEVELOPMENT CODE) OF THE ARCADIA MUNICIPAL CODE PERTAINING TO ACCESSORY DWELLING UNITS, THE RESIDENTIAL FLEX OVERLAY, AND OTHER MINOR TEXT AMENDMENTS AND CLEANUPS WITH A CATEGORICAL EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA")

WHEREAS, the Development Services Department has initiated a Text Amendment No. TA 24-01 to amend and update various Divisions of the City's Development Code, Article IX, Chapter 1 of the Arcadia Municipal Code (referred to as "Text Amendment"); and

WHEREAS, the City is required to implement actions and policies within the adopted General Plan Housing Element and Implementation Plan; and

WHEREAS, the proposed Text Amendment would result in changes to Division 2, Division 3, Division 6, Division 7, and Division 9 of the City's Development Code, as shown in Exhibits "A" through "E" of this Ordinance; and

WHEREAS, on December 23, 2024, Planning Services completed an environmental review of the proposed Text Amendment and determined that it is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review; and

WHEREAS, on January 30, 2025, the City published the public hearing for the Text Amendment in a newspaper of general circulation (Arcadia Weekly) of the Planning

Commission public hearing at which the Text Amendment would be reviewed with a recommendation to the City Council; and

WHEREAS, on February 11, 2025, the Planning Commission held a duly-noticed public hearing and considered the Text Amendment. Following extension discussion, the Planning Commission voted 3-1 to recommend that the City Council deny Text Amendment No. TA 24-01 and continue implementing the existing ADU Ordinance that is currently in effect; and

WHEREAS, on February 25, 2025, the Planning Commission pulled the revised Resolution from Consent Calendar for further discussion. The Planning Commissioners sought guidance on how to proceed with their decision, as they were not opposed to the entire text amendment. After receiving direction and additional discussion on the amendments to the ADU regulations, the Commission decided to reconsider the entire text amendment and have it placed on the March 11, 2025, Planning Commission meeting; and

WHEREAS, on March 11, 2025, the Planning Commission continued the public hearing and reconsidered the Text Amendment and all public testimonies and after considering the evidence presented, the Planning Commission voted 3-0, with one Commissioner abstaining, to recommend to the City Council approval of Text Amendment No. TA 24-01; and

WHEREAS, on April 1, 2025, the City Council held a duly noticed public hearing concerning the Text Amendment, at which time all interested persons were given full opportunity to be heard and to present evidence.

NOW, THEREFORE, the City Council of the City of Arcadia does ordain as follows:

SECTION 1. The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2. The City Council finds, based upon the entire record:

1. The proposed amendment and ordinance are consistent with the City's adopted General Plan and any applicable specific plan(s).

FACT: The proposed Text Amendment No. TA 24-01 is consistent with the General Plan Land Use and Community Development Element and the Housing Element goals and policies. The Text Amendment ensures that the Development Code will comply with State law, will implement actions within the General Plan Housing Element, will be updated to improve readability, enforcement, and to align with best practice, and is consistent with the following General Plan Policies:

Land Use and Community Development Element

Policy LU-4.2: Encourage residential development that enhances the visual character, quality and uniqueness of the City's neighborhoods and districts.

Housing Element

Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.

Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower and moderate-income households and for persons with special needs.

Policy H-4.4: Support infill development at appropriate locations in the City.

The proposed Text Amendment No. TA 24-01 will make various minor updates and clarifications throughout the Development Code. This amendment will not impact any other development standards and is consistent with the adopted General Plan.

2. For Development Code amendments only, the proposed amendment is internally consistent with other applicable provisions of this Development Code.

FACT: The proposed Text Amendment will update the ADU Ordinance, incorporate manufactured housing as a permitted use in residential zones as required by State law and in the City's Housing Element Update, allow lot consolidation for certain housing projects in the Residential Flex Overlay, and update various provisions throughout the Development Code to improve readability and streamline the review and entitlement process. Additionally, several Text Amendments have been made to maintain consistency with the proposed updates, particularly those related to the ADU Ordinance. Therefore, the proposed Text Amendment is consistent with the other applicable provisions of the Development Code, with necessary updates included.

SECTION 3. The City Council has determined that Text Amendment No. TA 24-01 is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review.

SECTION 4. For the foregoing reasons, the City Council adopts this Ordinance. Staff is authorized to correct typographical errors, spelling, formatting or codification and to make other minor revisions to improve the reader's comprehension of the changes

from this text amendment attached hereto under Exhibits “A” through “E” of this Ordinance, provided that any revisions do not alter the regulatory meaning and intent.

SECTION 5. The City Council hereby directs staff to prepare, execute, and file with the Los Angeles County Clerk a Notice of Exemption within five (5) working days of the adoption of this Ordinance.

SECTION 6. The City Clerk shall certify to the adoption of this Ordinance and shall cause a copy of the same to be published in accordance with Resolution No. 7483. This Ordinance shall take effect thirty-one (31) days after its adoption.

SECTION 7. The Custodian of Records for this Ordinance is the City Clerk and the records comprising the administrative record for this Ordinance are located at Arcadia City Hall, 240 W. Huntington Drive, Arcadia CA.

[SIGNATURES ON THE NEXT PAGE]

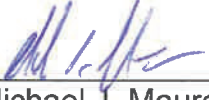
Passed, approved and adopted by the City Council this 15th day of April, 2025.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

EXHIBIT “A”

Development Code, Division 2

9102.01.020 Land Use Regulations and Allowable Uses

Amended by Ord. No. 2347

Amended by Ord. No. 2348

Amended by Ord. No. 2363

Amended by Ord. No. 2369 & 2370

Amended by Ord. No. 2397

Amended by Ord. No. 2400

- A. Allowed Uses.** Table 2-1 (Allowed Uses and Permit Requirements for Residential Zones) indicates the uses allowed within each residential zone and any permits required to establish the use, pursuant to Division 7 (Permit Processing Procedures). The regulations for each zone are established by letter designations as follows:

"P" represents permitted (allowed) uses.

"A" represents accessory uses.

"M" designates uses that require the approval of a Minor Use Permit subject to requirements of Section 9107.09 (Conditional Use Permit and Minor Use Permit) of this Development Code.

"C" designates uses that require the approval of a Conditional Use Permit subject to requirements of Section 9107.09 (Conditional Use Permit and Minor Use Permit) of this Development Code.

"--" designates uses that are not permitted.

- B. Director Determination.** Land uses are defined in Division 9 (Definitions). In cases where a specific land use or activity is not defined, the Director shall assign the land use or activity to a classification substantially similar in character. Land uses not listed in the table or not found to be substantially similar to the land uses below are prohibited.

- C. Specific Use Regulations.** Where the last column in Table 2-1 (Allowed Uses and Permit Requirements for Residential Zones) includes a Section, Subsection, or Division number, the regulations in the referenced Section, Subsection, or Division shall apply to the use.

- D. Housing Element Candidate Sites.** Pursuant to Government Code Section 65583. 2(c), residential uses shall be allowed by right for housing development in which at least 20% of the units are affordable to lower- income households for sites that:

1. Are non-vacant and identified in the 5th Cycle Housing Element planning period; and
2. Vacant sites included in two or more consecutive Housing Element planning cycle;
3. Eligible sites can be found in the City's 2021- 2029 Housing Element (6th Cycle). Development shall meet all of the requirements of the respective zone in which such sites are located in unless otherwise permitted by this Division, and shall comply the provisions of applicable environmental documents for such site, if any.

- E. Multi-Family Uses Permitted By-Right.** Multifamily residential uses are permitted by-right in the following zones when 20% or more affordable units are provided per Gov't Code Section 65583. 2 (i): R-2, R-3, R-3-R, MU, DMU, and RF and DMU overlays.

Table 2-1 Allowed Uses and Permit Requirements for Residential Zones	P Permitted A Permitted as an Accessory Use M Minor Use Permit Required C Conditional Use Permit Required -- Not Allowed						Specific Use Regulations
	R-M	R-0	R-1	R-2	R-3	R-3-R	
	Residential Uses						
	Boarding House	--	--	--	--	--	
	Dwellings						

Single-Family Dwelling	P	P	P	P	P	--	See required minimum density (Section 9102.01.090, Table 2-6 and) Subsection 9102.01.100.A (Exceptions to Minimum Density in R-2 and R-3)
Multifamily Dwelling	--	--	--	P	P	P	See Land Use Regulations and Allowable Uses (Section 9102.01.020)
Two-Family Dwelling	--	--	--	P	P	P	
Accessory Dwelling Unit	A	A	A	A	A	A	
Short-Term Rental	--	--	--	--	--	--	No Person shall post, publish, circulate, broadcast, or maintain any advertisement of a Short-Term Rental in any zone allowing residential uses. See Section 9104.02.300
Home Sharing	--	--	--	--	--	--	No Person shall post, publish, circulate, broadcast, or maintain any advertisement for Home Sharing in any zone allowing residential uses. See Section 9104.02.300
Manufactured Housing Unit	P	P	P	P	P	--	See required minimum density (Section 9102.01.090, Table 2-6 and) Subsection 9102.01.100.A (Exceptions to Minimum Density in R-2 and R-3)

Table 2-1 Allowed Uses and Permit Requirements for Residential Zones		P A M C --	Permitted Permitted as an Accessory Use Minor Use Permit Required Conditional Use Permit Required Not Allowed				
Land Use	R-M	R-0	R-1	R-2	R-3	R-3-R	Specific Use Regulations
Agricultural Uses							
Urban Agriculture	A	A	A	A	A	A	See Subsection 9104.02.030 (Agricultural Uses –Urban Agriculture, Small Animal and Fowl, and Horses). See Subsection 9104.02.145 (Employee Housing)
Horse Keeping	A	A	A	--	--	--	
Small Animal and Fowl Keeping	A	A	A	--	--	--	
Education							
Schools, Private	C	C	C	C	C	C	May only be permitted as a Conditional Use, accessory to a Place of Religious Assembly.
Medical-Related and Care Uses							
Day Care, General	--	--	--	--	--	--	See Subsection 9104.02.080 (Day Care, General)
Day Care, Limited - Small Family	A	A	A	A	A	A	See Subsection 9104.02.100 (Day Care, Limited – Small Family)

Table 2-1 Allowed Uses and Permit Requirements for Residential Zones		P Permitted A Permitted as an Accessory Use M Minor Use Permit Required C Conditional Use Permit Required -- Not Allowed					
Land Use	R-M	R-0	R-1	R-2	R-3	R-3-R	Specific Use Regulations
Day Care, Limited - Large Family	A	A	A	A	A	A	See Subsection 9104.02.090 (Day Care, Limited – Large Family)
Employee Housing – Six or Fewer Persons	P	P	P	P	P	P	See subsection 9104.02.145 (Employee Housing)
Residential Care Facility – Six or fewer persons	P	P	P	P	P	P	See Subsection 9104.02.260 (Residential Care Facilities)
Residential Care Facility – Seven or more persons	P	P	P	P	P	P	See Subsection 9104.02.260 (Residential Care Facilities)
Supportive Housing – Housing Type	P	P	P	P	P	P	
Supportive Housing – Residential Care Facility Small Type	P	P	P	P	P	P	
Transitional Housing – Housing Type	--	--	--	P	P	P	
Transitional Housing – Residential Care Facility Small Type	P	P	P	P	P	P	
Other Uses							
Antennas and Wireless Communication Facilities - Co-location or Panel	--	--	--	--	P	P	Exception: All facilities are permitted on City-owned properties and public rights-of-way. New standalone facilities are not permitted in Architectural Design (D) overlay zones. See also Subsection 9104.02.050 (Antennas and Wireless Communication Facilities)
Antennas and Wireless Communication Facilities - Standalone Facility	--	--	--	--	--	--	
Places of Religious Assembly	--	C	C	C	C	--	Tutoring and Educational Centers may be permitted as an Accessory Use under a Conditional Use Permit
Sports Courts (Private)	P	P	P	P	P	P	Must comply with Subsection 9104.02.330 (Sports Courts in Residential Zones)
Recharging Stations	A	A	A	A	A	A	
Utility Structures and Service Facilities	C	C	C	C	C	C	

9102.01.030 Development Standards in Single-Family Residential Zones (R-M, R-0, R-1)

Amended by Ord. No. 2347

Amended by Ord. No. 2363

New land uses and structures, and alterations to existing land uses and structures, shall be designed, constructed, and/or established in compliance with the requirements in Tables 2-1 (Allowed Uses and Permit Requirements for Residential Zones), 2-2 (Development Standards for Single-family Residential Zones), and 2-3 (Additional Development Standards for Homeowners Association Areas), and the development standards in Division 3 (Regulations Applicable to All Zones-Site Planning and General Development Standards). Additional regulations are denoted in the right hand column of Table 2-2 and Table 2-3. Exceptions and additional regulations are included in Subsection 9102.01.040 (Additional Residential Development Standards in Single-Family Residential Zones). Standards for accessory structures and accessory dwelling units are outlined in Subsection 9102.01.060 (Accessory Structures in Single-family Residential Zones) and Subsection 9102.01.080 (Accessory Dwelling Units). Development standards for garages and other parking areas are located in Section 9103.07 (Off-Street Parking and Loading). Development standards for fences, walls, and gates are outlined in Section 9103.05 (Fences, Walls, and Gates). Development standards for landscaping requirements are located in Section 9103.09.040.B (Landscape Requirements for Residential Zones).

Table 2-3 ⁽¹⁾ Additional Development Standards for Homeowners Association Areas Single-family Residential Zones (R-M, R-0, R-1)						
Development Feature	Santa Anita Village (R-1)	Highlands (R-M and R-1)	Lower Rancho (R-0)	Santa Anita Oaks (R-0)	Upper Rancho (R-0)	Additional Requirements
Minimum Setbacks						
Front	25 ft	25 ft	35 ft	65 ft Exceptions: Tract 13544 shall be a minimum of 60 ft Tracts 13345 and 11013 shall be a minimum of 55 ft and Tract 14566 shall be a minimum of 50 ft	50 ft	See Subsection 9102.01.040 (Additional Residential Development Standards), Subsection 9103.01.060 (Setback Measurements and Exceptions), and Subsection 9102.01.050 (Permitted Projections in Single-family Residential Zones)
Side – first or single story						
Interior	5 ft or 10% of the lot width, whichever is greater	R-M: 10 ft or 10% of lot width, whichever is greater, but not to exceed 15 ft as a required setback R-1: 6 ft or 10% of the lot width, whichever is greater	10 ft or 10% of the lot width, whichever is greater	10 ft or 10% of the lot width, whichever is greater	15 ft	See Subsection: 9102.01.040 (Additional Residential Development Standards in Single-family Residential Zones).
Corner (street side)	20 ft	20 ft	20 ft	20 ft	20 ft	See Subsection: 9102.01.040 (Additional Residential Development Standards in Single-family Residential Zones).
Reverse Corner (street side)	25 ft	R-M: 20 ft R-1: 25 ft	25 ft	25 ft	25 ft	

Table 2-3 ⁽¹⁾ Additional Development Standards for Homeowners Association Areas Single-family Residential Zones (R-M, R-0, R-1)						
Development Feature	Santa Anita Village (R-1)	Highlands (R-M and R-1)	Lower Rancho (R-0)	Santa Anita Oaks (R-0)	Upper Rancho (R-0)	Additional Requirements
Side - second story						
Interior	10 ft or 20% of the lot width, whichever is greater	R-M: 15 ft or 20% of the lot width, whichever is greater R-1: 10 ft or 20% of the lot width, whichever is greater	15 ft or 20% of the lot width, whichever is greater	15 ft or 20% of the lot width, whichever is greater	15 ft or 20% of the lot width, whichever is greater	See Subsection: 9102.01.040 (Additional Residential Development Standards in Single-family Residential Zones).
Corner (street side)	20 ft	20 ft	20 ft	20 ft	20 ft	
Reverse Corner (street side)	25 ft	R-M: 20 ft R-1: 25 ft	35 ft	35 ft	35 ft	
Rear						
First or single story	25 ft	25 ft	35 ft	35 ft	40 ft	Additional rear setback of one foot required on each story for every 10 feet above 150 feet of lot depth. See Subsection 9102.01.040 (Additional Residential Development Standards in Single-family Residential Zones).
Second story	35 ft	35 ft	35 ft	35 ft	35 ft	
Maximum Lot Coverage						
1-story dwellings	45%	45%	45%	45%	45%	
2-story dwellings	35%	35%	35%	35%	35%	
Maximum Number of Stories	2 stories	2 stories	2 stories	2 stories	2 stories	Exposed basements shall be considered a story.
Maximum Street-Facing Porch Height	14 ft	14 ft	14 ft	14 ft	14 ft	See Subsection 9102.01.040.I (Porch Height).

November 2016

Division 2 – Zones/Allowable Uses/Development Standards

Table 2-3 ⁽¹⁾ Additional Development Standards for Homeowners Association Areas Single-family Residential Zones (R-M, R-0, R-1)						
Development Feature	Santa Anita Village (R-1)	Highlands (R-M and R-1)	Lower Rancho (R-0)	Santa Anita Oaks (R-0)	Upper Rancho (R-0)	Additional Requirements
Encroachment Plane						
Front Property Line	30 degrees	R-M: 40 degrees R-1: 30 degrees	30 degrees	30 degrees	30 degrees	No portion of any structure shall encroach through a plane projected from the identified angle as measured at the ground level along the front property line. That point shall be located at the intersection of a horizontal projection of the adjacent grade elevation and its intersection with the property line. See Figure 2-1 (Encroachment Plane).
Interior Rear and/or Interior Side	N/A	N/A	N/A	N/A	N/A	
Corner Street Side Property Line	40 degrees	40 degrees	40 degrees	40 degrees	40 degrees	

Table 2-3 ^{(1) (3)} Additional Development Standards for Homeowners Association Areas Single-family Residential Zones (R-M, R-0, R-1)					
Development Feature	Village (R-1)	Highlands (R-M and R-1)	Lower Rancho (R-0)	Oaks (R-0)	Upper Rancho (R-0)
Maximum Height ⁽²⁾	25 ft	R-M: 25 ft for lots less than 71-foot lot width; an additional 1 ft in height for every additional 1 ft in lot width up to 75 ft lot (30 ft height). 80-85 ft lot width: 31 ft 85'-1"-90 ft lot width: 32 ft 90'-1"-95 ft lot width: 33 ft 95'-1"-100 ft lot width: 34 ft 100'-1"+ ft lot width: 35 ft R-1: Less than 75 ft lot width: 25 ft 75'-94 ft lot width: 27 ft 94'-1"-114 ft lot width: 29 ft 114'-1" ft lot or larger width: 30 ft	25 ft for lots with less than 75- foot lot width 30 ft for lots with 75-foot width or greater	25 ft for lots with less than 75- foot lot width 30 ft for lots with 75-foot width or greater	25 ft for lots with less than 75- foot lot width 30 ft for lots with 75-foot width or greater

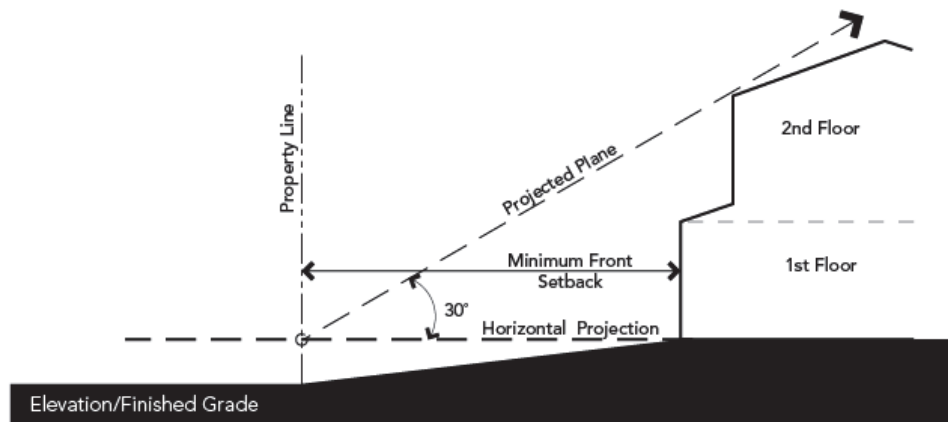
Notes:

(1) In cases where the underlying zoning's Development Standard is greater than the requirements stated in Table 2-3, Additional Development Standards for Homeowners Association Areas Single-family Residential Zones (R-M, R-0, R-1), the underlying zoning shall be used unless an exception is specifically identified.

(2) See Subsection 9103.01.030 (Measuring Floor Area and Floor Area Ratio)

(3) See Subsection 9102.01.040(J) for additional regulations regarding garages and carports.

Figure 2-1
Encroachment Plane – R-0 and R-1 Zones



9102.01.050 Permitted Projections in Single-Family Residential Zones
Amended by Ord. No. 2347

- A. Permitted Architectural Projections in Single-Family Residential Zones.** In R-M, R-0, and R-1 zones, architectural and similar features may extend into required setback areas as identified in Table 2-4 (Permitted Projections and Encroachment into Required Setback in Single-Family Zones).

Table 2-4 Permitted Projections and Encroachment into Required Setback in Single-Family Zones	Maximum Permitted Encroachment Distance Into Required Setback Area			
	R-M, R-0, and R-1 Zones			
	Architectural Feature	Front ⁽¹⁾	Side ⁽²⁾	
1 st Story			2 nd Story	
Awnings	18 inches	--	--	18 inches
Balconies	--	--	--	--
Bay windows, garden windows ⁽⁴⁾	18 inches	18 inches	18 inches	18 inches
Chimneys	18 inches	18 inches	18 inches	18 inches
Cornices, belt courses, buttresses, pilasters, pillars, sills	12 inches	--	--	--
Eaves ⁽⁵⁾	30 inches	30 inches	30 inches	30 inches
Fire escapes, elevator shafts and open stairways	--	--	--	--
Trellis structures and patio covers	--	--	--	--

Notes:

(1) Front Setback Exception (R-M Zone only) – Architectural features shall not project into the front setback in the R-M zone.

(2) Side Setback Exception (R-M Zone only) – A portion of a gable roof and walls thereunder which do not exceed a maximum height of 20 feet and which enclose a portion of the first story living area and/or interior stairwells which have no window(s) facing the side yard, may encroach into the required setback but in no event shall such encroachment be less than the required first story setback except as may be approved pursuant to an Administrative Modification (Section 9107.05).

(3) Rear Setback Exception (R-M Zone only) – Architectural features shall not project into the rear setback in the R-M zone.

(4) In all zones, bay windows, garden windows, and other similar architectural projections shall have a vertical distance of 30 inches or greater between the lowest surface of the projection and the finished floor.

(5) Eaves Exception (R-M Zone only) – Eaves may extend or project a maximum of two feet beyond the required setback on both the first and second stories.

- B. Mechanical Equipment Projections in Single-Family Residential Zones.** Mechanical equipment shall comply with the required setbacks set forth for the structure the mechanical equipment will serve. Exceptions: (1) Tankless water heaters and solar batteries may encroach into the required side and rear setbacks by 30 inches. (2) Mechanical equipment serving swimming pools, spas, and water features shall not be set back less than three feet from the rear property line.

9102.01.060 Accessory Structures in Single-Family Residential Zones
Amended by Ord. No. 2347
Amended by Ord. No. 2369 & 2370

Accessory structures, as defined in Division 9 (Definitions) of this Development Code, but excluding required garages, are allowed in residential zones and are subject to the development standards set forth in Table 2-5 (Development Standards for Accessory Structures in the R-M, R-0, and R-1 Zones). Accessory dwelling unit regulations are set forth in Subsection 9102.01.080 (Accessory Dwelling Units). Any allowable accessory structure that does not require a building permit shall meet the requirements of this Development Code for use, placement on the lot, height, and size. The construction and/or relocation of an accessory structure shall require review and approval per the Site Plan and Design Review, as set forth in Section 9107.19 (Site Plan and Design Review).

A. Restrictions on Number and Use

- 1. Primary Building Required.** An accessory structure(s) is allowed onsite only when there is a primary dwelling on site.

2. **Number Allowed.** ~~A maximum of two detached accessory structures are allowed on any one lot, including accessory dwelling units.~~ A maximum of two detached accessory structures are allowed on any one lot. This maximum number is reduced by the number of legal accessory dwelling units on the lot.
3. **Kitchen.** No kitchen is allowed within the accessory structure
4. **Bathroom.** The accessory structure may contain a sink, a toilet and/or a shower.
5. **Rooms.** No more than one room is allowed within the accessory structure, aside from a bathroom containing a sink, toilet and/or a shower.
6. **Covenant Required.** A covenant approved as to form by the City shall be recorded prior to the issuance of any building permit for any accessory structure stating that the accessory structure will not be used for overnight stay, rented, or used as a dwelling unit.

B. Development Standards

1. **General Standards.** Accessory structures shall comply with the development standards set forth in Table 2-5 (Development Standards for Accessory Structures in the R-M, R-0, and R-1 Zones).
2. **Consistent Exterior Appearance.** All accessory structures on a permanent foundation shall be consistent in exterior appearance with the primary structure through the use of similar/matching exterior paint colors, material types, and architectural styles.

Table 2-5 Development Standards for Accessory Structures in the R-M, R-0, and R-1 Zones ⁽¹⁾				
Development Feature	R-M	R-0	R-1	Additional Requirements
Maximum Floor Area	50% of the ground floor area of the main building	50% of the ground floor area of the main building	50% of the ground floor area of the main building	Shall be counted toward total allowable floor area for the zone, pursuant to Subsections 9102.01.030 (Development Standards in Single-Family Residential Zones) and 9102.01.040 (Additional Residential Development Standards in Single-Family Residential Zones).
Minimum Setbacks				
Front (public or private street)	Same as dwelling requirement	Same as dwelling requirement	Same as dwelling requirement	For exceptions refer to Subsection 9102.01.040.B (Front Setbacks-Additional Standards in R-M and R-0 Zones).
Side	10 ft	Same as dwelling requirement	Same as dwelling requirement	
Reverse Corner (street side)	20 ft	Same as dwelling requirement	Same as dwelling requirement	For exceptions refer to Subsection 9102.01.040.BC (Exceptions to Rear Setbacks on Corner and Reverse Corner Lots in R-0 and R-1 Zones-Attached Single-Story Garage)
Rear	10 ft	10 ft	10 ft	

Maximum Lot Coverage — 25% of required rear yard — 25% of required rear yard — 25% of required rear yard

Table 2-5
Development Standards for Accessory Structures
in the R-M, R-0, and R-1 Zones ⁽¹⁾

Development Feature	R-M	R-0	R-1	Additional Requirements
Maximum Number of Stories	One story	One story	One story	
Minimum Distance Between Structures	6 ft	6 ft	6 ft	
Maximum Height	16 ft and cannot exceed the maximum height of dwelling	16 ft and cannot exceed the maximum height of dwelling	16 feet and cannot exceed the maximum height of dwelling	See Subsection 9103.01.050 (Height Measurements and Exceptions) and 9102.01.040.E (Height Exception for Chimneys and Roof-Mounted Vents).
Minimum Encroachment Plane				
Front Property Line	40 degrees	30 degrees	30 degrees	
Interior Rear and/or Interior Side	N/A	N/A	N/A	
Street Side (Reverse Corner) Property Lines	N/A	40 degrees	40 degrees	

Notes:

(1) Accessory dwelling units are subject to the development standards in Subsection 9102.01.080.

9102.01.080 Accessory Dwelling Units
Amended by Ord. No. 2347
Amended by Ord. 2369 & 2370
Amended by Ord. No. 2375
Amended by Ord. No. 2396

Accessory dwelling units and junior accessory dwelling units, as defined in Division 9 (Definition) of this Development Code, are allowed in the R-0, R-1, R-M, R-2, R-3, R-3-R, CBD, MU, and DMU zones, developed with at least one dwelling.

A. Development Standards

1. **General.** Except as identified in this Subsection, accessory dwelling units shall comply with all the development standards (setbacks, lot coverage, height, etc.). All accessory dwelling units shall be clearly subordinate in location and size to the primary structure and consistent in exterior appearance with the primary structure through the use of similar/matching exterior paint colors, material types, and architectural styles. Accessory dwelling units shall have a defined and independent exterior access. An accessory dwelling unit is allowed on a site only when a primary dwelling exists.

2. **Location:** An accessory dwelling unit is permitted on any residentially zoned property if a single-family dwelling or multifamily dwelling exists on the lot or will be constructed in conjunction with the accessory dwelling unit. An accessory dwelling unit may be either attached to the existing dwelling unit, or located within the living area of the existing dwelling or detached from the existing dwelling and located on the same lot as the existing dwelling. A junior accessory dwelling unit (JADU) may only be located within an existing or proposed single-family structure, including within an attached garage.

— One of the following is allowed:

1. One Attached ADU (may not be allowed with detached ADU or JADU); or
2. One Detached ADU or a JADU by itself; or
3. One Detached ADU with one JADU

3. **Maximum Floor Area and Lot Coverage.** No accessory dwelling unit may cause the total Floor Area Ratio (FAR) to exceed 45%, or cause the lot coverage of the lot to exceed 50%. If either requirement would preclude development of an accessory dwelling unit up to 800 square feet in size, the requirement does not apply.

— **Maximum Rear Yard Lot Coverage in Single-Family Zones:** No accessory dwelling unit may cause the rear yard lot coverage to exceed 25%, except if the requirement precludes the development of an accessory dwelling unit of up to 800 square feet in size.

4. Maximum Size

- a. **Accessory Dwelling Unit.** The maximum size of a detached or attached accessory dwelling unit is 850 square feet for a studio or one-bedroom unit and 1,000 square feet for a unit with two bedrooms.
- b. **Junior Accessory Dwelling Unit.** The maximum size within an existing or proposed single-family dwelling is 500 square feet.
- c. An attached accessory dwelling unit that is created on a lot within an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling, unless this would restrict the maximum size of the accessory dwelling unit to be smaller than 800 square feet.
- d. Application of other development standards in this section, such as FAR or lot coverage, might further limit the size of the accessory dwelling unit, but any application of the percent-based floor area limit in paragraph A.4.c above or of an FAR, lot coverage, or front setback, must yield to the extent necessary to allow an accessory dwelling unit to be up to 800 square feet.

5. Maximum Height and Story

- a. Except as otherwise provided by paragraphs (A)(4)(d)(5)(b) and (c) below, a detached ADU created on a lot with an existing or proposed single-family or multifamily dwelling unit may not exceed 16 feet in height and one story.

- b. ~~A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single-family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or a high-quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit. It may not exceed one story.~~
- c. ~~A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height. It may not exceed one story.~~
- d. ~~An ADU that is attached to the primary dwelling may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection (A)(4)(d)(5)(d) may not exceed two stories.~~
- e. ~~For purposes of this subsection (A)(4)(d), height is measured above existing legal grade to the peak of the structure.~~

6. ~~Required Setbacks.~~

- a. ~~Detached and attached accessory dwelling units shall meet a minimum side and rear yard setbacks of at least four (4) feet.~~
- b. ~~An attached accessory dwelling unit shall meet the same front setbacks as required for the primary dwelling.~~
- c. ~~A new detached ADU may not be located closer to the front property line than the primary dwelling.~~
- d. ~~A front setback must yield to the extent necessary to allow an accessory dwelling unit to be up to 800 square feet.~~

7. ~~Required Parking.~~ ~~An accessory dwelling unit shall be provided with a minimum of one on-site parking space (covered or uncovered). The uncovered parking space shall be located on a paved surface, and may be provided in the setback areas or as tandem parking. For required parking spaces dimensions, please refer to Division 3.~~

~~When a garage, carport, or covered parking structure is demolished or converted in conjunction with the construction of an accessory dwelling unit, the required parking spaces shall be replaced as specified in Table 3-3. If code-compliant replacement parking cannot be provided, the replacement parking spaces may be located in any configuration on the same lot as the accessory dwelling unit, including but not limited to, covered spaces, uncovered spaces, or tandem spaces or by the use of mechanical automobile parking lifts within an enclosed garage.~~

8. ~~Fire Sprinklers.~~ ~~An accessory dwelling unit is required to have sprinklers if the primary dwelling is also required to have fire sprinklers.~~

B. ~~Permit Procedures for Accessory Dwelling Units and Junior Accessory Dwelling Units.~~ ~~If the accessory dwelling unit does not qualify for a Building Permit Only, the procedures specified in Subsection 9102.01.080.B.2, shall be followed.~~

1. ~~Building Permit Only.~~ ~~An accessory dwelling unit or junior accessory dwelling unit is only subject to a building permit when it is proposed on a residential or mixed-use zone and meets one of the following scenarios:~~

A. ~~Converted Accessory Dwelling Unit with Single-Family Dwelling:~~ ~~One accessory dwelling unit as described in this subsection (B)(1)(A) and one junior accessory dwelling unit on a lot with a proposed or existing single-family dwelling on it, where the accessory dwelling or junior accessory dwelling unit:~~

- 1. ~~Is either: within the space of a proposed single-family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress.~~
- 2. ~~Has exterior access that is independent of that for the single-family dwelling.~~
- 3. ~~Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.~~

B. ~~Detached Accessory Dwelling Unit with Single-Family Dwelling:~~ ~~One detached, new construction accessory dwelling unit on a lot with a proposed or existing single-family dwelling (in addition to any junior accessory dwelling unit that might otherwise be established on the lot under Subsection A), if the detached accessory dwelling unit~~

satisfies the following limitations:

1. ~~The side and rear yard setbacks are at least four (4) feet.~~
2. ~~The total floor area is 800 square feet or less.~~
3. ~~The peak height above grade does not exceed the applicable height limit in subsection (e)(2) below.~~

~~C. **Converted Accessory Dwelling Unit in Multifamily Dwellings:** One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. Under this paragraph, at least one converted ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.~~

~~D. **Detached Accessory Dwelling Unit with Multifamily Dwellings:** No more than two detached accessory dwelling units may be located on a lot that has an existing or proposed multifamily dwelling. Each detached accessory dwelling unit must satisfy the following requirements:~~

1. ~~The side and rear yard setbacks are at least four (4) feet.~~
2. ~~The peak height above grade does not exceed the applicable height limit in subsection (e)(2) below.~~

~~2. **Accessory Dwelling Unit Permit**~~

~~Any construction that does not comply with each of the requirements listed in Subsection 1 above (Building Permits Only) shall require a Zoning Clearance for an Accessory Dwelling Unit.~~

~~3. **Process and Timing**~~

~~A. A Zoning Clearance for an Accessory Dwelling Unit complaint with the standards of this Section is considered and approved ministerially, without discretionary review or a hearing, unless the unit exceeds the code requirements (e.g. FAR) and is subject to an Administrative Modification.~~

~~B. The City must act on an application within 60 days from the date the City receives a completed application, unless either:~~

1. ~~The Applicant requests for a delay, in which case the 60 day time period is tolled for the period of the requested delay, or~~
2. ~~If an accessory dwelling unit or junior accessory dwelling unit application is submitted with a permit application to create a new single family dwelling on the lot, the City may delay acting on the permit application until the City acts on the application for the new single family dwelling, but the application to create the accessory dwelling unit or junior accessory dwelling unit is still considered ministerially without discretionary review or a hearing.~~

~~C. If the city denies an application for an accessory dwelling unit or junior accessory dwelling unit, the city shall, within the time period described above, return in writing a full set of comments to the Applicant with a list of items that are defective or deficient and a description of how the application can be remedied by the Applicant.~~

~~C. **Impact Fees.**~~

1. ~~Impact Fees. No impact fee is required for an accessory dwelling unit that is less than 750 square feet in size.~~

~~D. **Utility Fees.**~~

1. ~~An ADU that is constructed with a new single family dwelling is considered to be a new residential use and requires a direct connection for all utilities and payment of related connection fees and capacity charges.~~
2. ~~Aside from D. 1 above, the City does not require a direct utility connection or related fee or charge for any ADU approved under this section.~~
3. ~~An Applicant must consult any other local agency, special district, or water corporation that will provide utility services to~~

the property to determine what direct connection requirement, if any, the utility provider requires for the ADU.

E. ~~Owner Occupancy~~

1. ~~An accessory dwelling unit that is created after January 1, 2020, but before January 1, 2025, is not subject to any owner occupancy requirement.~~
2. ~~Unless applicable law requires otherwise, all accessory dwelling units that are created on or after January 1, 2025, are subject to an owner occupancy requirement. A natural person with legal or equitable title to the property must reside on the property as the person's legal domicile and permanent residence.~~
3. ~~All junior accessory dwelling units are subject to an owner occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or junior accessory dwelling unit, as the person's legal domicile and permanent residence. However, the owner occupancy requirement of this paragraph does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.~~

F. ~~Nonconforming Accessory Dwelling Units and Discretionary Approval~~

~~Any proposed accessory dwelling unit or junior accessory dwelling unit that does not conform to each of the objective design standards in this section may be considered by the City with an Administrative Modification process in Section 9107.05.~~

G. ~~Objective Design Standards for Accessory Dwelling Units~~

~~Architectural~~

1. ~~The materials and colors of the exterior walls, roof, and windows and doors must match the appearance and architectural design of those of the primary dwelling.~~
2. ~~The roof slope must match that of the dominant roof slope of the primary dwelling. The dominant roof slope is the slope shared by the largest portion of the roof.~~
3. ~~The exterior lighting must be limited to down lights or as otherwise required by the building or fire code.~~
4. ~~The ADU must have an independent exterior entrance, apart from that of the primary dwelling. The ADU entrance must not be visible from the public right-of-way.~~
5. ~~For new detached ADUs, there must be indentations or projections provided that are at least 8 inches in depth on at least two of the exterior walls to break up flat wall planes. The interior wall height shall be at least seven feet tall.~~
6. ~~All windows that are located 9 feet in height above the finished floor must be clerestory windows (no dormers), and must be frosted or obscure glass.~~
7. ~~An ADU that is on real property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right of way.~~

~~Landscape~~

8. ~~Landscaping must be provided to provide screening between the ADU and adjacent parcels along the rear and side property lines and there shall be at least one 15-gallon size plant for every five linear feet of exterior wall. Landscaping must be drought-tolerant or low water using plants that utilize multiple varieties of drought tolerant resistant grasses, turf substitutes, or ground covers that maintain a living and continuous planting area. Desert landscape or rock garden designs are not allowed.~~

~~Other~~

9. ~~The ADU and primary dwelling must use the same driveway to access the street, unless otherwise required for fire apparatus access, as determined by the Fire Department. This requirement does not apply to state-exempt ADUs.~~
10. ~~ADUs must have clear addressing visible from the street. Addresses must be at least 4 inches high and shall be shown on the curb next to the primary address number.~~

~~11. No mezzanines or partial floors, including a loft, shall be allowed.~~

A. Accessory Dwelling Units. Purpose. The purpose of this section is to allow and regulate accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) in compliance with Chapter 13 of Division 1 of Title 7 of the California Government Code.

B. Effect of Conforming. An ADU or JADU that conforms to the standards in this section will not be:

1. Deemed to be inconsistent with the City's General Plan and zoning designation for the lot on which the ADU or JADU is located.
2. Deemed to exceed the allowable density for the lot on which the ADU or JADU is located.
3. Considered in the application of any local ordinance, policy, or program to limit residential growth.
4. Required to correct a nonconforming zoning condition, as defined below under Definitions. This does not prevent the City from enforcing compliance with applicable building standards in accordance with Health and Safety Code Section 17980.12.

C. Definitions. As used in this section, terms are defined as follows:

1. "Accessory dwelling unit" or "ADU" means an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit also includes the following:
 - a. An efficiency unit, as defined by Section 17958.1 of the California Health and Safety Code; and
 - b. A manufactured home, as defined by Section 18007 of the California Health and Safety Code.
2. "Accessory structure" means a structure that is accessory and incidental to a dwelling located on the same lot.
3. "Complete independent living facilities" means permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.
4. "Efficiency kitchen" means a kitchen that includes all of the following:
 - a. A cooking facility with appliances.
 - b. A food preparation counter and storage cabinets that are of a reasonable size in relation to the size of the JADU.
5. "Junior accessory dwelling unit" or "JADU" means a residential unit that satisfies all of the following:
 - a. It is no more than 500 square feet in size.
 - b. It is contained entirely within an existing or proposed single-family structure. An enclosed use within the residence, such as an attached garage, is considered to be a part of and contained within the single-family structure.
 - c. It includes its own separate sanitation facilities or shares sanitation facilities with the existing or proposed single-family structure.
 - d. If the unit does not include its own separate bathroom, then it contains an interior entrance to the main living area of the existing or proposed single-family structure in addition to an exterior entrance that is separate from the main entrance to the primary dwelling.
 - e. It includes an efficiency kitchen, as defined above.
6. "Livable space" means a space in a dwelling intended for human habitation, including living, sleeping, eating, cooking, or sanitation.
7. "Living area" means the interior habitable area of a dwelling unit, including basements and attics, but does not include a garage or any accessory structure.
8. "Nonconforming zoning condition" means a physical improvement on a property that does not conform with current zoning standards.
9. "Passageway" means a pathway that is unobstructed clear to the sky and extends from a street to one entrance of the ADU or JADU.
10. "Proposed dwelling" means a dwelling that is the subject of a permit application and that meets the requirements for permitting.
11. "Public transit" means a location, including, but not limited to, a bus stop or train station, where the public may

access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.

12. "Tandem parking" means that two or more automobiles are parked on a driveway or in any other location on a lot, lined up behind one another.

D. Approvals. The following approvals apply to ADUs and JADUs under this section:

1. **Building-permit Only.** If an ADU or JADU complies with each of the general requirements in subsection (E) below, it is allowed with only a building permit in the following scenarios:

A. **Converted on Single-family Lot:** One ADU as described in this subsection and one JADU on a lot with a proposed or existing single-family dwelling on it, where the ADU or JADU:

1. Is either: within the space of a proposed single-family dwelling; within the existing space of an existing single-family dwelling; or (in the case of an ADU only) within the existing space of an accessory structure, plus up to 150 additional square feet if the expansion is limited to accommodating ingress and egress; and
2. Has exterior access that is independent of that for the single-family dwelling; and
3. Has side and rear setbacks sufficient for fire and safety, as dictated by applicable building and fire codes.
4. The JADU complies with the requirements of Government Code sections 66333 through 66339.

B. **Limited Detached on Single-family Lot:** One detached, new-construction ADU on a lot with a proposed or existing single-family dwelling (in addition to any JADU that might otherwise be established on the lot), if the detached ADU satisfies each of the following limitations:

1. The side and rear yard setbacks are at least four (4) feet.
2. The total floor area is 800 square feet or smaller.
3. The height does not exceed the applicable height limit in subsection below under "Height."

C. **Converted on Multifamily Lot:** One or more ADUs within portions of existing multifamily dwelling structures that are not used as livable space, including but not limited to storage rooms, boiler rooms, passageways, attics, basements, or garages, if each converted ADU complies with state building standards for dwellings. At least one converted ADU is allowed within an existing multifamily dwelling, up to a quantity equal to 25 percent of the existing multifamily dwelling units.

D. **Limited Detached on Multifamily Lot:** No more than two detached ADUs on a lot with a proposed multifamily dwelling, or up to eight detached ADUs on a lot with an existing multifamily dwelling, if each detached ADU satisfies all of the following:

1. The side and rear yard setbacks are at least four feet. If the existing multifamily dwelling has a rear or side yard setback of less than four feet, the city will not require any modification to the multifamily dwelling as a condition of approving the ADU.
2. The height does not exceed the applicable height limit provided in subsection below under "Height."
3. If the lot has an existing multifamily dwelling, the quantity of detached ADUs does not exceed the number of primary dwelling units on the lot.

2. **ADU Permit.**

- A. Except as allowed under subsection (D)(1) above, no ADU may be created without a building permit and an ADU permit in compliance with the standards set forth in subsections (E) and (F) below.
- B. The city may charge a fee to reimburse it for costs incurred in processing ADU permits, including the costs of adopting or amending the city's ADU ordinance. The ADU-permit processing fee is determined by the director of community development and approved by the city council by resolution.

3. **Process and Timing.**

- A. An ADU permit is considered and approved ministerially, without discretionary review or a hearing.

- B. The city must approve or deny an application to create an ADU or JADU within 60 days from the date that the city receives a completed application. If the city has not approved or denied the completed application within 60 days, the application is deemed approved unless either:
 - 1. The applicant requests a delay, in which case the 60-day time period is tolled for the period of the requested delay, or
 - 2. When an application to create an ADU or JADU is submitted with a permit application to create a new single-family or multifamily dwelling on the lot, the city may delay acting on the permit application for the ADU or JADU until the city acts on the permit application to create the new single-family or multifamily dwelling, but the application to create the ADU or JADU will still be considered ministerially without discretionary review or a hearing.
- C. If the city denies an application to create an ADU or JADU, the city must provide the applicant with comments that include, among other things, a list of all the defective or deficient items and a description of how the application may be remedied by the applicant. Notice of the denial and corresponding comments must be provided to the applicant within the 60-day time period.
- D. A demolition permit for a detached garage that is to be replaced with an ADU is reviewed with the application for the ADU and issued at the same time.

E. **General ADU and JADU Requirements.** The following requirements apply to all ADUs and JADUs that are approved under subsections (D)(1) or (D)(2) above:

1. Zoning

- A. An ADU subject only to a building permit under subsection (D)(1) above may be created on a lot in a residential or mixed-use zone.
- B. An ADU subject to an ADU permit under subsection (D)(2) above may be created on a lot that is zoned to allow single-family dwelling residential use or multifamily dwelling residential use.
- C. In accordance with Government Code section 66333(a), a JADU may only be created on a lot zoned for single-family residences.

2. Height

- A. Except as otherwise provided by subsections (E)(2)(B) and (E)(2)(C) below, a detached ADU created on a lot with an existing or proposed single family or multifamily dwelling unit may not exceed 16 feet in height.
- B. A detached ADU may be up to 18 feet in height if it is created on a lot with an existing or proposed single family or multifamily dwelling unit that is located within one-half mile walking distance of a major transit stop or high quality transit corridor, as those terms are defined in Section 21155 of the Public Resources Code, and the ADU may be up to two additional feet in height (for a maximum of 20 feet) if necessary to accommodate a roof pitch on the ADU that is aligned with the roof pitch of the primary dwelling unit.
- C. A detached ADU created on a lot with an existing or proposed multifamily dwelling that has more than one story above grade may not exceed 18 feet in height.
- D. An ADU that is attached to the primary dwelling may not exceed 25 feet in height or the height limitation imposed by the underlying zone that applies to the primary dwelling, whichever is lower. Notwithstanding the foregoing, ADUs subject to this subsection (E)(2)(D) may not exceed two stories.
- E. For purposes of this subsection (E)(2), height is measured from existing legal grade or the level of the lowest floor, whichever is lower, to the peak of the structure.

3. Fire Sprinklers

- A. Fire sprinklers are required in an ADU if sprinklers are required in the primary residence.
 - B. The construction of an ADU does not trigger a requirement for fire sprinklers to be installed in the existing primary dwelling.
- 4. **Rental Term.** No ADU or JADU may be rented for a term that is shorter than 28 days. This prohibition applies regardless of when the ADU or JADU was created.
- 5. **No Separate Conveyance.** An ADU or JADU may be rented, but, except as otherwise provided in Government Code section 66341, no ADU or JADU may be sold or otherwise conveyed separately from the lot and the primary dwelling (in the case of a single-family lot) or from the lot and all of the dwellings (in the case of a multifamily lot).
- 7. **Owner Occupancy.**
 - A. ADUs created under this section on or after January 1, 2020 are not subject to an owner-occupancy requirement.
 - B. As required by state law, all JADUs are subject to an owner-occupancy requirement. A natural person with legal or equitable title to the property must reside on the property, in either the primary dwelling or JADU, as the person's legal domicile and permanent residence. However, the owner-occupancy requirement in this subsection (E)(7)(B) does not apply if the property is entirely owned by another governmental agency, land trust, or housing organization.
- 8. **Deed Restriction.** Prior to issuance of a certificate of occupancy for a JADU, a deed restriction must be recorded against the title of the property in the County Recorder's office and a copy filed with the Director. The deed restriction must run with the land and bind all future owners. The form of the deed restriction will be provided by the city and must provide that:
 - A. The JADU may not be sold separately from the primary dwelling.
 - B. The JADU is restricted to the approved size and to other attributes allowed by this section.
 - C. The deed restriction runs with the land and may be enforced against future property owners.
 - D. The deed restriction may be removed if the owner eliminates the JADU, as evidenced by, for example, removal of the kitchen facilities. To remove the deed restriction, an owner may make a written request of the Director, providing evidence that the JADU has in fact been eliminated. The Director may then determine whether the evidence supports the claim that the JADU has been eliminated. Appeal may be taken from the Director's determination consistent with other provisions of this Code. If the JADU is not entirely physically removed but is only eliminated by virtue of having a necessary component of a JADU removed, the remaining structure and improvements must otherwise comply with applicable provisions of this Code.
 - E. The deed restriction is enforceable by the Director, or designee for the benefit of the city. Failure of the property owner to comply with the deed restriction may result in legal action against the property owner, and the city is authorized to obtain any remedy available to it at law or equity, including, but not limited to, obtaining an injunction enjoining the use of the JADU in violation of the recorded restrictions or abatement of the illegal unit.
- 9. **Building & Safety.**
 - A. Must comply with Building Code. Subject to subsection below, all ADUs and JADUs must comply with all local building code requirements.

- B. No change of occupancy. Construction of an ADU does not constitute a Group R occupancy change under the local building code, as described in Section 310 of the California Building Code, unless the Building Official or Code Enforcement Division makes a written finding based on substantial evidence in the record that the construction of the ADU could have a specific, adverse impact on public health and safety. Nothing in this subsection prevents the city from changing the occupancy code of a space that was uninhabitable or that was only permitted for nonresidential use and was subsequently converted for residential use in accordance with this section.

F. Specific ADU Requirements. The following requirements apply only to ADUs that require an ADU permit under subsection (d)(2) above.

1. Maximum Size.

- A. The maximum size of a detached or attached ADU subject to this subsection (F) is 850 square feet for a studio or one-bedroom unit and 1,000 square feet for a unit with two or more bedrooms.
- B. An attached ADU that is created on a lot with an existing primary dwelling is further limited to 50 percent of the floor area of the existing primary dwelling.
- C. Application of other development standards in this subsection (F), such as FAR or lot coverage, might further limit the size of the ADU, but no application of the percent-based size limit in subsection (F)(1)(B) above or of an FAR, front setback, lot coverage limit, or open-space requirement may require the ADU to be less than 800 square feet.

2. Floor Area Ratio (FAR). No ADU subject to this subsection (F) may cause the total FAR of the lot to exceed 45 percent, subject to subsection (F)(1)(C) above.

3. Setbacks.

- A. ADUs that are subject to this subsection (F) must conform to four (4) foot side and rear setbacks. ADUs that are subject to this subsection (F) must conform to 25-foot front setbacks, subject to subsection (F)(1)(C) above.
- B. No setback is required for an ADU that is subject to this subsection (F) if the ADU is constructed in the same location and to the same dimensions as an existing structure.

4. Lot Coverage. No ADU subject to this subsection (F) may cause the total lot coverage of the lot to exceed 45 percent if the primary dwelling is one-story or 35-percent if the primary dwelling is two-story, subject to subsection (F)(1)(C) above.

5. Minimum Open Space. No ADU subject to this subsection (F) may cause the total percentage of open space of the lot to fall below 50 percent, subject to subsection (F)(1)(C) above.

6. Passageway. No passageway, as defined by subsection (C)(9) above, is required for an ADU.

7. Parking.

- A. Generally. One off-street parking space is required for each ADU. The parking space may be provided in setback areas or as tandem parking, as defined by subsection (C)(12) above.
- B. Exceptions. No parking under subsection (F)(7)(A) is required in the following situations:
 - 1. The ADU is located within one-half mile walking distance of public transit, as defined in subsection (C)(11) above.

2. The ADU is located within an architecturally and historically significant historic district.
 3. The ADU is part of the proposed or existing primary residence or an accessory structure under subsection (D)(1)(A) above.
 4. When on-street parking permits are required but not offered to the occupant of the ADU.
 5. When there is an established car share vehicle stop located within one block of the ADU.
 6. When the permit application to create an ADU is submitted with an application to create a new single-family or new multifamily dwelling on the same lot, provided that the ADU or the lot satisfies any other criteria listed in subsections (F)(7)(B)(1) through (5) above.
- C. **No Replacement.** When a garage, carport, covered parking structure, or uncovered parking space is demolished in conjunction with the construction of an ADU or converted to an ADU, those off-street parking spaces are not required to be replaced.

8. Architectural Requirements.

- A. The exterior lighting must be limited to down-lights or as otherwise required by the building or fire code.
- B. The ADU must have an independent exterior entrance, apart from that of the primary dwelling. An attached ADU entrance must not be visible from the public right-of-way.
- C. The ADU may have an attached porch or covered entry way not exceeding 60 square feet in area and with a maximum depth of six (6) feet.
- D. All windows that are located nine (9) feet in height above the finished floor must be clerestory windows (no dormers) and must be frosted or obscure glass.
- E. The ADU and primary dwelling must use the same driveway to access the street, unless otherwise required for fire-apparatus access, as determined by the City's Fire Department.
- F. The ADU must have clear addresses visible from the street. Addresses must be at least 4 inches high and shall be shown on the curb next to the primary address number.
- G. No mezzanine or partial floor, including a loft, is allowed in an ADU.

- 9. Historical Protections.** An ADU on a property that is listed in the California Register of Historic Resources must be located so as to not be visible from any public right-of-way.

- 10. Allowed Stories.** No ADU subject to this subsection (F) may have more than one story, except that an ADU that is attached to the primary dwelling may have the stories allowed under subparagraph (E)(2)(D) of this section.

- G. Fees.** The following requirements apply to all ADUs that are approved under subsections (D)(1) or (D)(2) above.

1. Impact Fees.

- A. No impact fee is required for an ADU that is less than 750 square feet in size. For purposes of this subsection (G)(1), "impact fee" means a "fee" under the Mitigation Fee Act (Gov. Code § 66000(b)) and a fee under the Quimby Act (Gov. Code § 66477). "Impact fee" here does not include any connection fee or capacity charge for water or sewer service.

- B. Any impact fee that is required for an ADU that is 750 square feet or larger in size must be charged proportionately in relation to the square footage of the primary dwelling unit. (e.g., the floor area of the ADU, divided by the floor area of the primary dwelling, times the typical fee amount charged for a new dwelling).

2. Utility Fees.

- A. If an ADU is constructed with a new single-family home, a separate utility connection directly between the ADU and the utility and payment of the normal connection fee and capacity charge for a new dwelling are required.
- B. Except as described in subsection (G)(2)(A), converted ADUs on a single-family lot that are created under subsection (D)(1)(A) above are not required to have a new or separate utility connection directly between the ADU and the utility. Nor is a connection fee or capacity charge required.
- C. Except as described in subsection (G)(2)(A), all ADUs that are not covered by subsection (G)(2)(B) require a new, separate utility connection directly between the ADU and the utility for any utility that is provided by the city. All utilities that are not provided by the city are subject to the connection and fee requirements of the utility provider.
 - 1. The connection is subject to a connection fee or capacity charge that is proportionate to the burden created by the ADU based on either the floor area or the number of drainage-fixture units (DFU) values, as defined by the Uniform Plumbing Code, upon the water or sewer system.
 - 2. The portion of the fee or charge that is charged by the city may not exceed the reasonable cost of providing this service.

H. Nonconforming Zoning Code Conditions, Building Code Violations, and Unpermitted Structures.

- 1. **Generally.** The city will not deny an ADU or JADU application due to a nonconforming zoning condition, building code violation, or unpermitted structure on the lot that does not present a threat to the public health and safety and that is not affected by the construction of the ADU or JADU.

2. Unpermitted ADUs and JADUs constructed before 2020

- A. **Permit to Legalize.** As required by state law, the city may not deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if denial is based on either of the following grounds:

- 1. The ADU or JADU violates applicable building standards, or
- 2. The ADU or JADU does not comply with state ADU or JADU law or this ADU ordinance Section 9102.01.080.

B. Exceptions:

- 1. Notwithstanding subsection (H)(2)(A) above, the city may deny a permit to legalize an existing but unpermitted ADU or JADU that was constructed before January 1, 2020, if the city makes a finding that correcting a violation is necessary to comply with the standards specified in California Health and Safety Code section 17920.3.
- 2. Subsection (H)(2)(A) above does not apply to a building that is deemed to be substandard in accordance with California Health and Safety Code section 17920.3.

9102.01.110 Permitted Projections in Multifamily Zones

- A. Permitted Architectural Projections in R-2, R-3, and R-3-R Zones.** In multifamily zones, architectural and similar features may extend into required setback areas as identified in Table 2-7 (Permitted Projections and Encroachment into Required Setback Areas in Multifamily Zones).

Table 2-7			
Permitted Projections and Encroachment into Required Setback Areas in Multifamily Zones			
Architectural Feature	Maximum Permitted Encroachment Distance into Required Setback Area		
	R2, R-3, and R-3-R Zones		
	Front	Side	Rear
Awnings	18 inches	--	18 inches
Balconies	--	--	--
Bay windows, garden windows ⁽¹⁾	18 inches	18 inches	18 inches
Chimneys	18 inches	18 inches	18 inches
Cornices, belt courses, buttresses, pilasters, pillars, sills	12 inches	--	--
Eaves	24 inches	24 inches	24 inches
Trellis structures and patio covers	--	--	--

Notes:

(1) Bay windows, garden windows, and other similar architectural projections shall have a vertical distance of 30 inches or greater between the lowest surface of the projection and the finished floor.

- B. Permitted Mechanical Equipment Projections in Multifamily Residential Zones.** Mechanical equipment shall not be located within any required front or side yard setback, and shall not be set back less than three feet from the rear lot line. Exception: Tankless water heaters and solar batteries may encroach 24 inches into any required interior side or rear yard provided that a minimum setback of four feet is maintained.

Section 9102.01.150 – Urban Lot Splits

Purpose. The purpose of this section is to implement the provisions of Government Code section 66411.7 for urban lot splits in single-family residentially zoned properties (R-M, R-0, and R-1).

Applicability. This section shall only apply to the extent that the City is required to ministerially approve urban lot splits under Government Code Section 66411.7. If Government Code section 66411.7 is repealed, determined to be unlawful or otherwise unenforceable, then this section shall only govern lots previously created through an urban lot split and no applicant for an urban lot split may claim any rights hereunder. The intent of this section is to only implement the requirements of Government Code Section 66411.7, and this section shall not be construed to allow any greater rights to an urban lot split than the City is required to grant under state law.

Definitions.

1. “City” means the City of Arcadia, California.
2. “Director” means the Development Services Director for the City or designee.
3. “Individual property owner” means a natural person holding fee title individually or jointly in the person’s own name or a beneficiary of a trust that holds fee title. “Individual property owner” does not include any corporation or corporate person of any kind (partnership, LP, LLC, C corp, S corp, etc.) except for a community land trust (as defined by Revenue and Taxation Code Section 402.1(a)(11)(C)(ii)) or a qualified nonprofit corporation (as defined by Revenue and Taxation Code Section 214.15).
4. “Specific adverse impact” has the same meaning as in Government Code Section 65589.5(d)(2), which is a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete and does not include (1) inconsistency with the zoning ordinance or general plan land use designation or (2) the eligibility to claim a welfare exemption under Revenue and Taxation Code Section 214(g).
5. “Urban lot split” means the subdivision of an existing, legally subdivided lot into two lots in accordance with the requirements of Government Code Section 66411.7 and this section pursuant to a ministerial approval process.

A. Requirements and Approval Authority

1. Only individual property owners may apply for an urban lot split.
2. The Director shall ministerially approve all applications for urban lot splits that are subject to approval. Such applications shall be approved or denied in accordance with subsection (B) below. Notwithstanding Division 5 of this Code, the parcel map shall be approved by the Director, and these decisions shall be final. The Director shall not waive the requirement to submit a tentative parcel map for an urban lot split.
3. An application and tentative parcel map for an urban lot split must be submitted on the City’s approved form. Only a complete application will be considered. The City will inform the applicant in writing of any incompleteness within 30 days after the application is submitted. The City’s application form shall, at a minimum, require the applicant to submit the following:
 - a. Evidence that the applicant is an individual property owner of the lot to be split.
 - b. A signed affidavit stating that the applicant intends to occupy one of the dwelling units on one of the resulting lots as the applicant’s principal residence for a minimum of three years after the urban lot split is approved.
 - c. Proof that none of the circumstances set forth in Subsections (B)(3)(f) & (g) are present.
 - d. Proof that the lot to be split was not established through a prior urban lot split under this section.
 - e. Proof of any inspections required under Subsection (B)(3)(d).
 - f. If the lot would result in the demolition or alteration of existing housing, proof that no housing on the lot has been occupied by a tenant within the past three years.

4. The tentative parcel map may not be recorded until the final parcel map has been approved ministerially by the Director. The owner must demonstrate that the required documents have been recorded, such as deed restriction and easements. The tentative parcel map expires six months after the approval. No extension shall be granted.
5. The application fee for an urban lot split will be the same as the City's Lot Line Adjustment fee within the approved Fee Schedule. This fee may be changed from time to time by the City Council, in accordance with applicable law.

B. Requirements; Grounds for Denial

1. **Objective Development Standards for Urban Lot Split.** An urban lot split, and any development of a parcel created from an urban lot split, shall comply with all requirements of this Chapter, all objective development standards set forth in this Code or otherwise established by the City, and all other City requirements that are not in conflict with Government Code Section 66411.7.
 - a. The new lot line must be at a straight line starting from the front property line to the rear property line, or side if it is a corner lot. There shall be no curve or angles when subdividing the lot.
2. **Subdivision Standards.**
 - a. Except as otherwise expressly provided in this section, an urban lot split must conform to all applicable objective requirements of the Subdivision Map Act (Government Code section 66410 *et. seq.*) and Division 5 of Article IX (Subdivisions) of this Code.
 - b. No dedication of rights-of-way or construction of offsite improvements shall be required for an urban lot split, except for those necessary to complete standard sidewalk, parkway, and/or drainage improvements directly associated with the subject property. To the extent that dedication of rights-of-way or construction of offsite improvements are necessary to avoid a specific adverse impact, the application shall be subject to denial.
3. **Denial.** The Director shall deny an application for an urban lot split if any of the following are true:
 - a. **Development and Subdivision Standards.** The lot to be split does not satisfy the requirements of subsections (B)(1) or (B)(2) above or (C) below.
 - b. **Zone.** The lot to be split is not zoned for single family residential uses.
 - c. **Lot Location.** The lot to be split does not satisfy the requirements of Government Code Section 65913.4(a)(6)(B)–(K). (See Government Code Section 66411.7(a)(3)(C).)
 - d. **Inspection**
 - i. For lots within a high fire hazard severity zone, the application does not include proof of an inspection confirming full compliance with all fire-hazard mitigation measures required by state statutes. The inspection shall be conducted by the City's fire marshal or person authorized by the City to perform building inspections.
 - ii. For lots within a delineated earthquake fault zone, the application does not include proof of full compliance with applicable seismic protection building code standards.
 - e. **Historic**
 - i. The lot to be split is a historic property or within a historic district that is included on the State Historic Resources Inventory.
 - ii. The lot to be split is within a site that is designated by ordinance as a city landmark, is considered a local historic property or resource, or is located within a local historic district.
 - f. **Prior Urban Lot Split.**
 - i. The lot to be split was established through a prior urban lot split.
 - ii. The lot to be split is adjacent to a lot that was established through a prior urban lot split by the

owner of the lot to be split or by any person acting in concert with the owner.

- g. **Impact on Protected Housing.** The urban lot split requires or includes the demolition or alteration of any of the following types of housing:
 - i. Housing that is income-restricted for households of moderate, low, or very low income.
 - ii. Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.
 - iii. Housing, or a lot that used to have housing, that has been withdrawn from rental or lease under the Ellis Act (Government Code Sections 7060–7060.7) at any time in the 15 years prior to submission of the urban lot split application.
 - iv. Housing that has been occupied by a tenant in the last three years.
- h. **Lot Size**
 - i. The lot to be split is smaller than 2,400 square feet.
 - ii. Either or both of the resulting lots are less than 1,200 square feet.
 - iii. Either of the resulting lots is more than 60% or less than 40% of the original lot area.
- i. **Easements.** The applicant does not convey all easements required for the provision of public services and facilities.
- j. **Specific Adverse Impacts.** If the Director makes a written finding, based on a preponderance of the evidence, that the project would have a “specific, adverse impact” on either public health and safety or on the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact.
- k. **No Legal Requirement.** If for any reason, including but not limited to repeal of Government Code Section 66411.7, initiative or referendum, court decision or any circumstance in which Section 66411.7 does not obligate the ministerial approval of an urban lot split or if for any reason the Director is not required to ministerially approve an urban lot split. To the extent that approval of an urban lot split is considered a municipal affair of a charter city, the intent of this section is that the Director shall deny an urban lot split notwithstanding any state statute to the contrary.

C. Standards Specific to Urban Lot Splits

The following development standards shall apply to urban lot splits approved under this section. In the event of a conflict between this subsection and any other development standard contained outside of the Development Code, this subsection shall govern.

- 1. **Lot Access.** Each resulting lot must adjoin the public right-of-way with no more than 60% of the original frontage and no less than 40% of the original frontage of the lot.
- 2. **Unit Quantity.** No more than two units of any kind are permitted on any lot created by an urban lot split. For purposes of this paragraph, “unit” means any dwelling unit, including, but not limited to an ADU, or a JADU.
- 3. **Unit Size.** Notwithstanding Section 9102.01 for Single-Family Residential Zones:
 - a. The total floor area of each residential unit developed on a lot created by an urban lot split must be less than or equal to 800 square feet and at least 500 square feet.
 - b. A primary dwelling that was legally established prior to the urban lot split and that is larger than 800 square feet in floor area may remain as its lawful floor area and structural footprint at the time of the urban lot split.
 - c. A primary dwelling that was legally established prior to the urban lot split and that is smaller than 800 square feet in floor area may be expanded to 800 square feet in floor area after the urban lot split.

- d. The unit size shall comply with the setbacks, height, parking, and other applicable standards in Section 9102.01.160 for Two-Unit Units Projects approved under an urban lot split.

4. **Objective Development Standards and Other Regulations.** Units built following an Urban Lot Split shall comply with the setbacks, height, FAR and lot coverage, and parking requirements found in Section 9102.01.160(C), all objective development standards found in Section 9102.01.160(F), and the City's Tree Ordinance as provided in Division 10 of this Code.

5. **Utilities.**

- a. Each dwelling unit on the resulting lots must have its own direct utility connection to the utility service provider.

For each dwelling unit on the resulting lots that is or that is proposed to be connected to an onsite wastewater treatment system, the applicant must: (1) demonstrate that each primary dwelling unit will have its own septic tank and leach line; (2) submit a percolation test completed within the last five years or, if the percolation test has been recertified, within the last 10 years. This section shall not be

interpreted to allow an onsite wastewater treatment system where connection to a sewer system is available or required.

D. Fire-Hazard Mitigation Measures. A site in a very high fire hazard severity zone must comply with each of the following fire-hazard mitigation measures:

1. Emergency access and water supply requirements shall comply with the California Code of Regulations Title 14 and Title 24, Part 9.
2. All new structures on the site must comply with current building code standards for dwellings in a very high fire hazard severity zone.

E. Separate Conveyance

1. **Within a resulting lot:**

- a. Dwelling units on a single lot that is created by an urban lot split may not be owned or conveyed separately from each other.
- b. Condominium airspace divisions and common interest developments are not permitted on a lot that is created by an urban lot split.
- c. All fee interest in a lot must be held equally and undivided by all individual property owners.

2. **Between resulting lots.** Separate conveyance of the resulting lots is permitted. If dwellings or other structures (such as garages) on different lots are adjacent or attached to each other, the urban lot split boundary may separate them for conveyance purposes if the structures meet building code safety standards and are sufficient to allow separate conveyance. If any attached structures span or will span the new lot line, the owner must record appropriate conditions, covenants, restrictions, easements or other documentation that is necessary to allocate risk and responsibility between the owners of the two lots.

F. Restriction of Uses.

1. **Residential-only.** No non-residential use is permitted on any lot created by urban lot split.
2. **No Short-Term Rentals.** No dwelling unit on a lot that is created by an urban lot split may be rented for a period of less than ~~28~~ 30 days.
3. **Owner Occupancy Affidavit.** The applicant for an urban lot split must sign an affidavit stating that the applicant intends to occupy one of the dwelling units on one of the resulting lots as the applicant's principal residence for a minimum of three years after the urban lot split is approved.

G. Deed Restriction.

1. The owner must record a deed restriction for the benefit of the City, in a form acceptable to the Director and the City Attorney, that does each of the following:

- a. Gives notice that the parcel was created through an urban lot split.
- b. Gives notice of any site limitations resulting from the urban lot split.
- c. Expressly prohibits any development or construction on the parcel that would be inconsistent with this Chapter.
- d. Expressly prohibits any rental of any dwelling on the property for a period of less than ~~28~~ 30 days.
- e. Expressly prohibits any non-residential use of the lots created by the urban lot split.
- f. Expressly prohibits any separate conveyance of a primary dwelling on the property, any separate fee interest, and any common interest development within the lot.
- g. Identifies the City as an intended third-party beneficiary with the right, but not the obligation, to enforce its terms and provisions.
- h. Provides a statement of intent to occupy a unit for a period of three years.

The Director shall not issue a building permit for development on any lot created through an urban lot split unless the applicant provides a recorded copy of a deed restriction that satisfies the provisions above.

9102.05.030 Development Standards in Downtown Zones

**Table 2-11
Development Standards for
Downtown Zones**

Development Feature	CBD ⁽¹⁾	MU	DMU ⁽¹⁾	CM	Additional Requirements
Lot Standards					
Minimum Lot Area	5,000 sf	5,000 sf	10,000 sf	5,000 sf	

Amended by Ord. No. 2356

Amended by Ord. No. 2400

New land uses and structures, and alterations to existing land uses and structures, shall be designed, constructed, and/or established in compliance with the requirements in Table 2-10 (Allowed Uses and Permit Requirements for Downtown Zones) and Table 2-11 (Development Standards for Downtown Zones) and the development standards in Division 3 (Regulations Applicable to All Zones – Site Planning and General Development Standards). Additional regulations are denoted in the right-hand column of Table 2-11 (Development Standards for Downtown Zones); section and subsection numbers in this column refer to other sections and subsections of this Code.

Structure Form and Location Standards

Maximum Residential Density	80 units/acre	50 units/acre	80 units/acre	Residential not allowed except for parcels with a DMU or RF Overlay	See Note (3) below
Minimum Residential Density		40 units/acre	20 units/acre	20 units/acre	Accommodate a minimum of 16 units per site.
Maximum FAR ⁽²⁾	1.0	1.0	1.0	0.5	
Minimum Storefront Width	25 ft	N/A	N/A	N/A	
Minimum Setback					
Front or adjacent to a Side (Interior)	0 ft (10 ft maximum)	0 ft (10 ft maximum)	0 ft (10 ft maximum)	10 ft	See Note (4) below
Abutting nonresidential or mixed-use zone	0 ft	0 ft	0 ft	0 ft	
Abutting residential zone	10 ft	10 ft	10 ft	10 ft	
Side (Street side)	0 ft (10 ft maximum)	0 ft (10 ft maximum)	0 ft (10 ft maximum)	5 ft	See Note (4) below

Rear

Abutting Nonresidential or Downtown zone	0 ft	0 ft	0 ft	0 ft	
Abutting residential zone	20 ft	15 ft	15 ft	10 ft	
Maximum Height	60 ft	40 ft	60 ft	40 ft	
Minimum Open Space for Residential Uses	100 sf per unit	100 sf per unit	100 sf per unit	N/A	See Subsection 9102.05.040.D (Open Space Requirements for Residential Uses in CBD, MU, and DMU Zones)

Notes:

- (1) See City Center Design Plan for additional design guidelines.
- (2) FAR maximum is applicable only to nonresidential component of a development.
- (3) Utilize DMU Zone development standards for a residential project located on a C-M zoned parcel within the DMU Overlay area and use the RF Development standards for a residential project located on a C-M zoned parcel within the RF Overlay area.
- (4) Where a property in the C-M Zone fronts First Avenue, the front setback shall be 0 ft (10 ft maximum) and the side (street side) setback shall be 0 ft (5 ft maximum).

9102.11.030 DTP - Downtown Parking Overlay Zone
Amended by Ord. No. 2375

- A. Purpose and Intent.** The Downtown Parking Overlay Zone, indicated on the Zoning Map as “DTP,” is intended to provide opportunities for economic development within the Downtown area through shared parking mechanisms and the reduction in certain parking requirements.
- B. Located Onsite.** All required surface parking spaces shall be provided in a surface lot or parking garage located on the same building site or within the same development, except where allowed by Section 9102.11.030.C (Off-Site Parking), below.
- C. Off-Site Parking.** Off-site parking for new uses or new nonresidential construction may be permitted on either a privately owned property or public property through the Site Plan and Design Review process or other applicable discretionary review permit process for an individual use or development project, subject to Section 9103.07.090 and the following regulations:
- 1. Location of Off-Site Parking.** An off-site parking facility serving a use within the Downtown Parking Overlay Zone shall be located within the Downtown Parking Overlay Zone.
 - 2. Irrevocable Access and/or Parking Easement.** If parking is provided at an off-site location, an irrevocable access and/or parking easement shall be obtained on the other site for use and benefit of the site in issue. Such access and/or parking agreement, when fully exercised, shall not diminish the available parking capacity of the site subject to the easement to less than required by this Chapter.
- D. Change in Use.** No additional parking is required when there is a change in use within the Downtown Parking Overlay Zone. This requirement does not apply to any development that was previously approved under a Conditional Use Permit or Minor Use Permit.
- E. Parking Modifications for New Structures and Expansions.** Property owners in the Downtown Parking Overlay Area may request an Administrative Modification to reduce the required off-street parking requirement, pursuant to Section 9107.05 (Administrative Modifications).
- F. Elimination of Parking Minimums –** No minimum off-street parking spaces shall be required for an expansion to an existing commercial use that is 3,000 square feet or less on a property that is zoned Central Business District (CBD) and within 150 feet from the City’s public parking lot. The distance shall be measured from property lines to property lines. Any addition that is more than 3,000 square feet, may request an Administrative Modification under Subsection 9102.11.030(E) and shall not rely on the City’s parking supply, or make an in lieu payment pursuant to the requirements in Section 9103.07.090 (Shared/Joint Use, Off-Site Parking, and In-Lieu Parking).

9102.11.050 RF Residential Flex Overlay Zone
Amended by Ord. No. 2400

- A. Purpose and Intent.** The Residential-Flex “RF” Overlay Zone is established to provide for greater flexibility in land use planning and to maximize the housing types and styles at a more affordable price range than may be possible under the strict application of other sections of this Division. The RF Overlay Zone provides the option to build a residential project in a commercial zone. Given the state of commercial development throughout the City and region, there are locations that may benefit from this flexibility; also, a residential project may serve as a catalyst for other types of development in the surrounding area. The RF Overlay Zone is intended to maintain compatibility between residential and non-residential uses on adjacent lots through development standards and design guidelines. The standards in this section are applicable to stand-alone residential projects only; all other projects are subject to the requirements of the underlying zoning designation.
- B. Allowed Uses.** In addition to the land use regulations of the underlying zone, allow residential developments by-right when 20 percent or more of the units are affordable to lower income households on sites identified as part of the Residential Flex Overlay Zone. By-right development will not require a CUP, planned unit development permit, or other discretionary review or approval except for the City’s Subdivision requirements and Objective Development Standards. Refer to Section 9103.15.030 of the Code for additional incentives and concessions for affordable housing development.
- C. Development Standards.** New land uses and structures, and alterations to existing land uses and structures, shall be designed, constructed, and/or established in compliance with the requirements in Table 2-15 (Development Standards for Residential Flex Overlay Zone) and the development standards in Division 3 (Regulations Applicable to All Zones – Site Planning and General Development Standards). Additional regulations are denoted in the right hand column of Table 2-15 (Development Standards for Residential Flex Overlay Zone).

Table 2-15 Development Standards for Residential Flex Overlay Zones				
Development Feature	Live Oak	Las Tunas	Commercial General (CG) ²	Additional Requirements
Structure Form and Location Standards				
Maximum Height	60 ft			See Subsection 9103.01.050 (Height Measurements and Exceptions)
Residential Density				
Maximum	50 units/acre			
Minimum	30 units/acre			
Minimum Setbacks ⁽¹⁾				
Front or adjacent to a street	10 ft			
Side (interior)	10 ft			
Side (Street side)	10 ft			
Rear	10 ft			

**Table 2-15
Development Standards for
Residential Flex Overlay Zone**

Development Feature	R-F	Additional Requirements
Structure Form and Location Standards		
Distance between Structures – Minimum	6 ft	Or as may otherwise be required by the Fire Code
Minimum Open Space for Residential Uses	100 sf per unit	See Subsection 9102.11.050.F (Open Space)

Notes:

(1) Refer to Section H for additional setback provisions.

(2) Residential units are permissible if affordable units are provided per the City's Density Bonus requirements (Section 9103.15). Properties within the CG zone with a Residential Flex Overlay may only be developed with residential uses if identified in the available sites list within the 6th Cycle Housing Element Update on file in the Development Services Department. **A property within the CG Zone, but which is not listed in the available sites list, may be consolidated with an adjacent lot/s identified in the available sites list where all properties are under the same ownership. Consolidation of a site not on the available sites list will be subject to a Site Plan and Design Review – Director (Minor Review) (Section 9107.19.030).**

D. No Parking within Front and/or Street Side Setbacks. No parking shall be allowed within required front and/or street side setbacks, or within any landscaped area not designated as a driveway or vehicle parking area.

E. Parking Requirements. New residential development in the R-F Overlay Zones shall require a minimum of 1 space per studio unit and 1.5 spaces per unit. Unless parking reductions or modifications are allowed in compliance with provisions identified, parking spaces shall be provided in compliance with Table 3-3 (Off-Street Parking Requirements: Residential Uses).

F. Laundry Facilities. If an area for installation of laundry facilities is not provided in every unit, a common laundry area shall be provided with a minimum of one washer and one dryer for each eight units. The common laundry area shall be centrally located to the units served.

G. Open Space

1. Type. Open space shall be in the form of private or common open space via balconies, courtyards, at-grade patios (rear and side of the units), rooftop gardens, or terraces.

2. Minimum Dimension. Balconies that are 30 inches or less in width or depth shall not be counted as open space.

3. Encroachment. Balconies that project over a public right-of-way shall be subject to approval by the City Engineer.

H. Special Setback and Stepback Requirements. The purpose and intent of this section is to provide minimum standards for property line setbacks and building stepbacks in cases where existing residential development is adjacent to new construction within the RF Overlay to protect adjacent residential neighborhood integrity and character. These special requirements apply to residential uses that were in existence at the time of adoption of these special provisions. The following standards shall apply:

1. Adjacent to Existing Residential

a. 10-foot minimum building setback from property line (See "A" in Figure 2-B)

b. 3-foot minimum building stepback for building heights greater than 30-feet (See "B" and "C" In Figure 2-B), when significant adjacent view impacts can be demonstrated.

c. Appropriate planting, trees or other natural materials shall be provided within the view plane of adjacent residential uses.

- i. All plantings or other natural materials shall be at full maturity within 1 year of installation and shall be maintained in a manner that preserves its natural state.
 - ii. Planting materials shall be primarily evergreen and shall limit shedding or loss of leaves during winter months.
 - iii. Deciduous trees and plantings shall be limited in a manner that does not demonstrably impact the screening from adjacent properties.
2. **Exceptions.** Special exceptions may be granted to setback, stepback and screening requirements through the processing of a modification application if the following can be demonstrated by the project applicant. All exception requests shall be subject to the provisions of the City's adopted Objective Design Standards.
- a. The setback standards preclude the applicant from reaching minimum densities and can be demonstrated conclusively by the applicant
 - b. The standards preclude the development of affordable housing units and can be demonstrated conclusively by the applicant.
 - c. Unique site conditions or factors that may preclude the ability to comply with setback standard and/or the installation of landscape screening.

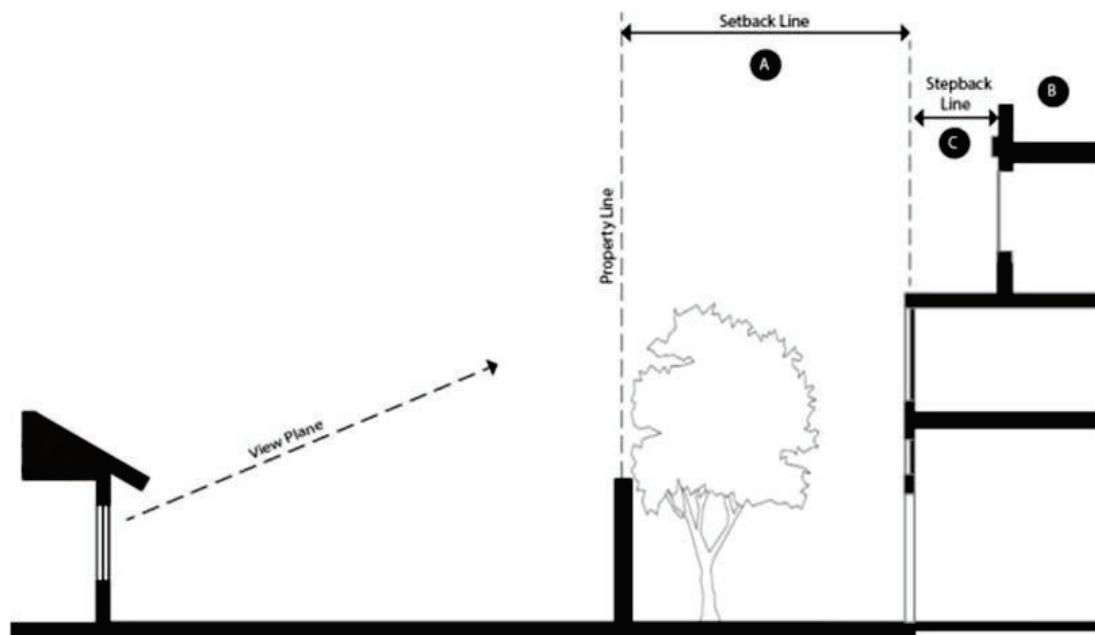


Figure 2-B: Setback and Step Back Provisions

I. Design Review

1. **Applicability.** Structures erected or modified to accommodate the land uses allowed by this Section shall require the approval of a Site Plan and Design Review subject to the requirements of Section 9107.19 (Site Plan and Design Review) of this Development Code.
2. **Design Review Criteria.** The project design shall be compatible with the scale and quality of development within the underlying zone and surrounding area. In conducting a review of projects subject to the requirements of this Section, the Review Authority may utilize design guidelines/criteria that have been adopted by the City in order to provide guidance to project proponents on how to best achieve the City's expectations for quality development; implementation of the applicable General Plan goals and policies; and maintenance of the public health, safety, general welfare and property throughout the underlying zone. Existing land uses shall be considered in the review of projects utilizing the the Residential Flex Overlay Zone. Neighborhood Serving Retail, such as supermarkets/ grocery stores shall be retained and integrated

into new projects to the extent feasible to maintain commercial retail and services to serve the needs of the local and surrounding community.

EXHIBIT “B”

Development Code, Division 3

Section 9103.05 – Fences, Walls, and Gates

Subsections:

- 9103.05.010 Purpose and Intent
- 9103.05.020 Permit Requirements
- 9103.05.030 Development Standards
- 9103.05.040 Prohibited Fencing Materials in All Zones

9103.05.010 Purpose and Intent

- A. This Section establishes standards and regulations for the construction and maintenance of fences, walls, and gates, as the terms are defined in Division 9 (Definitions). The standards are intended to ensure that these types of structures provide the desired privacy and safety while avoiding becoming a public safety hazard or nuisance.
- B. For Specific Plans and Planned Developments, fence and wall heights shall comply with the standards contained within the applicable Specific Plan or Planned Development. Where the Specific Plan or Planned Development is silent with regard to fence and wall height, the standards for the zone that most closely reflects the Specific Plan or the Planned Development shall apply, as determined by the Director.

9103.05.020 Permit Requirements

Construction of new fences, walls, and gates shall be subject to Site Plan and Design Review according to Section 9107.19 (Site Plan and Design Review).

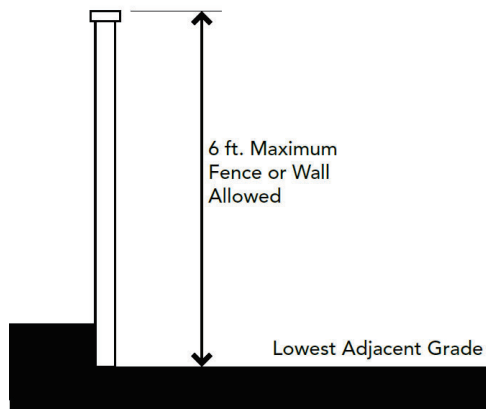
9103.05.030 Development Standards

Amended by Ord. No. 2347

A. General

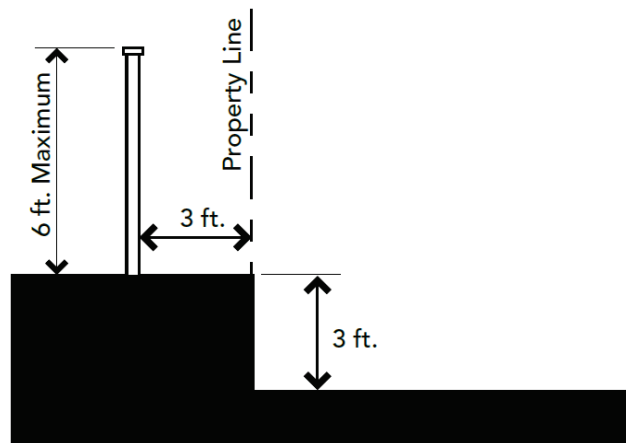
1. The fence or wall height shall be measured from the lowest adjacent grade to the uppermost part of the fence or wall. Refer to Figure 3-7 (Fence Height Measurement).
2. When there is a full landscaped parkway with no sidewalk, a fence and/or columns, excluding vehicular entry gate(s), may be placed adjacent to the front property line.
3. The need for any retaining walls and/or fences, and their heights, shall be determined by the Director and the Building Official through the Site Plan Review process. An administrative modification is not required for retaining walls and/or fences located on hillsides.
4. Temporary construction fencing that is of chain link or wire type may be allowed within the front and street side setback areas, provided it does not exceed six feet in height.
5. All fences, walls, and gates shall be subject to the height limitations described in Section 9103.01.070 (Vehicular Visibility Standards) of this Development Code.

Figure 3-7
Fence Height Measurement



- B. **Fence Height with Difference in Grade.** Where there is a difference in a grade between properties, a fence, wall, or gate may be a maximum height of six feet adjacent to the rear and property lines if such fence, wall, or gate maintains a minimum setback that is equal to the difference in grade between the properties. See Figure 3-8 (Fence Height Measurement with a Difference in Grade). In all other situations, the wall height shall comply with the provisions of this Section.

Figure 3-8
Fence Height Measurement with a Difference in Grade



C. **Residential Zones**

1. **Fences, Walls, and Gates Located in the Front Setback**

- a. The required setbacks, height dimensions, and spacing for fences, walls, and gates shall be as indicated in Table 3-2 (Fences, Walls, and Gates) and Figure 3-9 (Fences, Walls, and Gates).

**Table 3-2
Fences, Walls, and Gates – Front Setback**

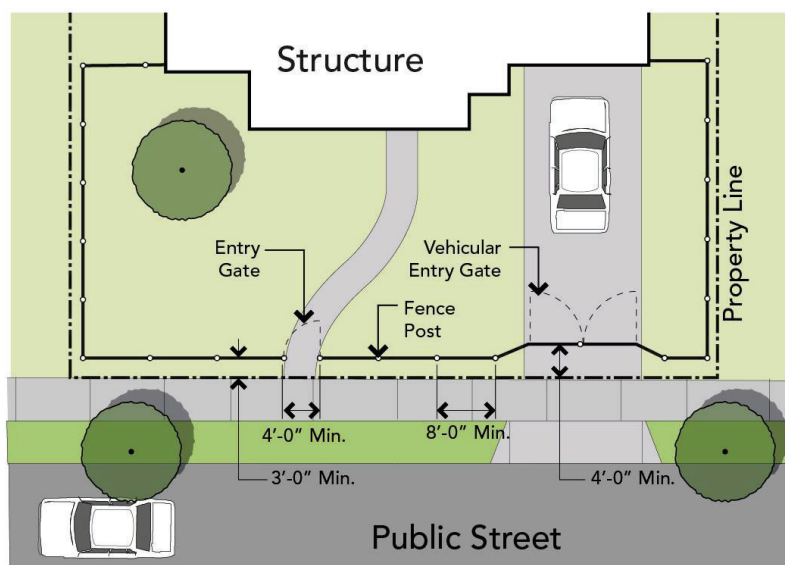
Front Setbacks	Regulations within Each Residential Zone					
	Zones					
Requirement	R-M	R-0	R-1	R-2	R-3	R-3-R
Setbacks						
Decorative fences, columns, and caps	3 ft minimum from property line					Fences, walls, and/or vehicular gates prohibited within front and street side setbacks. ⁽¹⁾
Vehicular entry gates and pilasters	4 ft minimum from the property line					
Height						
Decorative fences, columns, and caps:	4 ft maximum	4 ft maximum (N of Hugo Reid Drive) 3 ft maximum (S of Hugo Reid Drive)	3 ft maximum	4 ft maximum ⁽²⁾	4 ft maximum ⁽²⁾	3 ft maximum ⁽³⁾
Pedestrian entry gates, vehicular entry gates, and pilasters:	4 ft maximum	5 ft max (N of Hugo Reid Drive) 4 ft maximum (S of Hugo Reid Drive)	4 ft maximum	4 ft maximum ⁽²⁾	4 ft maximum ⁽²⁾	3 ft maximum ⁽³⁾
Decorative lights, limited to entry points at pedestrian and vehicular entry gates	18 inches above the maximum fence/column height					--
Decorative outdoor post mounted light fixture	8 ft maximum					--
Dimensions and Spacing						
Distance between decorative columns for a pedestrian entry gate.	4 ft minimum 8 ft maximum					---
Horizontal intervals of columns and posts	8 ft minimum					--
Dimension of columns and posts	24 inches maximum					---
Dimensions of caps	30 inches by 30 inches maximum					---
Garden arbor or pergola over a pedestrian walkway (allowed within the front setback area)	8 ft height maximum			--	--	--

Notes:

Table 3-2 Fences, Walls, and Gates – Front Setback						
Front Setbacks	Regulations within Each Residential Zone					
	Zones					
Requirement	R-M	R-0	R-1	R-2	R-3	R-3-R

- (1) Except for guard rails and hand rails required for safety protection, or for reasonable accommodation (ADA) purposes, up to the minimum height required by the Building Code.
- (2) Applicable to properties with multifamily dwelling units that face the street-side of a lot.
- (3) Temporary construction fencing that is of chain link or wire type may be allowed within the front street and side setback areas, provided it does not exceed six feet in height.
- (4) For fences, walls, and gates in side and rear setback areas, see Subsection 9103.05.030C.5 (Fences, Walls, and Gates—Side and Rear Setback Areas)

**Figure 3-9
Fences, Walls, and Gates**

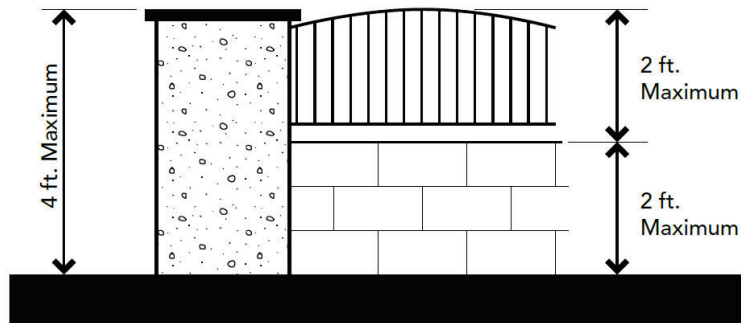


2. Special Regulations for Fences, Walls, and Gates Located in the Front Setback—Residential Zones

a. R-M and R-0 Zones

- (1) A solid wall adjacent to the interior side property line may be allowed in the front setback area, provided that it does not exceed four feet in height.
- (2) Only one pedestrian gate with decorative columns shall be allowed within the front setback area.
- (3) All fences shall be of open work design (a minimum of four inches between vertical and horizontal members.) A two-foot high solid wall may be combined within the allowed height of the decorative fence. Refer to Figure 3-10 (Fence in R-M and R-0 Zones).

**Figure 3-10
Fence in R-M and R-O Zones**



b. R-1 Zone

- (1) All fences shall be of open work design (a minimum of four inches between vertical and horizontal members.) A solid decorative masonry base for fences may be allowed in the front setback area, provided that it does not exceed eight inches in height. Refer to Figure 3-11 (Fence in R-1 Zone).

**Figure 3-11
Fence in R-1 Zone**



- (2) A solid wall adjacent to the interior side property line may be allowed in the front setback area, provided that it does not exceed three feet in height.
- (3) Only one pedestrian gate with decorative columns shall be allowed within the front setback area.

3. Fences, Walls, and Gates—Corner Lots

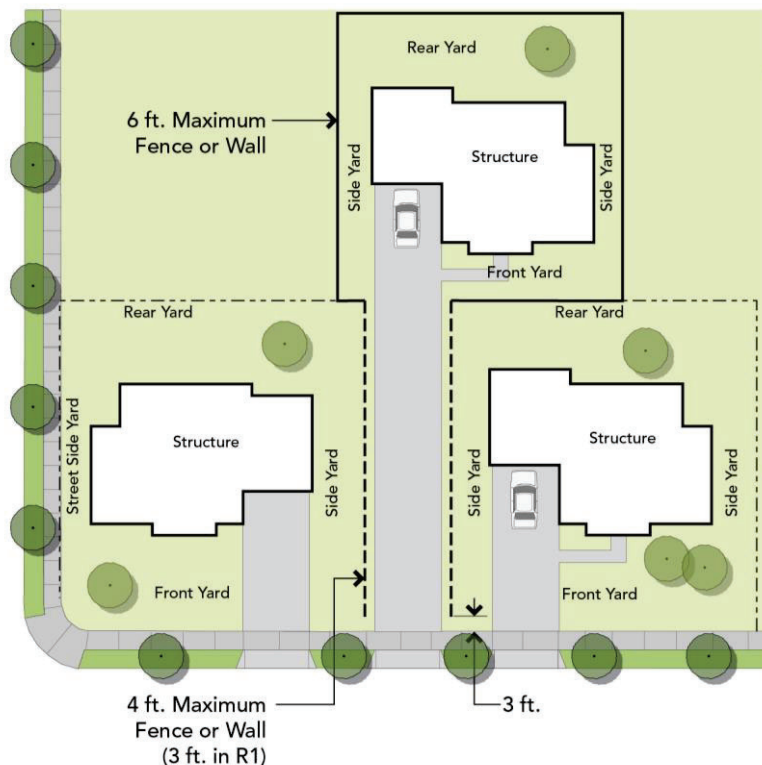
- a. All fences, walls, or gates, including height, design, and location within the street side setback or special setback area, shall be subject to Site Plan and Design Review pursuant to requirements Section 9107.19 (Site Plan and Design Review) in the R-2 and R-3 zones.
- b. On corner lots, fences, walls, and gates within the required street side setback or special setback are allowed up to six feet in height, measured at the street side property line, except as restricted by Subsection 9103.01.070 (Vehicular Visibility Standards)
- c. Fences, walls, and gates shall be setback a minimum of 18 inches from the street side property line.
- d. The area between the street side property line and the fence, wall, or gate shall have an appropriate irrigation system and decorative landscaping (shrubs, ground cover, flowers, plants, etc.). However, when there is a full

landscaped parkway with no sidewalk, a fence, wall, and gate, excluding entry gate(s), may be placed to the street side property line in R-M, R-0, and R-1 Zones.

4. Fences, Walls, and Gates—Flag Lots

- a. Fences, walls, and gates on flag lots shall not be allowed in R-2, R-3-R, and R-3 zones.
- b. In areas zoned R-M and R-0, a fence or wall may be allowed in the front setback and driveway area, provided that it does not exceed four feet in height. In the R-1 zone, the height shall not exceed three feet.
- c. Where a fence or wall is located within the front setback of a flag lot and the front property line of that flag lot abuts the rear property line of an adjacent lot, it may be allowed up to six feet in height. See Figure 3-12 (Fences and Walls on Flag Lots).

Figure 3-12
Fences and Walls on Flag Lots

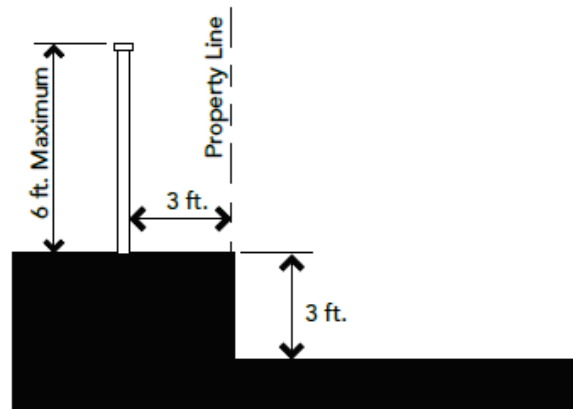


5. Fences, Walls, and Gates—Side and Rear Setback Areas

- a. Fences, walls, and gates located within a required side and/or rear setback area(s) are allowed up to six feet in height, provided that no portion of any such fence, wall, or gate extends into the required front setback area.
- b. Where there is a difference in grade between properties, a wall or fence is allowed up to six feet in height adjacent to the rear and side property lines if the wall or fence maintains a minimum setback that is equal to the difference in grade between the properties. Where there is no difference in grade between properties, a wall shall comply with the height limitations unless it complies with the setbacks required for an accessory building. Refer to Figure 3-13 (Fences Walls and Gates with a Grade Difference). However, if the grade has been altered due to previous grading, the finished grade shall be subject to review and approval by the Director.

- c. Fences and walls are allowed adjacent to the property line in the side and rear setback areas.

Figure 3-13
Fences Walls and Gates with a Grade Difference



6. Walls for Tennis Courts

- a. A six-foot high solid masonry wall shall be installed on the property lines between the tennis court and adjacent properties. In the R-M, R-0 and R-1 zones, where the entire side of a tennis court is a minimum distance of 25 feet from a property line, a six-foot high solid masonry wall shall not be required along the property line.

D. Commercial Zones

1. Fences, walls, and gates shall not be allowed ~~exceed three (3) feet~~ along the front property line ~~and must be of an open design. ; except to enclose a ground floor landscaped court setback or an outdoor dining area.~~ Any gate placed across ~~the a~~ court setback opening ~~or a fence around an~~ outdoor dining area shall have a minimum of 50 percent transparency.
2. Fences and walls located at rear and interior side setback areas are limited to six feet in height.

9103.05.040 Prohibited Fencing Materials in All Zones

- A. No spears (apache, aristocrat with crushed spears, or any spear-like features) shall be allowed on a fence, wall, or gate.
- B. Chain link, corrugated fiberglass, bamboo fencing, and wire type fencing shall not be allowed, except chain link fencing is allowed as a fencing material enclosing sports courts and temporary construction fencing.

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Section 9103.07 – Off-Street Parking and Loading

Subsections:

9103.07.010 Purpose and Intent
9103.07.020 Applicability
9103.07.030 Permit Requirements
9103.07.040 Exemptions
9103.07.050 Off-Street Parking for Residential Uses
9103.07.060 Off-Street Parking for Non-Residential Uses
9103.07.070 Mixed-Use (Nonresidential and Residential Combined) Parking Standards
9103.07.080 Parking Area Design Standards Applicable to All Zones
9103.07.090 Shared/Joint Use, Off-site Parking, and In-Lieu Parking
9103.07.100 Valet Parking
9103.07.110 Parking Structures
9103.07.120 Prohibition on Commercial Vehicle Parking in Residential Zones
9103.07.130 Landscape Standards for Parking Lots
9103.07.140 Parking for Electric and Alternative Fuel Vehicles
9103.07.150 Bicycle Parking Requirements
9103.07.160 Off-Street Loading

9103.07.010 Purpose and Intent

This Section establishes regulations to:

- A. Regulate off-street parking and loading to minimize traffic congestion and hazards to motorists, bicyclists, and pedestrians;
- B. Provide off-street parking in proportion to the needs generated by different land uses;
- C. Ensure access to projects by emergency response vehicles; and
- D. Ensure that parking areas are designed to operate efficiently and effectively and in a manner compatible with on-site and surrounding land uses.

9103.07.020 Applicability

- A. All terms defined in Division 9 (Definitions), except as provided, shall apply to this Section. The minimum off-street parking spaces established in this Section shall be provided for new construction or intensification of use, and for the enlargement or increased capacity and use of land.
- B. All required parking spaces shall be maintained in connection with the building or structure and use of land. The regulations within this Section apply:
 - 1. At the time of the erection of any building and/or structure; or
 - 2. Before the time any building or structure is enlarged or increased in capacity by adding dwelling units, guest rooms, floor area or seats; or
 - 3. At a time that a usage requiring a higher number of parking spaces than the existing or previous use is applied.
- C. Nothing in this Section shall be deemed to limit the power of the Director, Commission, or Council, acting either on its own or on appeal, to require parking of increased numbers or alternative types and arrangements as part of the conditions of approval to a discretionary permit or to mitigate environmental impacts.

9103.07.030 Permit Requirements

- A. **New Parking Lots.** New parking lot design shall be reviewed as part of the building permit process and any other land use or development permit process required for a project. A site plan of the premises shall be required for all new parking. The site plan shall be submitted to the Director in conjunction with the required permit(s) and shall include sufficient detail to determine compliance with the provisions of this Section. The site plan shall be approved, modified, and/or denied through the normal process of approving, modifying, and/or denying the permit causing the submission of the site plan or other discretionary permit.
- B. **Modification of Existing Parking Lots.** Except otherwise stated in this Section, modification or improvement to an existing parking lot which impacts the parking space layout, configuration, and/or number of stalls shall require the review and approval by the Director of a Site Plan and Design Review pursuant to the requirements of Section 9107.19 (Site Plan and Design Review).

9103.07.040 Exemptions

- A. **Modification of Existing Lots.** The following parking lot improvements shall be considered minor in nature, as long as the number and/or configuration of parking stalls are not altered. These improvements shall be exempt from permit requirements, except for permits that may be required by the Building Official.
 - 1. Repair of any defects in the surface of the parking area, including holes and cracks.
 - 2. Resurfacing, slurry coating, and restriping of a parking area with identical delineation of parking spaces.
 - 3. Repair or replacement of damaged planters and curbs in the same location.
 - 4. Installation of parking stalls reserved as accessible parking stalls in compliance with the Americans with Disabilities Act (ADA), and any required ADA passenger loading areas.

9103.07.050 Off-Street Parking for Residential Uses

Amended by Ord. No. 2347

Amended by Ord. No. 2375

Amended by Ord. No. 2400

- A. **Number Required.** Unless off-street parking reductions are allowed in compliance with provisions identified, off-street parking spaces shall be provided in compliance with Table 3-3 (Off-Street Parking Requirements: Residential Uses). These standards shall be considered the minimum required to preserve the public health, safety, and welfare of the community. An increase or decrease in the parking requirements may be determined by the Review Authority in particular circumstances where these requirements are inadequate for a specific project. These cases shall be determined through a parking study as outlined in this Division.
- B. **Off-Street Parking Requirement Calculations.** Table 3-3 (Off-Street Parking Requirements: Residential Uses) establishes the off-street parking requirements for number of spaces. Except as otherwise specifically stated, the following rules apply:
 - 1. "Square feet" or "sf" shall mean "square feet of floor area" and refer to floor area as defined in Division 9 (Definitions), unless otherwise specified.
 - 2. Any fractional parking space greater than or equal to one-half shall be rounded to the next whole number. If the fraction is less than 0.49 of a space, the total number of spaces shall be rounded down to the nearest whole number.
- C. **Off-Street Residential Parking Requirements for Residential Uses**
 - 1. **Uses Not Listed.** The number of parking spaces required for land uses not specifically listed shall be determined by the Director based on common functional, product, or compatibility characteristics and activities. The determination is considered a formal interpretation of the Development Code and shall be decided and recorded accordingly. The interpretations shall have the same force of law as the provisions of this Section. Any inclusion of land uses in this

Section shall be defined and included in Division 9 (Definitions), and shall be included in the land uses in Division 2 (Zones, Allowable Uses, and Development Standards).

Table 3-3 Off-Street Parking Requirements: Residential Uses	
Land Use	Minimum Parking Spaces Required
Single-Family Dwellings (Attached and Detached) and Two-Family Dwellings	2 spaces per dwelling unit in a garage for units ~~less than~~ 5,000 square feet or less in size with up to 4 bedrooms 3 spaces per dwelling unit in a garage for units greater than 5,000+ square feet or more in size and/or with 5 or more bedrooms ⁽¹⁾
Accessory Dwelling Unit	Refer to Section 9102.01.080
Multifamily Dwellings	For the R-2, R-3 and R-3-R Zones: 2 covered spaces per unit, plus guest parking as follows: 1 guest parking space for every 2 units For the Residential Flex Overlay Zone: 1 space per studio unit 1.5 spaces per unit
Mixed Use Units	1 space per studio unit 1.5 spaces per unit 1 guest space for every 3 units
Live/Work Units	1 space per unit and 1 space per 1,000 square feet of nonresidential floor area
Senior Housing (when restricted to age 62 and older)	For senior affordable apartment housing: 1 space per unit, and 1 guest space for every 4 units for assisted living facilities: 1.5 spaces per unit For senior market rate housing: 2 spaces per unit

Notes:

- (1) A tandem parking space may be allowed to satisfy the third required, or any non-required, parking space, subject to Design Review approval.
- (2) Parking standards shall not be imposed on an accessory dwelling unit in any of the following circumstances:
 - a. The accessory dwelling unit is located within one-half mile of public transit
 - b. The accessory dwelling unit is located within an architecturally and historically significant historic district
 - c. The accessory dwelling unit is part of the existing primary residence or an existing accessory structure
 - d. When on-street parking permits are required but not offered to the occupant of the accessory dwelling unit
 - e. When there is a car sharing vehicle located within one block of the accessory dwelling unit

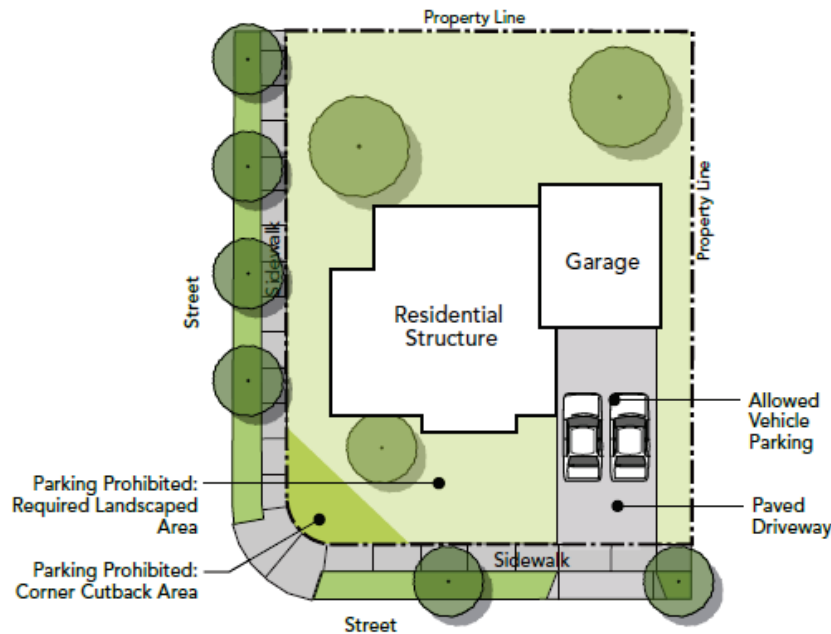
2. **Residential Use: When Required Covered or Garage Parking Cannot Be Provided.** Apart from the requirements for parking in a garage contained in Table 3-3 (Off-Street Parking Requirements: Residential Uses) for residential uses, wherever required covered or garage parking cannot be provided due to physical limitations on a property, an alternative parking arrangement for the remaining required parking can be arranged by the approval of an Administrative Modification subject to the requirements of Section 9107.05 (Administrative Modifications).

D. Parking Location

1. Parking spaces shall be designed, constructed, and maintained in a manner that does not preclude direct and free access to stairways, walkways, elevators, any pedestrian way, and fire safety equipment.
2. Vehicle parking (and access thereto) shall be provided on a permanently paved surface.

3. When required off-street parking spaces are provided on a separate lot from the building or land use, Subsection 9103.07.090 (Shared/Joint Use and Off-site Parking) shall apply.

Figure 3-14
Single-Family Parking Location Requirements



E. Residential Parking Location—Specific Requirements

1. R-M Zone

- a. A garage or carport opening directly upon a side street shall be located not less than 20 feet from the street side lot line.

2. R-0 and R-1 Zones

- a. Required parking spaces shall be provided on the same site as the main building in an enclosed garage. Each parking space provided beyond the minimum required shall also be within an enclosed garage.
- b. Each required parking space shall be in a garage located behind the required front setback and shall be served by a driveway no less than nine feet in width, except as a specified in Section 9103.07.050.D.
- c. Only one driveway shall lead to an enclosed garage, unless it is a circular driveway.
- d. Below grade or subterranean parking spaces shall not be allowed unless an Administrative Modification is granted pursuant to Section 9107.05 (Administrative Modifications). Not more than one story below grade shall be allowed.
- e. On lots less than 100 feet in width, no more than a two-car garage shall be allowed facing the front and/or street-side areas. On lots 100 feet or greater in width, no more than a three-car garage shall be allowed facing the front and/or street-side areas.
- f. An enclosed two-car garage shall have a minimum opening of 16 linear feet, and an enclosed three-car garage shall have a minimum opening of 24 linear feet.

3. R-2, R-3, and R-3-R

- a. For enclosed garages, the minimum garage opening is 16 linear feet.

- F. **Standard Residential Parking Stall Dimensions.** Required parking stalls, including guest parking spaces, within all residential zones shall meet the dimension requirements set forth in Table 3-4 (Parking Space Dimensions-Residential Zones). Dimensions shall be measured from interior building wall.

Table 3-4 Parking Space Dimensions-Residential Zones			
Zone	Size of Parking Stall (minimum)		Length
	Width (General)	When Adjacent to Wall or Structure	
R-M, R-O, and R-1	10 ft	11 ft, 6 in	20 ft
R-2, R-3, and R-3-R	10 ft	11 ft, 6 in	20 ft

G. Residential Driveways

1. **Paving.** All parking areas and driveways shall be paved with cement concrete. Other paving materials, including brick may be substituted with review and approval by the Director of a Site Plan and Design Review pursuant to the requirements of Section 9107.19 (Site Plan and Design Review).
2. **Width.** The maximum width of driveways within residential zones shall be 20 feet for single-family zones and 25 feet for multifamily zones. The maximum width for all single-family and multi-family residential common driveways shall not exceed 30 feet.
3. **Does Not Fulfill Parking Requirement.** No portion of any required driveway shall be used to fulfill any parking space requirements, except as specified in Section 9103.07.050.D
4. **R-M, R-O and R-1 Zones**
 - a. Only one driveway shall be allowed for each residential lot. The number may be increased to two for an approved circular driveway pursuant to Section 9103.07.050.H (Circular Driveways for Residential Zones).
 - b. A driveway shall not be less than nine feet in width.
 - c. Pedestrian walkways and driveways shall occupy no more than 40 percent of the required front setback or street side setback.
 - d. Driveways shall have at least 10 feet of unobstructed vertical clearance.
 - e. Driveway slope shall not exceed 10 percent.
5. **R-2, R-3 and R-3-R Zones**
 - a. Each driveway to a parking space shall be at least 10 feet wide.
 - b. Every driveway serving as access to more than 12 required parking spaces or which is more than 125 feet long shall have a minimum width of 18 feet. Two 10-foot wide driveways may be provided in lieu of one 18-foot driveway.
 - c. Each driveway adjacent to a garage or parking space shall have a minimum width of 25 feet.

- d. "Guest Parking Only" signs with letters not less than two inches in height shall be properly located to designate guest parking spaces.
- e. Common/shared driveways shall be allowed, provided the owners of the lots show proof of a recorded easement or other legal instruments authorizing the use of a shared driveway arrangement and further provided that a covenant, in recordable form by its terms to be for the benefit of, enforceable by, and to be released only by the City, is executed by the owners of all property affected. The covenant shall state that the common/shared driveway shall be usable by the tenants and owners of the properties proposed to be served by the driveway. Recordation of this instrument shall be completed before the issuance of a Building Permit.
- f. Eaves and bay windows which are at least 10 feet above the pavement may overhang any driveway by a distance of not more than three feet.

H. **Circular Driveways for Residential Zones**

- 1. Lots with street frontage of 100 feet or greater are eligible for circular driveways.
- 2. On lots with more than one street frontage, a circular driveway shall be located on the street frontage that is 100 feet or greater; provided, however, that not more than one circular driveway shall be allowed for any one lot.
- 3. The circular driveway shall not be less than nine feet in width and shall not have a width greater than 15 feet.
- 4. The inside edge of the circular driveway shall be located a minimum distance of 25 feet from the property line at the street right-of-way.

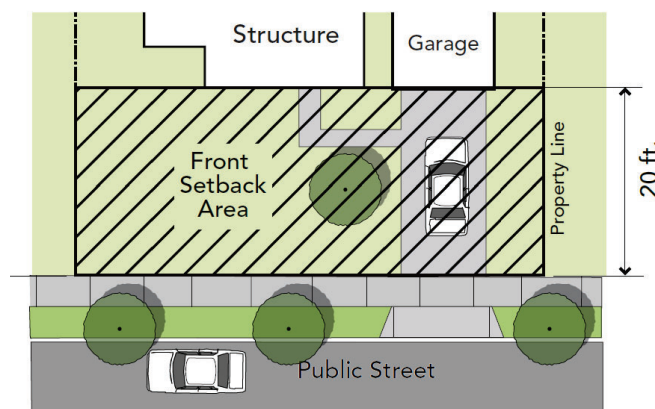
I. **Tandem Parking Spaces.** Tandem parking spaces may be allowed in residential and mixed-use zones in compliance with the following requirements, and subject to Site Plan and Design Review pursuant to Section 9107.19 (Site Plan and Design Review).

- 1. For multifamily development projects, tandem spaces shall not constitute more than 20 percent of all required spaces and shall not be permitted to meet guest parking requirements.
- 2. For single-family units, tandem parking may be provided within a garage, provided that such garage has an interior space measuring at least 20 feet by 20 feet adjacent to the garage door and at least one required parking space shall be in a regular (non-tandem) format.
- 3. The size of the tandem parking space shall be 10 feet by 19 feet and shall allow adequate maneuvering room for both vehicles and pedestrians around the tandem spaces.

9103.09.040 Landscape Requirements
Amended by Ord. No. 2375

- A. **Applicability.** The standards in this Section shall apply to residential and non-residential uses.
- B. **Landscape Requirement for Residential Zones.** All areas of a site not devoted to structures, driveways, or walkways shall be landscaped with lawn, trees, shrubs, or other plant materials, and shall be permanently maintained in a neat and orderly manner.
1. **R-M, R-0 and R-1 Zones**
- The front and street-side areas shall be landscaped with lawn, trees, shrubs, or other plant materials, and shall be permanently maintained in a neat and orderly manner.
 - Hardscape materials of driveways and pedestrian walkways, including pavement, concrete, interlock pavers, and the use of artificial turf, shall not cover more than 40 percent of the required front setback or street side yard. See Figure 3-17 (Front Setback Yard Area-60% Landscaping Required).

Figure 3-17
Front Setback Yard Area – 60% Landscaping Required



- R-M Zone.** All cut or fill slopes exceeding six feet six inches in vertical height between two or more contiguous lots shall be planted with adequate plant material to protect the slope against erosion. The planting shall cover the bank within two years from the time of planting. The permittee, owner, or developer shall water the planted slopes at sufficient time intervals to promote growth.
 - R-2 and R-3, and R-3-R Zones.**
 - The front/street side yard areas shall be landscaped with lawn, trees, shrubs, or other plant materials, and shall be permanently maintained in a neat and orderly manner.
 - Hardscape materials of driveways and pedestrian walkways, including pavement, concrete, interlock pavers, and the use of artificial turf, shall not cover more than 40 percent of the required front setback or street side yard. See Figure 3-17 (Front Setback Yard Area-60% Landscaping Required).
- C. **Landscape Requirement for Commercial, Mixed Use, and Industrial Zones**
- Required Areas.** All setbacks, parkways, open areas, plazas, paseos, and non-work areas that are visible from a public street/alley or from a parking lot available to the general public shall be landscaped.

2. **Landscape Coverage Requirement.** Shrubs, groundcover, and other plant material shall cover all areas not occupied by structures, parking areas, storage, trash enclosures, driveways, and sidewalks at the time of issuance of a Certificate of Occupancy. Embellished pavement, fountains, and similar hardscape materials may, in part, be substituted for the required landscaping through the Site Plan and Design Review process.
3. **Parkway-adjacent Planting and Maintenance.** All landscaped parkway areas located between the sidewalk and the edge of development shall meet the following requirements:
 - a. The ground surface shall contain low shrubbery, mulch, or ground cover to provide coverage within two years.
 - b. If a wall or fence separates the development from the street, planting vines or espalier shrubs shall be incorporated into the planting design.
4. **Required Landscaping for Loading Areas.** Loading areas shall incorporate landscaping to provide screening if visible from the public right-of-way, adjacent uses, and pedestrians.
5. **Special Requirements for Drive-through Businesses**
 - a. Five-foot-wide raised planters shall be located along the street side property line, except for curb cut openings.
 - b. Three-foot-wide raised planters shall be located along the walls of the interior property lines to a distance equal to the front building line. For this purpose, canopies and other such structural appurtenances shall not be considered the front building line.
 - c. A minimum of 150 square feet of raised planting area shall be located at the intersection of two property lines at a street corner.
 - d. A minimum of 30 square feet of raised planting area shall be located along the building facades fronting on the street.
 - e. All planting areas shall be separated from adjacent asphaltic concrete paving by six-inch minimum curb walls.

D. Artificial Turf

1. **Locations Permitted**
 - a. **Back Yards and Interior Side Setback Yard Areas.** Artificial turf is permitted in any zone within any back yard and/or interior side setback yard areas.
 - b. **Front and Street-Side Yards.** In any zone, a maximum of 15 percent of the yard area within the front or street side yards may be installed with artificial turf. Artificial turf shall not be installed within 10 feet of a sidewalk or within 20 feet from the curb if there is no sidewalk.
 - c. **Not Permitted in Parkway.** Artificial turf is not permitted within any parkway areas.
2. **Minimum Standards.** To be used in the front or street-side yard, artificial turf must meet minimum standards for materials, installation, and maintenance.
 - a. **Materials and Style.** Artificial turf must have a minimum eight-year no-fade warranty as issued by the manufacturer; be cut-pile infill and made from lead-free polypropylene, polyethylene or a blend of such fibers on a permeable backing; and, have a minimum blade length (pile height) of 1.5 inches, or as determined by the Director as manufacturing processes are updated. Nylon-based or plastic grass blades are not permitted. The use of indoor/outdoor carpeting, and artificial shrubs, flowers, trees and vines instead of natural plantings is prohibited. Infill medium must consist of ground rubber; rubber coated

sand or other approved mixtures and must be brushed into the fibers of the artificial turf. The style of the fiber, color, and texture shall resemble fescue, rye, and other common natural grass blades.

- b. **Installation.** Artificial turf must be installed per all manufacturer's requirements and must include removal of all existing plant material and top three inches of soil in the installation area; placement of filter fabric or synthetic porous material over compacted and porous crushed rock or other comparable material below the turf surface to provide adequate drainage; and, the area must be sloped and graded to prevent excessive pooling, runoff, or flooding onto adjacent property. Artificial turf areas must be sufficiently drained to live planting areas to provide complete infiltration of runoff. Artificial turf must be separated from live planting areas by a barrier such as a mow strip or bender board to prevent mixing of natural plant materials and artificial turf. Artificial turf must be permanently anchored with nails and glue, and all seams must be nailed, or sewn, and glued, with the grain pointing in a single direction.
- c. **Maintenance.** Artificial turf must be maintained in a green, fadeless condition; free of weeds, stains, debris, tears, holes, depressions, ruts, odors, and looseness at edges and seams. Damaged or worn areas in the artificial turf surface must be repaired or removed and replaced in a manner that results in consistent appearance with the existing artificial turf. The artificial turf surface must be replaced once it is unable to be maintained as required. Vehicle parking on artificial turf is prohibited.

EXHIBIT “C”

Development Code, Division 6

9106.01.010 Modifications or Extensions of Legal Nonconforming Use or Structure

- A. A legal nonconforming use shall not be modified in any manner that expands, extends, or enlarges the use beyond its existing scope/area, or other portion(s) of a structure, upon the date the nonconformity was created, except as specified below.
1. The changes are, in and of themselves, in conformance with the provisions of this Development Code.
 2. The changes are limited to minor alterations, improvements, or repairs that do not increase the degree of nonconformity present and do not constitute or tend to produce an expansion or intensification of a nonconforming use.
 3. The changes are required by other laws.
 4. The changes are determined, by the Director, to be small additions to legal-nonconforming single-family residential properties (including multifamily dwelling units on a single-family lot) and are subject to the approval of a Modification granted in compliance with Division 7 (Permit Processing Procedures).
 5. The changes are incidental to the public acquisition of a portion of a site, no greater degree of nonconformity will be created other than that caused as a result of the public acquisition, and the changed development will conform to current regulations to the maximum extent feasible.
- B. If the nonconforming use is discontinued, any future use of the structure(s) shall be in compliance with the provisions of this Development Code; provided, however, that all nonconforming uses of a conforming structure shall be discontinued as provided in this Division.
- C. No change made to any development or use shall be construed as automatically allowing an extension of any time limit for the termination of a nonconformity.
- D. Allowable changes to nonconforming uses within a commercial or industrial development. A nonconforming use located within a commercial or industrial development may be replaced by another similar nonconforming use only after the Director first finds all of the following:
1. The nonconforming use is similar to or less intensive than the use originally allowed in the development;
 2. The nonconforming use generally adheres to the intent of the General Plan and any applicable specific plan;
 3. The nonconforming use will not adversely affect or be materially detrimental to adjoining properties; and
 4. The use of the entire development has not been ceased or discontinued for a period of ~~180~~ 90 consecutive days or more.

9106.01.020 Discontinuance of Legal Nonconforming Uses

- A. **Effect of Discontinuance.** If any legal nonconforming use ceases to operate or is discontinued for a period of ~~180~~ 90 consecutive days or more, subsequent use of the land shall be in compliance with the applicable provisions of this Development Code. Maintenance/retention of a valid City issued Business License shall of itself not be considered a continuation of the use.
- B. **Cessation or Discontinuance Defined.** A nonconforming use shall be considered ceased or discontinued when any of the following apply:
1. Cessation or discontinuance of a nonconforming use shall be deemed by the Director as an abandonment of the use, irrespective of the owner's or occupant's intent;
 2. Discontinuance shall include cessation of a use regardless of intent to resume the use;

3. The intent of the owner to cease or discontinue utilization of the nonconforming use is apparent, as determined by the Director;
 4. Where characteristic furnishings and equipment associated with the nonconforming use have been removed and not replaced with equivalent furnishings and equipment during this time, and where normal occupancy and/or use has been ceased or discontinued for a period of ~~180~~ 90 consecutive days or more; or
 5. Where there are no business receipts or utility payments for the ~~180~~ 90-day period.
- C. Discontinuance of Use.** If the conforming use is discontinued, the nonconforming structure shall either be removed or made to comply with the regulations governing the zone in which the structure is located.

9106.01.030 Discontinuance of Legal Nonconforming Structures

- A. If Abandoned or Discontinued.** If any legal nonconforming structure, except for residential structures located in single-family residential zones, is abandoned or the use thereof discontinued for a period of ~~180~~ 99 consecutive days or more, subsequent structural and site development shall be in full compliance with all applicable provisions of this Development Code. Maintenance of a valid City issued Business License shall of itself not be considered a continuation of the structure.
- B. Cessation or Discontinuance Defined.** Use of a nonconforming structure shall be considered ceased or discontinued when any of the following apply:
1. Cessation or discontinued use of a nonconforming structure shall be deemed as an abandonment of the structure, irrespective of the owner's or occupant's intent;
 2. Discontinuance shall include cessation of the use of a structure regardless of intent to resume the use;
 3. The intent of the owner to cease or discontinue use of the nonconforming structure is apparent, as determined by the Director;
 4. Where characteristic furnishings and equipment associated with the use of the structure have been removed and not replaced with equivalent furnishings and equipment during this time, and where normal occupancy and/or use has been ceased or discontinued for a period of ~~180~~ 99 consecutive days or more; or
 5. Where there are no business receipts or utility payments available for the ~~180~~ 99-day period.
- C. Properties on the Market - Exempt.** Any property which is listed on the real estate market shall not be ~~not~~ considered abandoned or discontinued, but only if in compliance with all of the following provisions:
1. On the market for up to 180 days; and
 2. The property shall be continually maintained in a proper condition subject to the approval of the Director.

EXHIBIT “D”

Development Code, Division 7

9107.01.010 Allowed Modifications, Review Authority, and Noticing Requirements

Amended by Ord. No. 2347

Amended by Ord. No. 2369 & 2370

Amended by Ord. No. 2375

- A. Table 7-2.** In order to secure an appropriate improvement of a parcel, prevent an unreasonable hardship, and/or to promote uniformity of development, the applicable Review Authority shall have the authority to approve, conditionally approve, or deny Administrative Modifications for those matters specified in Table 7-2 (Allowed Modifications, Review Authority, and Noticing Requirements), below. Table 7-2 also identifies the applicable Review Authority responsible for reviewing and making decisions on each type of Administrative Modification application allowed by this Section, as well as the type of notice or hearing, if any, required by this Section.

Table 7-2 Allowed Modifications, Review Authority, and Noticing Requirements			
Type of Administrative Modification Allowed	Minor Director's Review	Major Director's Review	Commission's Review
	No Notice or Hearing Required	Notice, but No Hearing Required	Notice and Hearing Required
Accessory dwelling units—objective design standards		X	
Accessory dwelling units—unit sizes that exceeds the FAR			X
Accessory dwelling units—Setbacks		X	
Conversions of existing attic areas within main dwellings in the R-M, R-0, and R-1 zones; provided the requests do not result in an additional structure story or any exterior alterations within required setback areas		X	
Distance between structures	X		
Driveway and parking stall size requirements (Residential zones)	X		
Driveway and parking stall size requirements (Commercial, Industrial, and Downtown zones)		X	
Fence, wall, and hedge regulations, except along the street side of a corner parcel	X		
Fence and landscaped buffer regulations (Subsection 9106.09.020 B.)		X	
Front lot line determination	X		
Front yard setback for additions to existing structures		X	
Height of noncommercial structures - Solar panels only	X		
Height of noncommercial structures			X
Interior side setbacks in the R-M, R-0, and R-1 zones for detached accessory structures		X	
Interior side setbacks in the R-M, R-0, and R-1 zones for single-story additions to an existing dwelling where the portion of the addition(s) which does not comply with the setback requirements consists of a total of 30 linear feet or less and maintain(s) the same or greater setback than the existing structure walls; and further provided, a minimum interior side setback of three feet in the R-1 and five feet in the R-M and R-0 zones is maintained	X		
Interior side setbacks in the R-M, R-0, and R-1 zones for single-story additions to an existing dwelling where the portion of the addition(s) which does not comply with the setback requirements consists of a total of more than 30 linear feet and maintain(s) the same or greater setback than the existing structure walls; and		X	

Table 7-2
Allowed Modifications, Review Authority, and Noticing Requirements

Type of Administrative Modification Allowed	Minor Director's Review	Major Director's Review	Commission's Review
	No Notice or Hearing Required	Notice, but No Hearing Required	Notice and Hearing Required
further provided, a minimum interior side setback of three feet in the R-1 and five feet in the R-M and R-O zones is maintained			
Interior side setbacks		X	
Landscaping and Hardscaping Standards		X	
Loading Requirements	X		
Lot Size (area, depth, and width)			X
Minimum Density		X	

Table 7-2
Allowed Modifications, Review Authority, and Noticing Requirements

Type of Administrative Modification Allowed ¹	Minor Director's Review	Major Director's Review	Commission's Review
	No Notice or Hearing Required	Notice, but No Hearing Required	Notice and Hearing Required
Ornamental Features (height or number of features)		X	
Open Space Standards		X	
Nonconforming residential structures – alterations or expansions (Subsection 9106.05.020)		X	
Nonconforming residential uses – alterations or expansions (Subsection 9106.03.010)		X	
Nonconforming single-family residential properties (small additions) (Subsection 9106.03.030.A.4)		X	
Parking Plan			X
Perimeter Parking Lot Landscaping	X		
Reduce the number of required parking spaces in a commercial, mixed-use, or industrial zoned properties	X (1-3 Spaces)	X (4-6 Spaces)	X (7 spaces or greater)
Rear setbacks – first floor additions to existing dwellings or detached accessory structures		X	
Rebuilding of single-family dwellings; provided the new portion(s) of the project comply with current Development Code requirements		X	
Setbacks for mechanical and plumbing equipment	X		
Setbacks for wireless communication facilities		X	
Sign regulations	X		
Special setbacks; provided a setback from a street shall be modified only with a written declaration of the City Engineer that the modification, if granted, will not adversely affect any foreseeable need for widening the street	X		
Street side setbacks for first floor additions to existing dwellings or for accessory structures		X	
Subdivision Design and Improvements (Section 9105.01.110)		X	
Swimming pool regulations	X		
Tennis and paddle tennis courts — Construction and operations standards		X	
Trash Enclosures in Subparagraphs 9103.01.130 C.2. relating only to the number and size of enclosures and D.2. the location of enclosures.	X		
Utility and storage space requirements	X		
When the maximum number of units allowed in the R-2 and R-3 zones has a fractional remainder of .05 or less, the Commission may allow the maximum number of units to be rounded up to the next highest whole number, but in no case greater than 30 du/acre in the R-3 zone.			X
Modifications Only to Commission			
Below-grade or subterranean parking in the R-M, R-0, and/or R-1 zones, provided the request does not result in more than one story below grade.			X
Modification to any of the setbacks for a new dwelling			X
Rebuilds			X

CITY OF ARCADIA ZONING CODE – ARTICLE IX: DIVISION AND USE OF LAND
CHAPTER 1: DEVELOPMENT CODE

Second story setback on an existing dwelling			X

1. In cases where a specific modification is not listed but it is a standard that can be deviated under this Review Authority, the Director shall assign the modification to a category substantially similar in category, including its noticing requirements.

Section 9107.25 – Variances

Subsections:

- 9107.25.010 Purpose and Intent
- 9107.25.020 Applicability
- 9107.25.030 Review Authority
- 9107.25.040 Application Filing, Processing, and Review
- 9107.25.050 Findings and Decision
- 9107.25.060 Precedents
- 9107.25.070 Burden of Proof
- 9107.25.080 Conditions of Approval
- 9107.25.090 Use of Property before Final Action
- 9107.25.100 Post Decision Procedures

9107.25.010 Purpose and Intent

A. The Purpose of this Section is to Ensure That:

1. Variances are only approved when, because of special circumstances applicable to the property, the strict application of this Development Code denies the owner of the property privileges enjoyed by other property located nearby and in an identical zone; and
2. Conditions are applied that would ensure that the Variance shall not constitute an approval of special privilege(s) inconsistent with the limitations upon other property in the vicinity and zone in which the subject property is located.

B. Does not Extend to Land Uses

1. The power to approve Variances does not extend to land uses, **unless the requested use variance is for a well-established existing use, and granting the variance would demonstrably improve public safety or welfare.**
2. Flexibility in allowable land uses is provided in Section 9107.09 (Conditional Use Permits and Minor Use Permits).

9107.25.020 Applicability

- A. When practical difficulties, unnecessary hardships, or results inconsistent with the general purposes of this Section occur by reason of a strict interpretation of any of the provisions of this Development Code, the Commission, upon its own motion or upon the verified application of any interested person, may in specific cases initiate proceedings for the granting of a Variance from the provisions of this Development Code under conditions deemed necessary to ensure that the spirit and purposes of this Development Code will be observed, public safety and welfare secured, and substantial justice done.
- B. The Commission may approve a Variance that allows for an adjustment from any of the development standards required by this Development Code.

9107.25.030 Review Authority

The Commission shall approve or deny Variance applications, and impose conditions deemed reasonable and necessary to preserve the public convenience, health, interest, safety, or general welfare, in compliance with this Section and State law and necessary to make the findings required by Subsection 9107.25.050 (Findings and Decision) below.

9107.25.040 Application Filing, Processing, and Review

- A. Filing.** An application for a Variance shall be filed and processed in compliance with Section 9107.03 (Application Processing Procedures). The application shall include the information and materials specified in the most up-to-date Department handout for Variance applications, together with the required fee in compliance with the Fee Schedule.
- B. Project Review Procedures.** Following receipt of a completed application, the Director shall investigate the facts necessary for action consistent with the purpose of this Section. Initial review of the application, including time requirements and requests for information, shall be in compliance with Subsection 9107.03.060 (Initial Application Completeness Review).
- C. Notice and Hearing Required.** A public hearing shall be required for the Commission's decision on a Variance application. The public hearing shall be scheduled once the Director has determined the application complete. Notice of the public hearing shall be given and the hearing shall be conducted in compliance with Section 9108.13 (Public Notices and Hearings).

9107.25.050 Findings and Decision

- A. Authorized Actions.** The Commission shall, by resolution, record the decision in writing and shall recite the findings upon which the decision is based, in compliance with Government Code Section 65906 or as that section may be amended from time to time.
- B. Required Findings.** The Commission may approve a Variance application, with or without conditions, only if it first makes all of the following findings:
 - 1. There are special exceptional or extraordinary circumstances or conditions applicable to the subject property (e.g., location, shape, size, surroundings, topography, or other physical features) that do not apply generally to other properties in the vicinity under an identical zoning classification;
 - 2. Strict compliance with Development Code requirements would deprive the subject property of privileges enjoyed by other property in the vicinity and under an identical zoning classification;
 - 3. Granting the Variance would not:
 - a. Constitute a grant of special privileges inconsistent with the limitations on other properties in the same vicinity and zone in which the subject property is situated;
 - b. Be materially detrimental to the public health or general welfare or injurious to the property or improvements in the vicinity or zone in which the property is located; or
 - c. Adversely affect the General Plan;
 - 4. The requested Variance would not allow a use or activity that is not otherwise expressly authorized by the regulations governing the subject parcel, **unless the requested use variance is for a well-established existing use, and granting the variance would demonstrably improve public safety or welfare.**

9107.25.060 Precedents

Each application shall be reviewed on an individual case-by-case basis and the approval of a prior Variance is not admissible evidence for the approval of a new Variance.

9107.25.070 Burden of Proof

The burden of proof to establish the evidence in support of the findings, required by Subsection 9107.25.050 (Findings and Decision), above, is the responsibility of the applicant.

9107.25.080 Conditions of Approval

In approving a Variance application, the Commission may impose conditions deemed reasonable and necessary to ensure that the approval would be in compliance with this Section, State law, and the findings required by Subsection 9107.25.050 (Findings and Decision), above.

9107.25.090 Use of Property before Final Action

No permits or approvals shall be issued for any improvement involved in an application for a Variance until and unless the same shall have become final, in compliance with Subsection 9108.11.030 (Effective Dates of Permits).

9107.25.100 Post Decision Procedures

The procedures and requirements in Section 9108.11 (Permit Implementation, Time Limits, and Extensions), and those related to appeals, public notices and hearings, revocation, and enforcement in Division 8 (Development Code Administration) shall apply following the decision on a Variance application.

EXHIBIT “E”

Development Code, Division 9

Personal Services, Restricted. Personal services with characteristics that have the potential to adversely impact surrounding areas and which may need to be dispersed to minimize their adverse impacts. Examples of these uses include:

- day spa
- holistic services such as reiki and therapeutic touch, but excluding acupuncture and accupressure
- fortune-telling and psychic services
- laundromats (self-service laundries)
- massage establishments (massage establishments shall only be allowed-as ancillary use within a Day Spa in CBD, MU, and DMU zones and not as a standalone use).
- palm and card readers
- tanning salons
- tattoo and body piercing services

Vehicle Repair. The repair of motor vehicles in an enclosed building, including the repair or replacement of engines and transmissions, body and fender repair, and the installation of nonfactory-installed products.

Major (Major Repair/Body Work). Major repair of automobiles, motorcycles, recreational vehicles, or trucks including light-duty trucks (i.e., gross vehicle weights of less than 10,000 pounds) and heavy-duty trucks (i.e., gross vehicle weights of more than 10,000 pounds). Examples of uses include full-service motor vehicle repair garages; body and fender shops; ~~brake shops~~; machine shops, painting shops; towing services, and transmission shops. Does not include vehicle dismantling or salvage and tire retreading or recapping.

Minor (Minor Repair/Maintenance). Minor repair of automobiles, motorcycles, recreational vehicles, or light trucks, vans or similar size vehicles (i.e., vehicles that have gross vehicle weights less than 10,000 pounds) including installation of electronic equipment (e.g., alarms, audio equipment, etc.); servicing of cooling and air conditioning, electrical, fuel and exhaust systems; brake adjustments, relining and repairs; oil and air filter replacement; wheel alignment and balancing; tire sales, service, and installation shops;; shock absorber replacement; chassis lubrication; smog checks; engine tune-ups; and installation of window film, and similar accessory equipment.

Attachment No. 2

Excerpt of the Planning Commission
Minutes, dated February 11, 2025,
including three written comments from
public



**ARCADIA PLANNING COMMISSION
REGULAR MEETING MINUTES
TUESDAY, FEBRUARY 11, 2025**

CALL TO ORDER Commissioner Tsoi called the meeting to order at 7:00 p.m.

ROLL CALL

PRESENT: Vice Chair Tallerico (via teleconference), Arvizu, Hui, and Tsoi

ABSENT: Chair Wilander

It was moved by Commissioner Arvizu and seconded by Vice Chair Tallerico to excuse Chair Wilander from the meeting.

Without objection, the motion was approved.

SUPPLEMENTAL INFORMATION FROM STAFF REGARDING AGENDA ITEMS

Planning Services Manager, Fiona Graham, reported that three comments were received regarding item no. 1 on the Agenda. Two emails were received from members of the Highlands Homeowners' Association Architectural Design Review Board and one letter was from the California Housing Defense Fund (CalHDF). All correspondence was sent to the Commissioners prior to the meeting and a hard copy was provided at the dais.

PUBLIC COMMENTS (5 minute time limit per person)

There were none.

PUBLIC HEARING

1. **Resolution No. 2159**– Recommending that the City Council approve Text Amendment No. TA 24-01 (Ordinance No. 2401) amending various sections of the Arcadia Development Code related to Accessory Dwelling Units, regulations to the Residential Flex (RF) Overlay, and other minor amendments and text cleanups

CEQA: Exempt

Recommendation: Adopt Resolution No. 2159 and forward a Recommendation to City Council

Applicant: City of Arcadia – Development Services

MOTION - PUBLIC HEARING

Commissioner Tsoi introduced the item, and Ms. Graham presented the staff report.

Commissioner Arvizu asked if the RF Overlay was being modified for the expansion of small businesses.

Ms. Graham clarified that the amendment was to revise the RF Overlay to allow for the lot consolidation of two commercially zoned properties, both owned by the same owner. One of the

lots is on the Sites Inventory List, while the other lot is not. This amendment would allow both lots to be developed with residential units.

Commissioner Arvizu asked what criteria must be met to be determined exempt under the California Environmental Quality Act (CEQA).

Ms. Graham stated that the text amendment was exempt under CEQA because no project was proposed under this text amendment.

Commissioner Arvizu asked whether any potential impacts had been considered as a result of this text amendment.

Ms. Graham stated that no developments are proposed under this text amendment, and ADUs are statutorily exempt under CEQA.

Commissioner Arvizu asked if the City considered the impacts of increased demand on city infrastructure as a result of ADUs.

Ms. Graham explained that ADUs and ADU Ordinances are not subject to CEQA requirements due to statutory exemption under State Law.

Commissioner Arvizu asked if the City Council has the ability to refuse to follow State mandates.

Assistant City Attorney Kellan Martz said that it is very nuanced, and the City Council may direct City Attorneys to challenge certain State mandates, however, it is not advisable.

Commissioner Tsoi requested clarification that this Text Amendment is solely intended to update the City's existing ADU Ordinance.

Ms. Graham confirmed that is correct.

Commissioner Tsoi asked for clarification about Homeowner's Associations and their Architectural Design Review Boards' authority over the design review of ADUs.

Ms. Graham confirmed that the City's HOAs do not have any authority over the design review of ADUs. ADUs are reviewed administratively, in accordance with State law and the ADU Ordinance which includes objective design standards.

Commissioner Tsoi asked if the City's ADU Ordinance requires that new detached ADUs match the architectural design of the main house.

Ms. Graham said that is currently the City's requirement under the objective design standards, but those provisions are being proposed to be removed to comply with State law.

Commissioner Hui arrived at the meeting at 7:23 p.m.

Commissioner Tsoi asked if the RF Overlay applies to the conversion of existing structures or new development and if it has its own setback or density requirements.

Ms. Graham stated that the RF Overlay does have its own setback and density requirements. Furthermore, the overlay applies to the zoning of the property and requires that a development

have 100% residential units including affordable housing units. Therefore, it would be complicated to apply to existing structures.

Commissioner Arvizu asked if the City has received any pre-approved plans for the Pre-Approved ADU (PAADU) Program.

Ms. Graham stated that no formal applications have been received from designers who wish to be a part of the PAADU Program. She explained how the PAADU Program works.

Commissioner Arvizu asked for further clarification about the PAADU Program and if ADUs no longer must match the main house's architectural design.

Ms. Graham confirmed that a property owner may choose the pre-approved ADU plans that do not match the architectural design of their main house.

Commissioner Arvizu asked when the PAADU Program went into effect and if it was before the City Council for review.

Ms. Graham stated the requirement went into effect by January 1, 2025 and it was mandated by State law.

Commissioner Tsoi asked about the PAADU Program and if a designer can submit plans to the City for review and those plans would be considered pre-approved for the public to use.

Ms. Graham said that is correct. She explained that the plans are subject to plan check and once approved, an applicant can select the plans, contract with the designer and pull permits.

Commissioner Arvizu asked if prefabricated ADUs will be allowed.

Ms. Graham stated that we must allow prefabricated ADUs however, the City has added new objective design standards to ensure certain materials are not allowed such corrugated or metal materials.

Commissioner Arvizu asked why the current requirement for a minimum an 8-inch articulation in ADU projects was being proposed to be eliminated.

Ms. Graham stated that the articulation did not create effective change to the design because the intended purpose was not being met.

Commissioner Arvizu asked how many ADUs were approved in 2024.

Ms. Graham stated that the final count has not been completed but about 80 ADUs were approved.

Commissioner Tsoi asked if two-story ADUs are permitted.

Ms. Graham stated that two-story ADUs are only permitted when attached to a single-family house.

Commissioner Tsoi asked if it could be required that ADUs match the primary house's design.

Ms. Graham explained that the current objective design standards require that the roof slope and materials match the primary residence.

Commissioner Hui asked if the City would consider allowing ADUs to be built over the garage.

Ms. Graham explained that unless the State requires the allowance of two-story ADUs, the City will not allow them due to concerns about the impacts to privacy.

Commissioner Hui asked where most of the approved ADUs are located.

Ms. Graham stated that ADUs from all areas of the City have been approved.

The public hearing was opened.

There were no speakers present.

Commissioner Arvizu made a motion to close the public hearing. Commissioner Hui seconded the motion.

Without objection, the motion was approved.

DISCUSSION

Vice Chair Tallerico had concerns about the possibility of oversized ADUs being built in Arcadia. He said he would like local cities to be able to set their own standards. However, he understands that cities must abide by State law. He stated that he would like to recommend the City Council deny the "updates" to the ADU Ordinance.

Commissioner Arvizu stated that the Resolution findings contradict the General Plan and referred to the last paragraph on page 14 in Resolution No. 2159 where it states that the proposed amendment is consistent with the City's adopted General Plan. He pointed out Policy LU- 4.2 which states that it is encouraged that residential development enhances the visual character, quality and uniqueness of the City's neighborhoods and that the proposed changes to the ADU ordinance do not align with those goals. Additionally, he referred to the General Plan where it states that "the City protects and preserves the character and quality of the neighborhoods by requiring harmonious design, careful planning, and integration of sustainable principles" and believed that the PAADU Program would be in contradiction of that.

Commissioner Arvizu also referred to Goals H-1, H-1.7, H-1.8, LU-3, LU 3.1, LU 3.2, LU 3.4, LU 3.5 of the Housing and Land Use and Community Design Elements of the General Plan and believes he cannot make the findings of the Resolution because they are in contradiction of the City's General Plan.

Commissioner Hui stated that she did not believe ADUs were appropriate for the City and had concerns about potential noise impacts as a result of ADUs, however, noted that the City must comply with State law.

Commissioner Tsoi expressed no concerns about ADUs because most ADUs are built in the backyard and are only one-story structures. He pointed out that in most cases, the ADUs in the City are being built for personal use and not for rental purposes.

Assistant City Manager and Development Services Director Jason Kruckeberg explained that the City's ADU ordinance has always complied with State law while maintaining as much local control as possible. He added that if the updates to the ordinance do not get approved, the ordinance will be invalidated, and the City will be obligated to comply with State law without any of the City's provisions.

Commissioner Arvizu stated that he disagrees with the requirements the State is imposing on small cities and believes that they should keep authority over ADUs.

Commissioner Tsoi asked about the repercussions if the updates to the ADU Ordinance do not get approved.

Mr. Martz stated that the ADU regulations would revert to State law since the City's ordinance would not be compliant.

Commissioner Arvizu asked what the consequences are if the City Council does not approve the Text Amendment and only enforces the current ADU Ordinance.

Mr. Martz explained that it exposes the City to legal challenges from the California Department of Housing and Community Development in addition to the residents who wish to exercise their rights.

Vice Chair Tallerico suggested that the Resolution be amended to recommend City Council not approve the proposed updates and that the current ADU Ordinance be left as is.

Commissioner Tsoi asked for information about the proposed changes to the ADU Ordinance and how much it differs from the current ordinance.

Ms. Graham explained that the biggest changes include the owner-occupancy requirement to be removed permanently, allowance for up to 8 detached ADUs on multi-family properties and revising the objective design standards.

Commissioner Arvizu pointed out that per the staff report, other updates include removing objective design standards specifically the requirements that the exterior materials match the main house and that two facades have an 8-inch articulation, in addition to the requirement for landscaping screening between ADUs and the property line.

Ms. Graham explained that it was determined by the Fire Department that landscaping within the four (4) foot setback might interfere with access to the rescue windows, which are required for every bedroom.

Commissioner Tsoi asked what the minimum setbacks for ADUs.

Ms. Graham stated that the minimum setback is four (4) feet.

Commissioner Tsoi asked if the setback requirement can be increased.

Ms. Graham stated that is the minimum setback per the State.

Commissioner Arvizu asked for clarification that the Commission may make a recommendation not to adopt the resolution.

Ms. Graham and Mr. Martz confirmed yes.

MOTION

It was moved by Commissioner Arvizu, seconded by Vice Chair Tallerico to deny Text Amendment No. TA 24-01 (Ordinance No. 2401) amending various sections of the Arcadia Development Code related to Accessory Dwelling Units, regulations to the Residential Flex (RF) Overlay, and other minor amendments and text cleanups in that the findings do not meet the City's General Plan Housing Policies H- 1.7 and 1.8, and Land Use Policies LU-3.1, 3.2, 3.4 and 3.5, and return to the next Planning Commission with a revised Resolution.

Vice Chair Tallerico suggested amending the motion to include that staff implement the existing ADU Ordinance that is currently in effect.

Commissioner Arvizu accepted the amendment to the motion.

ROLL CALL

AYES: Vice Chair Tallerico, Commissioners Arvizu, and Hui
NOES: Commissioner Tsoi
ABSENT: Chair Wilander

The motion was approved.

CONSENT CALENDAR

1. Minutes of the January 14, 2025, Regular Meeting of the Planning Commission

Recommendation: Approve

Vice Chair Tallerico motioned to approve the amended minutes and seconded by Commissioner Hui.

ROLL CALL

AYES: Vice Chair Tallerico, Commissioners Hui and Tsoi
NOES: None
ABSENT: Chair Wilander

Commissioner Arvizu abstained from voting because he was absent at the January 14, 2025, meeting.

The motion was approved.

MATTERS FROM CITY COUNCIL LIAISON

City Council Member Wang had nothing to report.

MATTERS FROM THE PLANNING COMMISSONERS

Commissioner Hui informed the Commission about the Arcadia Performing Arts Foundation's concert on April 5 and the Arcadia Highschool's Orchestra benefit dinner on March 8.

MATTERS FROM ASSISTANT CITY ATTORNEY

Mr. Martz had nothing to report.

MATTERS FROM STAFF INCLUDING UPCOMING AGENDA ITEMS

Ms. Graham reported that there is one item on the agenda of the February 25 meeting for the Conditional Use Permit of a new preschool.

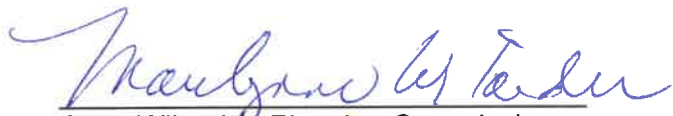
Ms. Graham reported that a Text Amendment for Inclusionary Housing will be before the Planning Commission on March 11.

Commissioner Tsoi asked if the City has received any complaints about ADUs from any neighbors.

Ms. Graham stated that she has not received any concerns about ADUs once construction has been completed.

ADJOURNMENT

The Planning Commission adjourned the meeting at 8:30 p.m., to Tuesday, February 25, 2025, at 7:00 p.m. in the City Council Chamber.


Chair Wilander, Planning Commission

ATTEST: 

Lisa L. Flores
Secretary, Planning Commission



Feb 10, 2025

**City of Arcadia
240 W Huntington Drive
Arcadia, CA 91007**

Re: Proposed Amendments to City's ADU Ordinance

By email: planning@ArcadiaCA.gov

**Cc: lfores@ArcadiaCA.gov; CityClerk@ArcadiaCA.gov; rarellano@ArcadiaCA.gov;
domlazz@ArcadiaCA.gov; fgraham@ArcadiaCA.gov**

Dear Arcadia Planning Commission,

The California Housing Defense Fund ("CalHDF") submits this letter as a public comment for the Planning Commission meeting of February 11, 2025 regarding a proposed amendment to the City's regulations for ADUs and JADUs. This proposed ordinance fails to comply with state law in one specific way, and the City should address this issue before approving the ordinance.

Background

The law gives local governments authority to enact zoning ordinances that implement a variety of development standards on ADUs. (Gov. Code, § 66314.) The standards in these local ordinances are limited by state law so as not to overly restrict ADU development. (See *id.*) Separately from local ADU ordinances, Government Code section 66323 establishes a narrower set of ADU types that local governments have a ministerial duty to approve. "Notwithstanding Sections 66314 to 66322 ... a local agency shall ministerially approve" these types of ADUs. (*Id.* at subd. (a).) This means that ADUs that satisfy the minimal requirements of section 66323 must be approved regardless of any contrary provisions of the local ADU ordinance. (*Ibid.*) Local governments may not impose their own standards on such ADUs. (Gov. Code, § 66323, subd. (b) ["A local agency shall not impose any objective development or design standard that is not authorized by this section upon any accessory dwelling unit that meets the requirements of any of paragraphs (1) to (4), inclusive, of subdivision (a)."].)

In addition, ADUs that qualify for the protections of Government Code section 66323, like other ADUs, must be processed by local governments within 60 days of a complete permit application submittal. (Gov. Code, § 66317, subd. (a).)

State law also prohibits creating regulations on ADU development not explicitly allowed by state law. Government Code Section 66315 states, “No additional standards, other than those provided in Section 66314, shall be used or imposed, including an owner-occupant requirement, except that a local agency may require that the property may be used for rentals of terms 30 days or longer.”

Impermissible Restriction on ADUs in Single-Family Residential Zones

City code section 9102.01.060(A)(2) imposes a maximum of two accessory structures per parcel, including ADUs. This is an unlawful provision for two specific reasons:

1. The City is obliged to approve ADUs eligible for the protections of Government Code, section 66323, subdivision (a) regardless of the number of existing accessory structures on site. That is because this section of state law obligates the City to approve such ADUs so long as they adhere to the height and setback requirements specified in that section of law. Government Code, section 66323, subdivision (a) does not allow the City to refuse permits based on the existing number of accessory structures on site.
2. Government Code, section 66323, subdivision (a)(4) obligates the City to approve up to eight detached, new construction ADUs on a parcel with an existing multifamily dwelling so long as it is located within a residential or mixed-use zone. If there are any existing, nonconforming multifamily properties within the City’s single-family districts, then City code section 9102.01.060(A)(2) would illegally prohibit the development of up to eight detached ADUs on those properties.

For more information on 66323 units, please see page 18 et seq. of the January 2025 HCD ADU [Handbook](#).

CalHDF recommends that the City amend this section of code to read “A maximum of two detached accessory structures are allowed on any one lot, ~~including~~ excluding accessory dwelling units.”



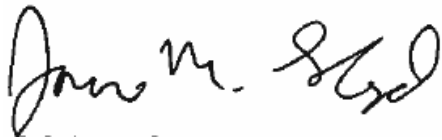
CalHDF appreciates the City’s effort to implement state law governing ADU construction. However, the City should amend its ordinance to ensure that it complies with state law.

CalHDF is a 501(c)3 non-profit corporation whose mission includes advocating for increased access to housing for Californians at all income levels, including low-income households. You may learn more about CalHDF at www.calhdf.org.

Sincerely,



Dylan Casey
CalHDF Executive Director



James M. Lloyd
CalHDF Director of Planning and Investigations

Ivette Torres

From: Lee Kuo <leethebruin@yahoo.com>
Sent: Monday, February 10, 2025 2:48 PM
To: Ivette Torres
Subject: Resolution No .2159

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Planning Department and Planning Commission Members,

I'm writing to express my opposition to the adoption of Resolution No. 2159 regarding accessory dwelling units. Over 25 years ago, my wife and I were drawn to the Arcadia Highlands and decided it would be the place to raise our children, in large part because of the character and quality of the neighborhood. As a 25-year resident of the Highlands (and current member of its Architectural Review Board and HOA Board), I've continued to value the existences of the HOA and ARB, which operate to preserve and enhance the character and quality of our community. Resolution 7272 underpins what residents of the Highlands have relied on for decades to ensure the value of their residential investments and the character of the neighborhood. Resolution No. 2159 would undermine and gut the purpose of Resolution 7272. What point is there in having ARBs if there are visible structures over which the ARB (via Resolution 7272) has no authority? ADUs aren't "tiny homes" with immaterial visual and other impacts on our neighborhood. Even with ARB review, ADUs will have material impact on our neighborhoods. Without ARBs and community input, the visual and attendant impacts of ADUs will be unmitigated. With Resolution No. 2159, residents in HOA neighborhoods of Arcadia will lose their voice and influence over development in their neighborhoods, a right many of us relied on when deciding to purchase our homes.

Please vote against Resolution 2159.

Best,
Lee Kuo
626-627-7598

Ivette Torres

From: Patrick Cronin <patrick@pjcronin.com>
Sent: Tuesday, February 11, 2025 1:53 PM
To: Ivette Torres
Subject: Feb. 11 Resolution 2159 hearing

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I just wanted to let you know that I am strongly opposed to any changes to the Arcadia Development Code, specifically Resolution 2159, that would result in further limiting the ability of the City's Architectural Review Boards to protect and maintain the character of our beautiful residential neighborhoods.

Regards,

Patrick J. Cronin

Member, Highlands ARB

Mobile: 626.705.4393

Attachment No. 3

Planning Commission Resolution No. 2159
and Staff Reports, dated February 11, 2025
and March 11, 2025 excluding all other
attachments

RESOLUTION NO. 2159

RECOMMENDING THAT THE CITY COUNCIL APPROVE TEXT AMENDMENT NO. 24-01 AMENDING VARIOUS SECTIONS OF ARTICLE IX, CHAPTER 1 (DEVELOPMENT CODE) OF THE ARCADIA MUNICIPAL CODE PERTAINING TO ACCESSORY DWELLING UNITS, THE RESIDENTIAL FLEX OVERLAY, AND OTHER MINOR TEXT AMENDMENTS AND CLEANUPS

WHEREAS, the Development Services Department has initiated a Text Amendment No. TA 24-01 to amend and update various Divisions of the City's Development Code, Article IX, Chapter 1 of the Arcadia Municipal Code (referred to as "Text Amendment"); and

WHEREAS, the City is required to implement actions and policies within the adopted General Plan Housing Element and Implementation Plan; and

WHEREAS, the proposed Text Amendment would result in changes to Division 2, Division 3, Division 6, Division 7, and Division 9 of the City's Development Code, as shown in Exhibits "A" through "E" of this Resolution; and

WHEREAS, on December 23, 2024, Planning Services completed an environmental review of the proposed Text Amendment and determined that it is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review; and

WHEREAS, on January 30, 2025, the City published the public hearing for the Text Amendment in a newspaper of general circulation (Arcadia Weekly) of the Planning

Commission public hearing at which the Text Amendment would be reviewed with a recommendation to the City Council; and

WHEREAS, on February 11, 2025, the Planning Commission held a duly-noticed public hearing and considered the Text Amendment. Following extension discussion, the Planning Commission voted 3-1 to recommend that the City Council deny Text Amendment No. TA 24-01 and continue implementing the existing ADU Ordinance that is currently in effect; and

WHEREAS, on February 25, 2025, the Planning Commission pulled the revised Resolution from Consent Calendar for further discussion. The Planning Commissioners sought guidance on how to proceed with their decision, as they were not opposed to the entire text amendment. After receiving direction and additional discussion on the amendments to the ADU regulations, the Commission decided to reconsider the entire text amendment and have it placed on the March 11, 2025 Planning Commission meeting; and

WHEREAS, on March 11, 2025, the Planning Commission continued the public hearing and reconsidered the Text Amendment and all public testimonies; and

NOW THEREFORE, THE PLANNING COMMISSION OF THE CITY OF ARCADIA, CALIFORNIA DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The Planning Commission hereby finds that the factual data set forth in the Recitals of this Resolution and by the Development Services Department in the staff report dated March 11, 2025, are true and correct.

SECTION 2. The Planning Commission finds, based on the entire record, and all written and oral evidence presented, as follows:

1. The proposed amendment and ordinance are consistent with the City's adopted General Plan and any applicable specific plan(s).

FACT: The proposed Text Amendment No. TA 24-01 is consistent with the General Plan Land Use and Community Development Element and the Housing Element goals and policies. The Text Amendment ensures that the Development Code will comply with State law, will implement actions within the General Plan Housing Element, will be updated to improve readability, enforcement, and to align with best practice, and is consistent with the following General Plan Policies:

Land Use and Community Development Element

Policy LU-4.2: Encourage residential development that enhances the visual character, quality and uniqueness of the City's neighborhoods and districts.

Housing Element

Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.

Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.

Policy H-4.4: Support infill development at appropriate locations in the City.

The proposed Text Amendment No. TA 24-01 will make various minor updates and clarifications throughout the Development Code. This amendment will not impact any other development standards and is consistent with the adopted General Plan.

2. For Development Code amendments only, the proposed amendment is internally consistent with other applicable provisions of this Development Code.

FACT: The proposed Text Amendment will update the ADU Ordinance, incorporate manufactured housing as a permitted use in residential zones as required by State law and in the City's Housing Element Update, allow lot consolidation for certain housing projects in the Residential Flex Overlay, and update various provisions throughout the Development Code to improve readability and streamline the review and entitlement process. Additionally, several Text Amendments have been made to maintain consistency with the proposed updates, particularly those related to the ADU Ordinance. Therefore, the proposed Text Amendment is consistent with the other applicable provisions of the Development Code, with necessary updates included.

SECTION 3. The Planning Commission determines that the proposed Text Amendment is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines, where it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review.

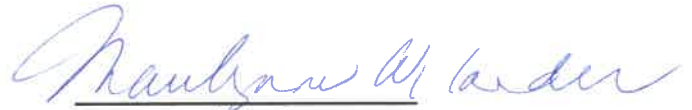
SECTION 4. Based on the entire record before the Planning Commission, all written and oral evidence presented to the Planning Commission, and the findings made in the staff report and this Resolution, the Planning Commission hereby recommends that

the City Council approve Text Amendment No. TA 24-01, as reflected in Exhibits "A" through "E" of this Resolution.

SECTION 5. The Secretary shall certify as to the adoption of this Resolution.

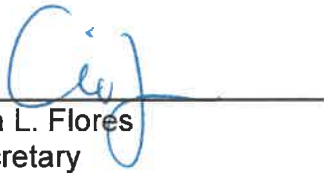
[SIGNATURES ON NEXT PAGE]

Passed, approved and adopted this 11th day of March, 2025.



Marilynne Wilander
Chair, Planning Commission

ATTEST:



Lisa L. Flores
Secretary

APPROVED AS TO FORM:



Michael J. Mauer
City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §:
CITY OF ARCADIA)

I, Lisa Flores, Secretary of the Planning Commission of the City of Arcadia, hereby certify that the foregoing Resolution No. 2159 was passed and adopted by the Planning Commission of the City of Arcadia, signed by the Chair, and attested to by the Secretary at a regular meeting of said Planning Commission held on the 11th day of March 2025, and that said Resolution was adopted by the following vote, to wit:

AYES: Chair Wilander, Vice Chair Tallerico, and Commissioner Tsoi

NOES: None

ABSENT: Hui

Commissioner Arvizu abstained from voting.



Lisa L. Flores
Secretary of the Planning Commission



STAFF REPORT

Development Services Department

DATE: February 11, 2025

TO: Honorable Chair and Planning Commission

FROM: Lisa Flores, Deputy Development Services Director
By: Fiona Graham, Planning Services Manager

SUBJECT: RESOLUTION NO. 2159 – RECOMMENDING THAT THE CITY COUNCIL APPROVE TEXT AMENDMENT NO. TA 24-01 (ORDINANCE NO. 2401) AMENDING VARIOUS SECTIONS OF THE ARCADIA DEVELOPMENT CODE RELATED TO ACCESSORY DWELLING UNITS, REGULATIONS TO THE RESIDENTIAL FLEX (RF) OVERLAY, AND OTHER MINOR AMENDMENTS AND TEXT CLEANUPS.

CEQA: Exempt

Recommendation: Adopt Resolution No. 2159 and forward a Recommendation to City Council

SUMMARY

The Development Services Department has initiated a Text Amendment to amend and update various sections of the City's Development Code. The Text Amendment consists of five components: a comprehensive update of the of the Accessory Dwelling Unit (ADU) Ordinance including changes to the objective design standards, an update to the Residential Flex Overlay to allow lot consolidation in certain circumstances, an update to the Downtown Parking Overlay to allow expansions of certain commercial buildings without requiring additional vehicle parking spaces, minor amendments including changes to the applicability of Variances and permitting manufactured homes in specific residential zones, and other minor text cleanups throughout. This Text Amendment will bring the City's ADU Ordinance into compliance with State law, implement the Housing Element, and streamline the Development Code.

It is recommended that the Planning Commission adopt Resolution No. 2159 (refer to Attachment No. 1) recommending the City Council approve Text Amendment No. TA 24-01, and find that the Text Amendment is Exempt under the California Environmental Quality Act ("CEQA").

BACKGROUND

Accessory Dwelling Units

Over the past decade, the State has implemented multiple changes to the Government Code regarding the development of Accessory Dwelling Units (ADUs). The existing ADU law includes various provisions that limit a local jurisdiction's ability to regulate many aspects of ADUs. The City of Arcadia has updated its Ordinances over time to reflect changes made to ADU regulations, most recently in 2023. In 2024, the California legislature approved several new ADU bills which went into effect on January 1, 2025. In November 2024, the Department of Housing and Community Development (HCD) notified the City that several aspects of the current ADU ordinance needed updating to align with the recent changes in State law. As a result, the entire ADU Ordinance, including the Objective Design Standards, was revised.

Text Amendments required to implement the Housing Element

The City adopted its Housing Element update in February 2022 and, after a suite of Text Amendments and Zone Changes were implemented in early 2024, the Housing Element was certified by the Department of Housing and Community Development (HCD). Many of the implementation actions for the Housing Element update were completed as part of the February 2024 Zone Change and Text Amendment. However, the City still needs to update the Development Code to allow manufactured homes as a permitted use in most residential zones.

As part of the February 2024 Housing Element implementation actions, the Residential Flex Overlay was updated and applied to C-G Zoned property throughout the City. The Residential Flex Overlay allows for residential development in some commercial zones where projects provide a certain amount of affordable housing and where a property is identified on the Site's Inventory List. Over the past year, several property owners have approached the City with residential development proposals on properties with one parcel on the Sites' Inventory List and one not on the list. The February 2024 update to the Residential Flex Overlay provisions did not include a process or a mechanism to allow a property not on the Site's Inventory List to be incorporated into a development site.

Various other minor amendments and text cleanup

The Development Services Department regularly undertakes cleanups of the Development Code to ensure consistency, clarity, and alignment with the City's long-term planning objectives. Over time, minor errors, ambiguities, inconsistencies, and outdated language can accumulate due to prior amendments, changes in state or federal law, and evolving best practices in urban planning. This cleanup serves to streamline the development review process, reduce confusion for applicants, and improve the enforceability of the Development Code. This includes a minor change to the provisions of the Variance application, which would allow some flexibility for well-established existing

uses to undertake changes to improve public safety and welfare. The Downtown Parking Overlay (DTP) Zone is also being updated to allow certain properties near the City's parking lot to enlarge without being required to provide additional parking.

DISCUSSION

The various Text Amendments can be found in Divisions 2, 3, 6, 8, and 9 of the Development Code (refer to Exhibits A through E of Attachment No. 1).

Accessory Dwelling Unit Ordinance Update

The City has undertaken multiple ADU Ordinance updates in response to changes made to State ADU regulations over the past eight (8) years. The ADU Ordinance was most recently updated in April 2023 in response to Assembly Bill 2221 and Senate Bill 897. ADU projects have been reviewed and processed using the current ADU Ordinance since its adoption.

Most recently, the State enacted Assembly Bill 2533 and Senate Bill 1211, further changing and updating requirements for ADUs across California. The proposed major update to the City's ADU Ordinance is necessary to ensure the City remains in compliance with State law and avoids exposure to legal challenges or state-imposed remedies, including the potential invalidation of the local ADU ordinance. The changes aim to align the City's Development Code with all applicable provisions of new ADU legislation, such as multifamily ADU provisions, updates to ADU permit types, and formal changes to rental restrictions.

The ADU Ordinance has been completely revised and restructured to streamline regulations and enhance clarity. Additionally, several changes have been made to the objective design standards for ADUs. These include elimination of the requirements that the ADU's exterior materials match the primary residence, the ADU has articulation on two facades with a minimum 8" depth, and screening landscaping be incorporated between the ADU and a property line. These provisions were found to be too restrictive or were not applicable in many instances. Furthermore, the recently implemented Pre-Approved ADU Program (PAADU)¹ means it would be impossible to ensure these design requirements are successfully executed throughout the City.

Residential Flex Overlay

The Residential Flex (RF) Overlay allows for residential development in certain commercial zones. It was expanded in February 2024 as part of the Housing Element Update to allow more areas to be eligible for residential use. Before this expansion, the RF Overlay applied only to a small area along Live Oak Avenue and Las Tunas Drive.

¹ Arcadia's [Pre-Approved ADU Program](#) (PAADU) has been implemented in accordance with Assembly Bill 1332.

For a developer to use the RF Overlay, a property had to be listed on the City's Sites Inventory ("Inventory") to be eligible for residential development under the RF Overlay. This list, created as part of the Housing Element Update, identifies properties that provide sufficient capacity to meet the City's housing goals, as required by the Regional Housing Needs Allocation (RHNA). Any properties not listed on the Inventory could not be developed for residential uses.

Recently, the Planning Division has received inquiries about properties where one parcel is on the list, but an adjacent parcel is not. Under the current rules, these properties could not be developed for residential use under the RF Overlay unless both parcels were on the Sites Inventory List. To address this, a new mechanism has been introduced to allow property owners to consolidate adjacent lots under the same ownership, even if only one of the lots is on the Inventory. This will enable residential development for these properties within the Residential Flex Overlay Zone. This change has been added as a footnote under Table 2-15 to support more flexible development options for site consolidation.

Minor Changes to the Code

A variety of other minor changes, updates, and text cleanups have been included throughout the Development Code. The changes aim to improve the Development Code through removing unnecessary requirements, clarifying the applicability of standards, and otherwise improving readability or implementation of the Development Code. A summary of the changes can be found, below:

- Table 2-1 is to be updated to include Manufactured Housing as a permitted use in all residential zones except the Restricted High Density Residential (R-3-R) Zone. This is a required action from the City's recently certified Housing Element and will bring the Development Code into compliance with State law regarding mobile homes and manufactured housing.
- The DTP Zone allows many uses to locate in Arcadia's Downtown without needing to provide compliant parking. However, this is only applicable where no additional square footage is being added to the building. The proposed update to the DTP Zone will allow the expansion of existing commercial buildings, which are in the CBD Zone, within 150 feet of the City's public parking lot, and up to 3,000 square feet in size, without needing to provide compliant parking. This update will allow greater flexibility for property and business owners in certain parts of Downtown Arcadia.
- A minor change has been made to the requirements for a Variance. Variances can be utilized when a project deviates from the required provisions or standards of the Development Code. To support existing, long-term uses that want to make improvements to their property to improve public safety or welfare, the following has been added (underlined):
"The power to approve Variances does not extend to land uses, unless the requested use variance is for a well-established existing use, and granting the variance would demonstrably improve public safety or welfare."

- Rear yard lot coverage restrictions for all accessory structures in single family residential zones are to be eliminated. The State has removed much of the City's ability to limit construction within the rear yard for ADUs. ADUs now comprise the majority of new accessory structure development in single family zones. To ensure consistency for all detached accessory structures, and to enable the best utilization of the rear yard, the 25% maximum rear yard lot coverage requirement is being eliminated for all accessory structures.
- Administrative Modifications for ADUs have been removed in Table 7-2 to eliminate discretionary actions for ADUs to ensure compliance with State law.
- The period of time a nonconforming use or structure can maintain its nonconforming protection/status once discontinued is being increased from 90 days to 180 days. This change provides property and business owners with greater flexibility in replacing tenants, furthering the City's goal of being business friendly. It is also consistent with many nearby Cities.
- Maximum hardscape provisions are being updated to apply to the front "yard" instead of the current front "setback". Maximum hardscape calculations in front yards ensure sufficient landscaping is maintained in residential neighborhoods. This change will require the entire area in front of a residence to meet the maximum hardscape provisions rather than only the required setback area.
- Front fences in commercial zones are currently not allowed. It has become evident that many businesses wish to install fences or gates along their frontage. The Text Amendment will allow gates and fences on commercial frontages, subject to Design Review.
- References to short term rental limitations in Urban Lot Split projects – a specific type of subdivision permitted under Senate Bill 9 – are being updated to 28 days rather than 30 days to ensure consistency with other sections of the Arcadia Municipal Code.
- Two definitions have had minor updates for clarification purposes.

FINDINGS

Pursuant to Section 9108.03.060, an amendment to the Development Code may be approved only if all of the following findings are made:

- 1. The proposed Development Code amendment is consistent with the goals, policies, and objectives of the General Plan; and any applicable specific plan(s);**

Facts to Support the Finding: The proposed Text Amendment No. TA 24-01 is consistent with the General Plan Land Use and Community Development Element and the Housing Element goals and policies. The Text Amendment ensures that the Development Code will comply with State law, will implement actions within the General Plan Housing Element, will be updated to improve readability, enforcement, and to align with best practice, and is consistent with the following General Plan Policies:

Land Use and Community Development Element

- Policy LU-4.2: Encourage residential development that enhances the visual character, quality and uniqueness of the City's neighborhoods and districts.

Housing Element

- Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.
- Policy H-2.7: Encourage mixed-use development on commercial properties consistent with existing residential development standards to revitalize underutilized communities while maintaining Arcadia's neighborhood integrity.
- Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.
- Policy H-4.4: Support infill development at appropriate locations in the City.

The proposed Text Amendment No. TA 24-01 is to provide a thorough update to the ADU Ordinance, and make various minor updates and clarifications throughout the Development Code. This amendment will not impact any other development standards and is consistent with the adopted General Plan.

2. The proposed amendment is internally consistent with other applicable provisions of this Development Code.

Facts to Support the Finding: The proposed Text Amendment will undertake a comprehensive update to the ADU Ordinance, include manufactured housing as a permitted use in residential zones – a requirement of the recent Housing Element update, allow for lot consolidation for some housing projects in the Residential Flex Overlay, and update various other provisions throughout the Development Code to improve readability and review and entitle development projects with greater efficiency. The proposed Text Amendment has been reviewed to ensure it is consistent with the other applicable provisions of the Development Code and updates have been included where necessary to ensure consistency. Several Text Amendments have been included to ensure consistency in light of other proposed Text Amendments, specifically for the comprehensive ADU Ordinance update.

ENVIRONMENTAL ASSESSMENT

The proposed Text Amendments are exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that they

would not have a significant effect on the environment and, thus, are not subject to CEQA review. See Attachment No. 2 for the Preliminary Environmental Assessment.

PUBLIC COMMENTS/NOTICE

Pursuant to Section 9108.13.020.B.2 of the Development Code, if the number of property owners to whom notice would be mailed is more than 1,000, a notice may be published in a general circulation news publication. Accordingly, a public hearing notice for Text Amendment No. TA 24-01 was published in the Arcadia Weekly on January 30, 2025. As of February 6, 2025, no comments were received in response to the notice.

RECOMMENDATION

It is recommended that the Planning Commission adopt Resolution No. 2159, recommending that the City Council approve Text Amendment No. TA 24-01 (Ordinance No. 2401) amending various sections of the Arcadia Development Code related to Accessory Dwelling Units, regulations to the Residential Flex (RF) Overlay, and other minor amendments and text cleanups, and with an Exemption from the California Environmental Quality Act.

Approved:



on behalf of

Lisa L. Flores
Deputy Development Services Director

Attachment No. 1: Resolution No. 2159 with Exhibits A through E – Text Amendments

Attachment No. 2: Preliminary Exemption Assessment



STAFF REPORT

Development Services Department

DATE: March 11, 2025

TO: Honorable Chair and Planning Commission

FROM: Lisa Flores, Deputy Development Services Director
By: Fiona Graham, Planning Services Manager

SUBJECT: RESOLUTION NO. 2159 – RECOMMENDING THAT THE CITY COUNCIL APPROVE TEXT AMENDMENT NO. TA 24-01 AMENDING VARIOUS SECTIONS OF THE ARCADIA DEVELOPMENT CODE RELATED TO ACCESSORY DWELLING UNITS, REGULATIONS TO THE RESIDENTIAL FLEX (RF) OVERLAY, AND OTHER MINOR AMENDMENTS AND TEXT CLEANUPS

CEQA: Exempt

Recommendation: Adopt Resolution No. 2159 and forward a Recommendation to City Council

SUMMARY

The Development Services Department has initiated a Text Amendment to amend and update various sections of the City's Development Code. The amendment includes a comprehensive update to Accessory Dwelling Unit (ADU) Ordinance, including changes to the objective design standards. It also updates the Residential Flex Overlay to allow lot consolidation in certain circumstances and revises the Downtown Parking Overlay to permit the expansions of certain commercial buildings without requiring additional parking spaces. Additionally, the amendment includes minor changes, such as modifications to the applicability of Variances and permitting manufactured homes in specific residential zones. This Text Amendment will bring the City's ADU Ordinance into compliance with State law.

It is recommended that the Planning Commission adopt Resolution No. 2159 (refer to Attachment No. 1) recommending the City Council approve Text Amendment No. TA 24-01 and find that the Text Amendment is Exempt under the California Environmental Quality Act ("CEQA").

BACKGROUND

On February 11, 2025, the Planning Commission reviewed Text Amendment No. TA 24-01. The discussion addressed all proposed amendments, with a primary focus on ADUs.

It was clarified during the meeting that the proposed amendments to the ADU regulations align with State law, and that noncompliance with recent Senate Bills could result in the City losing regulatory control over ADUs. After discussion, the Planning Commission voted 3-1, with Chair Wilander absent, to deny Text Amendment No. TA 24-01, citing concerns about inconsistency with the General Plan. The Commission recommended that the City continue implementing the current ADU Ordinance (refer to the Planning Commission Minutes under Attachment No. 3).

At the February 25, 2025 Planning Commission meeting, the Commission pulled Resolution No. 2159 (Text Amendment No. 24-01) from the Consent Calendar for further discussion. The Planning Commissioners sought guidance on how to proceed with their decision, as they were not opposed to the entire text amendment. After receiving direction and additional discussion on the amendments to the ADU regulations, the Commission decided to reconsider the entire text amendment and have it placed on the agenda at the March 11, 2025, Planning Commission meeting.

DISCUSSION

The various Text Amendments can be found in Divisions 2, 3, 6, 8, and 9 of the Development Code (refer to Exhibits A through E of Attachment No. 1). For background information on the various components of the text amendments, refer to Attachment No. 3 - February 11, 2025 Planning Commission Staff Report.

Also, the ADU regulations have been revised for greater clarity and restructured for improved readability and organization. For tonight's discussion, the font colors have been adjusted in the ADU Ordinance to clearly highlight only the proposed changes. The existing regulations are shown in **blue** font, and the *new* language are shown in **red** font – refer to Attachment No. 2.

Accessory Dwelling Unit Ordinance Update

The City has updated its ADU Ordinance multiple times over the past eight (8) years to align with evolving State regulations, which standardized ADU standards statewide in 2017. However, Arcadia began transitioning from guest homes to ADUs in 2013 and some of these regulations have been in effect since then. Most recently, the State enacted Assembly Bill 2533 and Senate Bill 1211, introducing further changes to ADU requirements across California. Updating the City's ADU Ordinance is essential to ensure compliance with State law and to prevent potential legal challenges or state-imposed consequences, such as the invalidation of the local ordinance and the loss of local ADU regulations.

The ADU Ordinance has been revised to clearly present the existing regulations, which have been updated for clarity while maintaining the same intent (shown in blue font), with new language displayed in red font – refer to Attachment No. 2. Below is an overview of the changes required by State law, along with updates to the objective design standards

to improve design outcomes. Additionally, the Department of Housing and Community Development (HCD) provided comments as part of their review process and determined that some of the existing regulations were not in compliance, therefore they have been revised.

Below are the two changes being proposed to the existing ADU Ordinance to comply with the recent ADU laws that went into effect on January 1, 2025.

- **Multi-Family Zones** – The maximum number of detached ADUs on an existing multi-family property has been increased from two (2) to eight (8), but the total number of detached ADUs cannot exceed the number of primary dwelling units on the lot. The limit remains two (2) for new multi-family developments.
- Permanently remove the City's ability to impose an owner-occupancy requirement for ADUs, which was previously suspended until January 1, 2025. However, JADUs must still be owner-occupied.

Then the following are updates that were made to bring the existing ADU Ordinance into compliance with existing State law:

- Replace the term under the process from "Zoning Clearance for an ADU" with "ADU Permit."
- Clarify that if the City denies an application for a new ADU or JADU, it must be provided to the Applicant within 60-days. Currently, the Code does not mention this time period.
- The City may charge a fee to recover its cost incurred in processing ADU permits.
- Specify that a garage, carport, or parking space is not required to be replaced if removed for an ADU development.
- A demolition permit for a detached garage, which will be replaced by an ADU, must be reviewed simultaneously.
- The construction of an ADU does not require fire sprinklers to be installed in the existing primary dwelling.
- An ADU or JADU cannot be sold separately from the primary dwelling(s), and a deed restriction for JADU must be recorded against the title.
- Clarify that the City cannot deny an ADU or JADU due to non-compliances elsewhere on the property.

- The ADUs and JADU must comply with the local Building Code requirements.
- Although the Code requires one parking space for each ADU, if an existing garage, carport, covered parking structure, or uncovered parking space is demolished in conjunction with a new ADU or conversion, a parking space is not required to be replaced.

Since the implementation of objective design standards for ADUs, some of these regulations have led to designs that are not aesthetically pleasing. As a result, these standards are proposed to be removed to allow for more visually appealing ADU styles.

- Remove the requirement that an ADU the materials and colors of the exterior walls, roof, and windows and doors must match the appearance and architectural design of those of the primary dwelling.
- Remove the requirement for indentations or projections of at least 8 inches in depth on at least two exterior walls to break up flat wall planes.
- As recommended by the City's Fire Department, the requirement for landscaping between the ADU and the adjacent parcel will be removed, since plants in the side and rear yards can obstruct access to rescue windows, which are required for each sleeping area.

One new objective standard is being proposed, which is to set a maximum porch size of 60 square feet, with a depth limit of six (6) feet. Many Applicants request the addition of a porch or covered patio to their ADU, which can enhance its appearance and help break up the overall massing of the structure. While this can be an attractive feature in some cases, the proposed size and dimension limits are intended to prevent excessively large structures in rear yards and minimize the impact on neighboring properties. A 60 square foot porch offers enough space for weather protection and a small seating area without transforming the porch into an oversized outdoor living space.

For the remaining changes to the Text Amendment that is not related to ADU refer to Exhibits under Attachment No. 1 and Attachment No. 3 (the Planning Commission Staff Report, dated February 11, 2025).

FINDINGS

Pursuant to Section 9108.03.060, a Text Amendment to the Development Code may be approved only if all of the following findings are met. These findings are applicable to all the changes in the attached Ordinance – refer to Attachment No. 1.

- 1. The proposed Development Code amendment is consistent with the goals, policies, and objectives of the General Plan; and any applicable specific plan(s);**

Facts to Support the Finding: The proposed Text Amendment No. TA 24-01 is consistent with the General Plan Land Use and Community Development Element and the Housing Element goals and policies. The Text Amendment ensures that the Development Code will comply with State law, will implement actions within the General Plan Housing Element, will be updated to improve readability, enforcement, and to align with best practice, and is consistent with the following General Plan Policies:

Land Use and Community Development Element

- Policy LU-4.2: Encourage residential development that enhances the visual character, quality and uniqueness of the City's neighborhoods and districts.

Housing Element

- Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.
- Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.
- Policy H-4.4: Support infill development at appropriate locations in the City.

2. The proposed amendment is internally consistent with other applicable provisions of this Development Code.

Facts to Support the Finding: The proposed Text Amendment will update the ADU Ordinance, incorporate manufactured housing as a permitted use in residential zones as required by State law and in the City's Housing Element Update, allow lot consolidation for certain housing projects in the Residential Flex Overlay, and update various provisions throughout the Development Code to improve readability and streamline the review and entitlement process. Additionally, several Text Amendments have been made to maintain consistency with the proposed updates, particularly those related to the ADU Ordinance. Therefore, the proposed Text Amendment is consistent with the other applicable provisions of the Development Code, with necessary updates included.

ENVIRONMENTAL ASSESSMENT

The proposed Text Amendments are exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that they would not have a significant effect on the environment and, thus, are not subject to CEQA review. See Attachment No. 4 for the Preliminary Environmental Assessment.

PUBLIC COMMENTS/NOTICE

Under Section 9108.13.020.B.2 of the Development Code, if more than 1,000 property owners are to be notified, a notice may be published in a general circulation newspaper. Accordingly, a public hearing notice for Text Amendment No. TA 24-01 was published in the Arcadia Weekly on January 30, 2025. Prior to the Planning Commission hearing on February 11, 2025, three written public comments were received regarding the proposed Text Amendment, expressing concerns about ADUs. A copy of those comments can be found in Attachment No. 3.

RECOMMENDATION

It is recommended that the Planning Commission adopt Resolution No. 2159, recommending that the City Council approve Text Amendment No. TA 24-01 amending various sections of the Arcadia Development Code related to Accessory Dwelling Units, regulations to the Residential Flex (RF) Overlay, and other minor amendments and text cleanups, and it is exempt from the California Environmental Quality Act (CEQA) as it is not considered a project.

Approved:



Lisa Flores

Deputy Development Services Director

- Attachment No. 1: Resolution No. 2159 with Exhibits A through E – Text Amendments
- Attachment No. 2: Proposed Amendments to the Existing ADU Regulations
- Attachment No. 3: Planning Commission Minutes and Planning Commission Staff Report (without attachments), dated February 11, 2025, and Letters from the Public
- Attachment No. 4: Preliminary Exemption Assessment

Attachment No. 4

Preliminary Exemption Assessment



CITY OF
ARCADIA

PRELIMINARY EXEMPTION ASSESSMENT

1. Name or description of project:	Text Amendment No. 24-01 - Amending various sections of Article IX, Chapter 1 (Development Code) of the Arcadia Municipal Code pertaining to Accessory Dwelling Units, the Residential Flex Overlay, and other minor text amendments and cleanups.	
2. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	City of Arcadia - Citywide	
3. Entity or person undertaking project:	A City of Arcadia – Development Services Department	
	B Other (Private)	
	(1) Name	
	(2) Address	
4. Staff Determination: The Lead Agency's Staff, having undertaken and completed a preliminary review of this project in accordance with the Lead Agency's "Local Guidelines for Implementing the California Environmental Quality Act (CEQA)" has concluded that this project does not require further environmental assessment because:		
a. ☐	The proposed action does not constitute a project under CEQA.	
b. ☐	The project is a Ministerial Project.	
c. ☐	The project is an Emergency Project.	
d. ☐	The project constitutes a feasibility or planning study.	
e. ☐	The project is categorically exempt.	
	Applicable Exemption Class:	
f. ☐	The project is statutorily exempt.	
	Applicable Exemption:	
g. ☒	The project is otherwise exempt on the following basis:	The proposed update to the ADU Ordinance, Residential Flex Overlay, and other minor text changes and cleanups are exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that they would not have a significant effect on the environment and, thus, are not subject to CEQA review.
h. ☐	The project involves another public agency which constitutes the Lead Agency.	
	Name of Lead Agency:	

Date: December 23, 2024

Staff: Fiona Graham, Planning Services Manager



STAFF REPORT

Development Services Department

DATE: April 1, 2025

TO: Honorable Mayor and City Council

FROM: Jason Kruckeberg, Assistant City Manager/Development Services Director

SUBJECT: TEXT AMENDMENT NO. 25-01 PERTAINING TO AN INCLUSIONARY HOUSING ORDINANCE AND ASSOCIATED IN-LIEU DEVELOPMENT FEE

ORDINANCE NO. 2402 RELATED TO TEXT AMENDMENT NO. TA 25-01 ADDING A NEW SECTION 9103.16 TO ARTICLE IX, CHAPTER 1 (DEVELOPMENT CODE) OF THE ARCADIA MUNICIPAL CODE PERTAINING TO AN INCLUSIONARY HOUSING ORDINANCE AND ASSOCIATED IN-LIEU DEVELOPMENT FEE

CEQA: Exempt

Recommendation: Introduce

RESOLUTION NO. 7621 ESTABLISHING AN INCLUSIONARY HOUSING IN-LIEU DEVELOPMENT FEE AS AN ALTERNATIVE TO PROVIDING AFFORDABLE HOUSING UNITS REQUIRED BY THE INCLUSIONARY HOUSING ORDINANCE; AND FINDING THAT THIS RESOLUTION IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA")

CEQA: Exempt

Recommendation: Adopt

SUMMARY

As part of the adoption of the City's Housing Element, the City is responsible for providing the capacity to build affordable housing units. The Housing Element sets forth goals, policies, and programs that address future housing needs for all income levels over a planning period of 2021-2029, which coincides with a unit count established by the Regional Housing Needs Assessment ("RHNA"). The RHNA is mandated by State Housing Law as part of the periodic process of updating Housing Elements of the General Plan, and Arcadia was allocated 3,214 housing units for the 2021-2029 planning period. Of these units, 71% are slated to provide some level of affordability. One of the prime strategies identified to provide the capacity for this number of affordable units is the adoption of an Inclusionary Housing Ordinance.

Inclusionary Housing refers to policies and/or regulations that require residential developments to include affordable housing units as part of their unit mix. This is a common tool utilized as part of the development process to create affordable housing. The City has prepared an Inclusionary Housing Ordinance (“IHO”), and an associated development fee payable in-lieu of providing affordable units, as an important step in the adoption and implementation of the Housing Element. Therefore, it is recommended that the City Council introduce Ordinance No. 2402 approving Text Amendment No. 25-01, adding Section 9103.16 to the Arcadia Municipal Code pertaining to an Inclusionary Housing Ordinance, and adopt Resolution No. 7621 approving an associated in-lieu development fee.

BACKGROUND

The City Council adopted the Housing Element Update on February 15, 2022. However, after several iterations of review, on January 6, 2023, the State Department of Housing and Community Development (“HCD”) determined that the City needed to adopt specific rezoning strategies and complete other actions in order to receive certification of the Housing Element. The rezoning strategies were adopted by the City Council on February 6, 2024, and the Housing Element Update was certified by HCD on February 9, 2024.

An important component of the Housing Element is compliance with the RHNA allocation. The RHNA is the process by which each city is assigned a share of the region’s additional housing units during the next Housing Element planning period (2021-2029). RHNA allocations are determined for Arcadia by the Southern California Association of Governments (“SCAG”) based on criteria established by State law. The City’s RHNA allocation is in Table 1 below:

Table 1

Income Category	Number of Units	Percentage
Very Low-Income Units	1,102	34%
Low-Income Units	570	18%
Moderate Income Units	605	19%
Above-Moderate Income Units	937	29%
Total	3,214	100%

To be eligible for housing units in any of the affordability categories listed, applicants must qualify for the unit based on their income. Table 2 below shows the 2024 Los Angeles County income requirements at each level of affordability, based on family size. A wide variety of professionals qualify for these units and most of the units can be considered “workforce housing” as a result.

Table 2

Los Angeles County Income Limits 2024 (Based on Household Size)								
	1	2	3	4	5	6	7	8
Extremely Low	29,150	33,300	37,450	41,600	44,950	48,300	51,600	54,950
Very Low Income	48,550	55,450	62,400	69,350	74,900	80,450	86,000	91,550
Low Income*	77,700	88,800	99,900	110,950	119,850	128,750	137,600	146,500
Median Income	68,750	78,550	88,400	98,200	106,050	113,900	121,750	129,600
Moderate Income	82,500	94,300	106,050	117,850	127,300	136,700	146,150	155,550

*In high-cost areas, such as Los Angeles County, HCD makes adjustments to the Low-Income limits which may result in the Low-Income limit exceeding the Countywide median income.

As mentioned, the Housing Element must demonstrate site development capacity to facilitate the construction of a variety of housing types for all income levels. It is important to note that the City is not responsible for the production of these units, rather, the City is obligated to provide adequate sites for the development of units through appropriate General Plan land use and zoning designations, or through zoning or regulatory changes to accommodate these units. Whether or not housing actually gets built, and what type of housing gets built, is largely up to the property owners and the housing market.

It was determined through a review of projects within the pipeline, as well as growth patterns in general, that the City's allocation of "above moderate" units would be met through existing zoning and current policy. However, in order to meet the City's RHNA requirement for affordable units, additional housing programs and strategies were needed. For example, only 96 affordable units are currently in Arcadia's pipeline without any new policies or strategies. As a result, strategies were developed through the Housing Element Update process that expanded high density zones, increased the allowed density in various areas, allowed residential overlay zones in predominantly commercial or industrial areas, and created policies to encourage affordable housing and a range of additional housing types. In keeping with the City's overall direction of the last 15 years or so, growth and density continues to be directed into areas with adequate infrastructure and away from single-family neighborhoods.

All of the above policies set the framework for the provision of more affordable units, but the most important policy provided in the Housing Element is the adoption of an Inclusionary Housing Ordinance (“IHO”). The primary goal of an IHO is to require that a portion of new residential developments are affordable to lower and moderate-income households. These units are integrated into proposed residential development projects and are essentially the same as any other multi-family unit, except they are only available to qualifying renters or owners at various levels of affordability. Based on Arcadia’s RHNA and the options available, an IHO is likely the only alternative available to the City that will meaningfully provide the capacity needed for these affordable units.

In alignment with the goals of the adopted Housing Element, the City has prepared a Draft IHO, intended to encourage and facilitate the construction of below market-rate housing in Arcadia. The program was included in the Housing Element Implementation Plan as Program 5-19 (Inclusionary Housing Policy). It was originally intended that the development of an IHO would be the first action taken following the certification of the Housing Element. However, HCD required the City to undertake a major rezoning effort first, which was completed early in 2024. Since that time, several Study Sessions with both the Planning Commission and City Council have been held, which have provided a substantial amount of information to the public on this effort. This represents the last major implementation action to effectuate the approved Housing Element for the 2021-2029 cycle.

ANALYSIS

As mentioned, Inclusionary Ordinances are a common tool to facilitate the provision of affordable housing. There are 21 other jurisdictions throughout Los Angeles County that have IHOs and several others that are currently working toward adoption of an Ordinance. Each City has unique circumstances related to the built environment, land values, the presence of city-owned properties, and unique funding opportunities that inform what types of regulations will work best to provide housing. The adoption of an IHO is viewed as the best way to provide affordable housing for the City of Arcadia, for the following reasons:

- **Funding Limitations.** There is no other public funding source dedicated to the provision of affordable units for the City to utilize. In the past, the City had access to Redevelopment Funds (as part of the former Arcadia Redevelopment Agency). Twenty percent of the funding received through Redevelopment was REQUIRED to be used for affordable housing projects, of which Arcadia completed several. When Redevelopment was dissolved at the State level, this important source of funding for affordable housing was eliminated.
- **Lack of City-owned land and public housing.** Some cities have underutilized publicly-owned land that can be utilized for affordable housing projects. Arcadia does not have such property.

- Integrates Units into Larger Developments. The IHO provides a mechanism for integrating affordable units into larger market-rate projects, creating coordinated and cohesive developments. This approach is preferable to relying solely on 100% affordable projects, which are extremely challenging to finance and unlikely to occur in Arcadia without significant external subsidies.
- Provides Most “Bang for the Buck”. The IHO can work in conjunction with State density bonus laws and other development incentives to create projects that provide both affordable units and are financially viable for the development community. In fact, most of the new development projects the City receives already include some amount of affordable units, in order to take advantage of financing and density bonus incentives that are available to developers.

Although there are similarities between all IHOs, each one is specifically tailored to address the housing situation of the jurisdiction. The Draft IHO is included as an Exhibit to Ordinance No. 2402 (Attachment No. 1). In developing the IHO, it is important for the City to ensure that any regulation considered does not become overly restrictive or otherwise limit development. It is essential to strike the right balance between providing affordable housing units and maintaining a regulatory framework that encourages property development and redevelopment. The Ordinance was drafted with the assistance of long-time Housing Element consultant, Kimley Horn and Associates, to achieve the following purposes:

- Create a structure that provides for the provision of units at all levels of housing affordability.
- Allow for affordable units in rental (apartment) and ownership housing options.
- Create alternatives for the provisions of units. This is a State requirement for inclusionary ordinances; tools such as in-lieu fees and off-site provision of units must be considered.
- Provide exemptions for smaller projects that do not meet the economies of scale necessary to provide affordable units.
- Create simple and streamlined approval, monitoring, and enforcement processes

Additionally, the Development Services Department held several Study Sessions with the City Council and Planning Commission to obtain feedback and overall direction regarding the Draft Ordinance.

To ensure that the Draft Ordinance met the established goals and put forward a balanced regulation, the City contracted with Keyser Marston Associates (“KMA”) to complete an economic analysis (Attachment No. 3). KMA based their analysis on general parameters for IHOs that came out of a California Supreme Court Case (*California Building Industry Association v. City of San Jose*), which imposed the following limitations on the requirements of these Ordinances:

1. Inclusionary Housing requirements cannot be confiscatory; and
2. Inclusionary Housing requirements cannot deprive a property owner of a fair and reasonable return on their investment.

The Financial Evaluation provided by Keyser Marston establishes prototype housing projects in various zones in Arcadia to evaluate the economic reality of building affordable units. Variables such as the size of the project, density, height, parking requirements, and land values are included to develop representative development types in both the Downtown Mixed Use Zone and along the Live Oak/Las Tunas corridor. Pro Forms were then created to evaluate the land value supported by a 100% market rate project, as well as the value enhancement that was created by the City's recent zoning changes.

To assess whether providing affordable units is feasible, the portion of the value increase that could reasonably go toward creating inclusionary units in a market-rate development was determined. This is based on the determination of an "affordability gap" for each level of affordability designated by Los Angeles County. The affordability gap can generally be defined as the difference between the market-rate rent or sales price and the allowable rent or sales price for affordable units.

Table 3 below provides the percentage of units within both rental and ownership projects that can be financially supported by development projects, at various rates of affordability. Please see Attachment No. 3 for the full methodology used to support this recommendation.

Table 3

Proposed Affordable Unit Requirements for Residential Projects	
Total Percentage of Affordable Units Required (minimum)(1)	Minimum Affordability Level of Required Units
Ownership Units	
5%	Moderate Income Only
Rental Units	
9%	Very Low Income Only
11%	6% Low Income + 5% Very Low Income = 11%
14%	Low Income Only
20%	Moderate Income Only

Notes: (1) of the total number of units in the residential project.

The IHO recommends the sliding scale above for the number of affordable units required within a rental project, based on the proposed level of affordability. Due to the very large affordability gaps for ownership projects in Arcadia, the requirements for inclusionary units in ownership projects are much lower. Developers can choose the most appropriate option based on the economics of their site, along with any additional financial incentives or parameters specific to their project. The proposed requirements recommended for the City are similar to those in neighboring jurisdictions such as the Cities of Alhambra, Burbank, El Monte, Pasadena, and South Pasadena, as well as Los Angeles County. A full Inclusionary Housing Program Survey is included as part of Attachment No. 3.

To ensure fairness to smaller projects, the Ordinance includes exceptions for certain situations. Recognizing that smaller projects may be more significantly impacted than larger projects, due to fewer market units to offset the impact, the IHO will only apply to projects with 10 or more units. Projects with nine (9) or fewer units will be exempt. This approach is also consistent with the practices of other cities with Inclusionary Ordinances (although some Ordinances apply to projects with as few as three units, a more common minimum threshold is 10 or more units).

While the goal of the IHO is to build affordable units as a part of new development projects, State law requires that IHOs must include alternatives to the provision of these units. The most common alternatives are offsite construction and the establishment of an in-lieu development fee. Both options are included within the Draft IHO. The offsite construction option allows a developer to provide the required number of affordable units at a different location within the City. While this option is unlikely to be used often, it could be deployed in a situation where a developer owned multiple properties within the City, or an adjacent or separate site was more suitable for the units. A far more common alternative is the in-lieu fee. In-lieu fees are an option a developer can choose in certain circumstances, whereby payment is made into an established Affordable Housing Trust Fund rather than physically providing the units. The Trust Fund would be maintained by the City and the monies within the Fund would be used to provide affordable housing elsewhere in the City.

To establish a fair and realistic in-lieu fee, the City contracted with KMA to provide an In-Lieu Fee Analysis (Attachment No. 4). The study quantifies the fee amounts corresponding to the affordability gaps identified in the economic analysis described above. The same prototype developments utilized in the economic analysis were included to determine the appropriate in-lieu fee, and the recommended fees are based on weighted averages between the prototypes. Table 4 below outlines the recommended in-lieu fees based on the inclusionary housing unit recommendations. The table provides both a per unit in-lieu fee and a per square foot fee, based on total leasable or saleable floor area. It is recommended that the per square foot in-lieu fees be adopted, as this methodology accounts for the varying affordability gaps that will exist based on unit size.

Table 4

Recommended Base In-Lieu Fee Payment Amounts Residential Developments with 20 or More Units Affordability Gap Analyses	
Apartment Development	
Per Inclusionary Unit	\$403,000
Per Square Foot of Total Leasable Area in the Development	\$43.80
Ownership Housing Development	
Per Inclusionary Unit	\$701,300
Per Square Foot of Total Saleable Area in the Development	\$23.30

As an example of how the fee would work, one of the prototype developments is for an apartment development in the Downtown Mixed-Use area with a density of 64 units per acre. In this example, the developer has elected to apply the 14% Low Income affordable requirement to a project with a total of 48 units and 45,600 square feet of leasable area. This would require seven (7) affordable units. Using the leasable area recommendation, the total in-lieu fee for the project would be just under \$2 million (45,600sf x \$43.80/sf = \$1,997,280).

Because inclusionary housing requirements can have a disproportionate impact on smaller projects, KMA recommends a sliding scale for the in-lieu fee for rental residential projects between 10 and 20 units. This provides a level of fairness for these projects where the cost of the fee increase is consistent with the size of the development, as shown in Table 5 below. The recommendation is that in-lieu fees can be provided for all ownership projects and for those rental projects up to 20 units. Beyond that, the physical units would need to be provided, unless the City Council authorizes in-lieu fees to be paid for a specific project where a hardship can be proven.

Table 5

Recommended Discounted In-Lieu Fee Schedules Measured Per Square Foot of Leasable or Saleable Area in the Residential Development		
Number of Units	Apartment Development	Ownership Housing Development
10	\$3.98	\$2.12
11	\$7.96	\$4.24
12	\$11.95	\$6.35
13	\$15.93	\$8.47
14	\$19.91	\$10.59
15	\$23.89	\$12.71
16	\$27.87	\$14.83
17	\$31.85	\$16.95
18	\$35.84	\$19.06
19	\$39.82	\$21.18
20+*	\$43.80	\$23.30

*In lieu fees are only allowed for apartment projects of more than 20 units upon specific Council approval.

It should also be noted, the IHO includes a provision for projects that provide physical units, that when the inclusionary housing calculation results in a fractional unit “remainder”, the developer should be able to pay an in-lieu fee that is consistent with that fraction of a unit, rather than the entire unit cost. Similar to the sliding scale above, the fractional unit cost increases as the fractional requirement increases. For example, if the mathematical calculation resulted in the requirement for 8.2 inclusionary housing units, the developer would provide the 8 units and pay a prorated cost based on 0.2 of a unit. This is a common approach in other IHOs and provides a level of fairness in the process.

Finally, the Ordinance includes the requirements for an Inclusionary Housing Plan, which will be required of all eligible developments, and the enforcement actions that the City will be authorized to take if any approved housing plan is not carried out. The Inclusionary Housing Plan would establish rules and regulations for the development to ensure that affordability and non-discrimination standards are maintained over time.

Overall, the proposed Ordinance achieves the desired balance of providing a method to require affordable housing, while acknowledging the financial realities of Arcadia and creating protections for the development community. The attached Ordinance introduces the Inclusionary Housing Ordinance and the Resolution approves the associated in-lieu

fee. It is important to separate the fee from the Ordinance to allow the City to evaluate the fee annually, ensuring it remains consistent with the cost of development. By approving a separate Resolution for the fee, the fee can be changed over time more efficiently.

FINDINGS

Pursuant to Section 9108.03.060(B) of the Municipal Code, an amendment to the Development Code may be approved only if the following findings are made:

- 1. The proposed Development Code amendment is consistent with the goals, policies, and objectives of the General Plan; and any applicable specific plan(s).**

Facts to Support the Finding: The proposed Text Amendment No. TA 25-01 aligns with the goals and policies of the General Plan Housing Element. The Text Amendment ensures that Implementation Action No. 5-19 of the Housing Element is met, demonstrating the City's commitment to providing capacity for affordable housing units within the City. To accommodate the number of affordable housing units identified in the City's Regional Housing Needs Allocation ("RHNA"), and meet the specified levels of affordability, this Text Amendment is necessary. The Text Amendment is consistent with the following General Plan Housing Element Goals and Policies:

Housing Element

- Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.
- Goal H-3: A range of housing choices for all social and economic segments of the community, including housing for persons with special needs.
- Policy H-3.2: Facilitate homeownership opportunities for lower and moderate-income households.
- Policy H-4.1: Review and modify as appropriate, development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.

The proposed Text Amendment No. TA 25-01 will add a new Section to the Development Code related to Inclusionary Housing. This amendment will be consistent with all other portions of the adopted General Plan.

- 2. The proposed amendment is internally consistent with other applicable provisions of this Development Code.**

Facts to Support the Finding: The proposed Text Amendment will add a new Section 9103.16 to the Development Code. The Inclusionary Housing Ordinance will require a certain percentage of units in qualifying multi-family residential and mixed-use development projects to be designated as affordable housing units. This amendment aligns with the City's recent 2024 rezoning efforts, which included upzoning several areas to allow for additional density and to permit residential units in areas where they were previously not allowed. The Inclusionary Housing Ordinance complements these zoning efforts to create the capacity necessary for residential units, in accordance with the City's RHNA as set forth by the State of California. Therefore, the proposed Text Amendment is consistent with all other sections of the Arcadia Development Code.

ENVIRONMENTAL ANALYSIS

The proposed Text Amendment is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) because it can be seen with certainty that it will not have a significant effect on the environment, and thus, is not subject to CEQA review.

PUBLIC COMMENTS/NOTICE

Notice for this project was provided in multiple formats. On February 27, 2025, and on March 20, 2025, notice was published in both the *Arcadia Weekly* and *Pasadena Star-News*. Additionally, direct email notice was provided to all individuals on the City's interested party list relative to the Housing Element and all housing projects. Notice was also provided on the City's website and social media releases on X, Facebook, Instagram, and WeChat. Finally, articles about the Ordinance were provided in the City's "Hot Sheet" and Newsletter. As of the publication of this Staff Report, several questions have been asked and answered, but no substantive public comments have been received.

PLANNING COMMISSION

The Planning Commission held a public hearing on this item at their meeting on March 11, 2025. The Planning Commission had a variety of questions for Staff and the City's consultants regarding the potential impacts of an IHO on development. Specifically, the Commission had questions on the economic analysis and how the numbers were derived. One member of the public representing the group Creative Housing Options in Arcadia ("CHOA"), spoke in favor of the IHO. Following discussion, the Commission recommended that that City Council approve Text Amendment No TA 25-01 on a vote of 4-1, with Commissioner Hui dissenting.

RECOMMENDATION

It is recommended that the City Council approve Text Amendment No. 25-01 pertaining to an Inclusionary Housing Ordinance and associated In-Lieu Development Fee, by taking the following actions:

Introduce Ordinance No. 2402 related to Text Amendment No. TA 25-01 adding a new Section 9103.16 to Article IX, Chapter 1 (Development Code) of the Arcadia Municipal Code pertaining to an Inclusionary Housing Ordinance and associated In-Lieu Development Fee; and find this action to be exempt under the California Environmental Quality Act ("CEQA"); and

Adopt Resolution No. 7621 establishing an Inclusionary Housing In-Lieu Development Fee as an alternative to providing affordable housing units required by the Inclusionary Housing Ordinance; and find that this Resolution is exempt from the requirements of the California Environmental Quality Act ("CEQA").

Approved:


Dominic Lazzaretto
City Manager

- Attachment No. 1: Ordinance No. 2402, with Draft Inclusionary Housing Ordinance as Exhibit "A"
- Attachment No. 2: Resolution No. 7621, In-Lieu Development Fee
- Attachment No. 3: Financial Evaluation for Inclusionary Housing, dated February 18, 2025
- Attachment No. 4: Inclusionary Housing In-Lieu Fee Analysis, dated February 18, 2025
- Attachment No. 5: CEQA Notice of Exemption

Attachment No.1

Ordinance No. 2402, with Draft Inclusionary
Housing Ordinance as Exhibit “A”

ORDINANCE NO. 2402

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARCADIA RELATED TO TEXT AMENDMENT NO. TA 25-01 ADDING A NEW SECTION 9103.16 TO ARTICLE IX, CHAPTER 1 (DEVELOPMENT CODE) OF THE ARCADIA MUNICIPAL CODE PERTAINING TO AN INCLUSIONARY HOUSING ORDINANCE AND ASSOCIATED IN-LIEU DEVELOPMENT FEE

WHEREAS, the Development Services Department has initiated Text Amendment No. TA 25-01 to add a new Inclusionary Housing Ordinance as Section 9103.16 to Article IX, Chapter 1 of the Arcadia Municipal Code (referred to as “Text Amendment”); and

WHEREAS, California State Housing Element Law establishes the requirements for Housing Elements and California Government Code Section 65588 requires that local government review and revise the Housing Element of their comprehensive General Plans not less than once every eight years. Additionally, the California State Legislature identifies overall housing goals for the State with the goal of ensuring every resident has access to housing and suitable living environments; and

WHEREAS, the updated Housing Element was adopted by City Council on February 15, 2022, and again, at the request of the State Department of Housing and Community Development, on November 1, 2022, and

WHEREAS, the City is required to implement actions and policies within the approved and certified Housing Element, including the provision of affordable housing, and compliance with the Regional Housing Needs Allocation (“RHNA”) for the City of Arcadia; and

WHEREAS, the proposed Text Amendment would effectuate Housing Element Implementation Action No. 5-19 by adopting an Inclusionary Housing Ordinance as shown in Exhibit “A” of this Ordinance; and

WHEREAS, on February 27, 2025, Planning Services completed an environmental review of the proposed Text Amendment and determined that the project is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review; and

WHEREAS, on March 11, 2025, the Planning Commission held a duly noticed public hearing and considered the staff report, recommendations by staff, and public testimony concerning the Text Amendment; and

WHEREAS, after considering the evidence presented, the Planning Commission voted 4-1 to recommend to the City Council approval of Text Amendment No. TA 25-01; and

WHEREAS, on April 1, 2025, the City Council held a duly noticed public hearing concerning the Text Amendment, at which time all interested persons were given full opportunity to be heard and to present evidence.

NOW, THEREFORE, the City Council of the City of Arcadia does ordain as follows:

SECTION 1. The recitals above are each incorporated by reference and adopted as findings by the City Council.

SECTION 2. The City Council finds, based upon the entire record:

1. The proposed Development Code Amendment is consistent with the goals, policies, and objectives of the General Plan and any applicable specific plan(s).

FACT: The proposed Text Amendment No. TA 25-01 aligns with the goals and policies of the General Plan Housing Element. The Text Amendment ensures that

Implementation Action No. 5-19 of the Housing Element is met, demonstrating the City's commitment to providing capacity for affordable housing units within the City. To accommodate the number of affordable housing units identified in the City's Regional Housing Needs Allocation ("RHNA"), and meet the specified levels of affordability, this Text Amendment is necessary. The Text Amendment is consistent with the following General Plan Housing Element Goals and Policies:

Housing Element

Policy H-2.4: Maintain development standards, regulations, and design features that are flexible to provide a variety of housing types and facilitate housing that is appropriate for the neighborhoods in which they are located.

Goal H-3: A range of housing choices for all social and economic segments of the community, including housing for persons with special needs.

Policy H-3.2: Facilitate homeownership opportunities for lower and moderate-income households.

Policy H-4.1: Review and modify as appropriate development standards, regulations, and processing procedures that may constrain housing development, particularly housing for lower- and moderate income households and for persons with special needs.

The proposed Text Amendment No. TA 25-01 will add a new Section to the Development Code related to Inclusionary Housing. This amendment will be consistent with all other portions of the adopted General Plan.

2. The proposed amendment is internally consistent with other applicable provisions of this Development Code.

FACT: The proposed Text Amendment will add a new Section 9103.16 to the Development Code. The Inclusionary Housing Ordinance will require a certain percentage of units in qualifying multi-family residential and mixed-use development projects be designated as affordable housing units. This amendment aligns with the City's recent 2024 rezoning efforts, which included upzoning several areas to allow for additional density and to permit residential units in areas where they were previously not allowed. The Inclusionary Ordinance complements these zoning efforts to create the capacity necessary for residential units in accordance with the City's RHNA as set forth by the State of California. Therefore, the proposed Text Amendment is consistent with all other areas of the Arcadia Development Code.

SECTION 3. The City Council has determined that Text Amendment No. TA 25-01 is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to Section 15061(b)(3) of the CEQA Guidelines, because it can be seen with certainty that the Text Amendment would not have a significant effect on the environment and, thus, is not subject to CEQA review.

SECTION 4. For the foregoing reasons, the City Council adopts this Ordinance. Staff is authorized to correct typographical errors, spelling, formatting or codification and to make other minor revisions to improve the reader's comprehension of the changes from this text amendment attached hereto under Exhibit "A" of this Ordinance, provided that any revisions do not alter the regulatory meaning and intent.

SECTION 5. The City Council hereby directs staff to prepare, execute, and file with the Los Angeles County Clerk a Notice of Exemption within five (5) working days of the adoption of this Ordinance.

SECTION 6. The City Clerk shall certify to the adoption of this Ordinance and shall cause a copy of the same to be published in accordance with Resolution No. 7483. This Ordinance shall take effect thirty-one (31) days after its adoption.

SECTION 7. The Custodian of Records for this Ordinance is the City Clerk and the records comprising the administrative record for this Ordinance are located at Arcadia City Hall, 240 W. Huntington Drive, Arcadia CA.

Passed, approved and adopted by the City Council this 15th day of April, 2025.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

EXHIBIT “A”

Section 9103.16 of the Development Code, Inclusionary Housing Ordinance

Section 9103.16 – Inclusionary Housing

Subsections:

- 9103.16.010 Purpose and Intent
- 9103.16.020 Applicability
- 9103.16.030 Definitions
- 9103.16.040 Affordable Unit Requirements
- 9103.16.050 Alternatives
- 9103.16.060 Incentives
- 9103.16.070 Exemptions
- 9103.16.080 Standards and Procedures
- 9103.16.090 Affordable Housing Plan and Agreement
- 9103.16.100 Enforcement
- 9103.16.110 Affordable Housing Trust Fund

9103.16.010 Purpose and Intent

The purpose of this Chapter is to require and facilitate the construction of below market-rate housing to provide a variety of housing types and opportunities for extremely low, very low, low- and moderate-income households in Arcadia. The goal of this Chapter is to expand the affordable housing stock in proportion with the overall increase in residential units by establishing standards and procedures that encourage the development of extremely low to moderate-income housing and to assist in meeting the City's regional share of housing needs and implementing the goals and objectives of the general plan, including the Housing Element and any applicable specific plans.

9103.16.020 Applicability

- A. The requirements of this Chapter shall apply to any new mixed-use or multi-family development project or condominium conversion projects comprised of ten or more dwelling units. All affordable units required by this Chapter shall be sold or rented in compliance with this Chapter.
- B. The total number of dwelling units shall be used to determine applicability for multi-phased residential projects and any development project that is comprised of less than ten dwelling units but appears to be a part of a larger residential project.

9103.16.030 Definitions

Adjusted for Household Size Appropriate for Unit. A household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, five persons in the case of a four-bedroom unit, six persons in the case of a five-bedroom unit, and seven persons in the case of a six-bedroom unit.

Affordable Housing Costs. The maximum costs that can be paid by a qualifying household based on the requirements imposed by California Health and Safety Code Section 50052.5 for owner-occupied housing, and the affordable rent for rental units as defined by California Health and Safety Code Section 50053, as applicable.

Affordable Housing Trust Fund. Any in-lieu fees or equity share payment collected as a result of requirements of this Chapter shall be deposited in the City's Affordable Housing Trust Fund to be used exclusively to develop and retain the supply of housing affordable to extremely low, very low, low, and moderate-income households.

Affordable Unit. A dwelling unit that will be offered for sale or rent to an extremely low-income household, a very low-income household, a low-income household, or a moderate-income household, at an affordable housing cost, in compliance with this Chapter.

Area Median Income (AMI). The annual median gross income adjusted for household size in Los Angeles County as determined by the United States Department of Housing and Urban Development (HUD) and published by the California Department of Housing & Community Development (HCD), in the California Code of Regulations, Title 25, Section 6932.

Condominium Conversion. Converting an existing market rate condominium and apartments into affordable housing. Converted condominiums and apartments shall be offered for sale or rent to an extremely low-income household, a very low-income household, a low-income household, moderate-income household, or workforce household at an affordable housing cost, in compliance with this Chapter.

Density Bonus. As defined in California Government Code Section 65915 et seq.

Equity Share Agreement. An agreement by which appreciation on the value of an inclusionary unit from the time of the original purchase at an affordable price to the time of resale shall be shared between the purchaser of the inclusionary unit and the City. Such an agreement shall be a condition of sale of the inclusionary unit.

Low-Income Household. As published and periodically updated by HCD pursuant to Health and Safety Code Section 50079.5.

Market Rate Unit. Dwelling unit in a residential development that can be purchased or rented at market rates. These units are not considered to be affordable units.

Moderate-Income Household. As published and periodically updated by HCD pursuant to Health and Safety Code Section 50093.

Offsite Construction. The development of required number of affordable units at a site different than the site of the residential project.

Phasing Plan. A detailed plan provided by a developer that outlines each segment or phase of construction including housing units and site improvements to be developed in a new residential project.

Residential Project. A subdivision, a development project, and/or a condominium conversion project resulting in the creation of ten (10) or more residential lots or ten (10) or more residential dwelling units.

Rehabilitation. Improvement of a unit in substandard condition to a decent, safe, and sanitary level. Units are in substandard condition when, while they may be structurally sound, they do not provide safe and adequate shelter, and in their present condition endanger the health, safety, or well-being of the occupants.

Total Housing Costs. The total monthly or annual recurring expenses required of a household to obtain shelter. For a rental unit, total housing costs shall include the monthly rent payment and utilities paid by the tenant (excluding telephone and television). For an ownership unit, total housing costs shall include the mortgage payment (principal and interest), insurance, homeowners' association dues (if applicable), private mortgage insurance (if applicable), taxes, maintenance costs, and utilities.

Very Low-Income Household. As published and periodically updated by HCD pursuant to Health and Safety Code Section 50105.

9103.16.040 Inclusionary Unit Requirement

- A. The commonly used income categories are approximately as follows, as published and periodically updated by HCD pursuant to Health and Safety Code Sections 50105, 50079.5, and 50093, respectively. Income categories are subject to variations for household size and other factors:
 - Very low income: 30% to 50% of AMI
 - Low income: 50% to 80% of AMI
 - Moderate income: 80% to 120% of AMI
- B. All residential projects subject to requirements of this Chapter shall provide affordable units as shown in Table 3-18.

Table 3-18 Affordable Unit Requirements for Residential Projects	
Total Percentage of Affordable Units Required (minimum) ⁽¹⁾	Minimum Affordability Level of Required Units
Ownership Units	
5%	All required affordable units shall be sold to moderate-income households, at a cost affordable to such household.
Rental Units	
9%	All required affordable units shall be rented to very low-income households, at a cost affordable to such household.
11%	At least 5% of the total number of units in the residential project shall be rented to very low-income households, at a cost affordable to such household. The remaining 6% shall be rented to low-income households, at a cost affordable to such household.
14%	At least 14% of the total number of units in the residential project shall be rented to low-income households, at a cost affordable to such household.
20%	All required affordable units shall be rented to moderate-income households, at a cost affordable to such household.

Notes:

(1) of the total number of units in the residential project.

- C. An applicant may request to deviate from the number and affordability level provisions required by this Chapter if the proposed deviation provides the same or greater level of affordability required and the same or greater number of affordable units required by this Chapter. Such request requires an approval of the Director subject to the provisions of Section 9103.16.040 of this Chapter.
- D. When a residential development includes both ownership and rental units, the provisions of this Chapter that apply to ownership residential development shall apply to that portion of the development that consists of ownership dwelling units, while the provisions of this Chapter that apply to rental residential development shall apply to that portion of the development that consists of rental dwelling units.
- E. Affordable units required by this Chapter can be used to qualify for a density bonus under California Government Code Section 65915 (State Density Bonus).
- F. Notwithstanding any other provision of this Chapter, any residential project subject to this Chapter that results in the displacement of existing affordable unit(s) shall be required to replace each displaced affordable unit at the same or greater level of affordability of the existing unit, in addition to providing the number of affordable units required by this Chapter.

9103.16.050 Alternatives

An applicant may also satisfy the requirements of this Chapter through one of the following alternatives:

- A. **Offsite Construction.** An applicant may satisfy the requirements of this Chapter by developing the required number of affordable units at a site different than the site of the residential project. An applicant may develop the affordable units required by this Chapter if they satisfy the following conditions:
 1. The number of units to be developed offsite shall be consistent with the requirements of this Chapter.
 2. Offsite affordable units shall contain the same number of bedrooms, square footage, overall unit mix, appearance, finished quality, materials, and distribution as the non-affordable units in the project.
 3. Offsite affordable units shall be developed concurrently with the main project and certificate of occupancy will be contingent on final approval and inspection of the affordable units.
 4. Offsite affordable units shall be located within the City.
 5. Offsite affordable units shall be subject to the same requirements, standards, and procedures as onsite affordable units.

B. In-Lieu Fees.

1. Ownership Units. Applicants with development proposals of ten (10) or more units may choose to comply with the requirements of this Chapter through payment of a fee, in-lieu of providing the required affordable units on site.
2. Rental Units. Applicants with development proposals between ten (10) and twenty (20) units may choose to comply with the requirements of this Chapter through payment of a fee, in-lieu of providing the required affordable units on site. Applicants with development proposals greater than twenty (20) units must comply with the requirements of this Chapter by providing the required affordable units on- or off-site.
3. The amount of the fee shall be calculated using the fee schedule established by resolution of the City Council.
4. One-half of the in-lieu fees shall be paid prior to the issuance of a building permit for the project with the remaining fees due prior to the issuance of a certificate of occupancy.
5. Any fractional unit resulting from the calculation of the inclusionary requirement referenced in this Chapter will be rounded up to the next whole number or the developer may elect to pay the appropriate in-lieu fee for the fractional unit.
6. Fees collected in-lieu of developing affordable units pursuant to this Chapter shall be placed in the City's Affordable Housing Trust Fund.

9103.16.060 Incentives

- A. An applicant that meets the requirements of this Chapter may request the incentives identified in Table 3-19 below. The number of incentives provided shall be at the City's discretion.

Table 3-19 Types of Incentives and Review Authority		
Incentives	Review Authority	Special Provisions
Streamlined Entitlement Plan Check Review and Building Plan Check Review	Director	May also include pre-application meetings.
Deferral of Developer Impact Fee Payments	Director	Such deferred impact fees shall be fully paid prior to the issuance of a certificate of occupancy.
Partial or full waiver of building permit fees	Director	-
Partial or full waiver of required development fees	Planning Commission	-
Reasonable alternatives	Planning Commission	City Council approval required if the requested alternative has budgetary implication to the City

- B. If the residential project subject to this Chapter is also utilizing State Density Bonus provisions, such project is eligible to request the number and types of incentives allowed in this Chapter and by State Density Bonus provisions.
- C. At the discretion of the City Council, the City may offer a financial incentive using funds from the Affordable Housing Trust Fund.

9103.16.070 Exemptions

The provisions of this Chapter shall not apply to the following:

- A. Residential developments with nine (9) or fewer units.
- B. Residential projects that obtain entitlement approvals prior to the adoption of this Chapter.
- C. Reconstruction of structures which have been damaged by fire, flood, wind, earthquake, or other unforeseen force, as determined by the Director or designee.

- D. Residential projects that are exempt from this Chapter by State law.
- E. Units approved as accessory dwelling units or junior accessory dwelling units.

9103.16.080 Standards and Procedures

The applicant of a project subject to the provisions of this Chapter must submit an Affordable Housing Plan which shall indicate the scheduling and phasing of construction of the required affordable units. The Affordable Housing Plan requirements can be found in Section 9103.16.090. Additionally, projects pursuant to this Chapter must comply with the following standards.

- A. All affordable units in a residential project or phases of a residential project shall be constructed prior to the issuance of a certificate of occupancy for the project or phase of the project
- B. All affordable units shall be reasonably dispersed throughout the project site unless approval for an off-site location has been granted.
- C. The affordable units shall contain the same number of bedrooms and bedroom size as the market rate units in the project. The unit mix for bedroom count shall be proportional to the unit mix of market rate units in the project.
- D. The materials and finished quality of the affordable units shall be comparable with the market rate units.
- E. Affordable units shall have the same access to amenities as the market-rate units, including common spaces, parking, laundry rooms, fitness centers, and other facilities in the residential development.
- F. Affordable units required under this Chapter shall be retained as affordable units as follows:
 - 1. For sale units: Cumulative forty-five (45) years or until sold or transferred with an equity share, whichever occurs first.
 - 2. Rental units: Cumulative fifty-five (55) years.
- G. The affordability period begins upon the initial sale or rental of the unit.
- H. An equity share agreement for any inclusionary units that are for-sale shall be in a form approved by the Director and City Attorney in conformance with this chapter.

9103.16.090 Affordable Housing Plan and Agreement

- A. Affordable Housing Plan.
 - 1. An application for a residential development shall include an Affordable Housing Plan describing how the development will comply with the provisions of this Chapter. The Director or their designee is the reviewing authority for reviewing and approving an Affordable Housing Plan. No application for a residential development may be deemed complete unless an Affordable Housing Plan is submitted in conformance with this Chapter. The City has the ability to attach conditions of approval to an Affordable Housing Plan, if determined necessary.
 - 2. An approved Affordable Housing Plan may be amended prior to issuance of any building permit for the residential development or project phase. A request for a minor modification may be granted by the Director or their designee if the modification is in substantial compliance with the original Affordable Housing Plan and conditions of approval. If significant modifications are requested, a new Affordable Housing Plan may be required.
 - 3. An Affordable Housing Plan shall include, but not be limited to, the following:
 - a. The number of affordable units proposed, with calculations;
 - b. The proposed location of the affordable units;

- c. Level of affordability for affordable units;
- d. The unit square footage, and number of bedrooms for market rate and affordable units and tenure (ownership or rental);
- e. Amenities and services provided, such as common spaces, parking, laundry rooms, fitness centers, and other facilities in the residential development;
- f. Construction schedule for all units;
- g. Alternatives requested, if applicable;
- h. Incentives requested, if applicable; and
- i. Evidence to justify any requested alternative or incentive, if applicable.

B. Affordable Housing Agreement.

- 1. An applicant shall enter into an Affordable Housing Agreement with the City. The Affordable Housing Agreement shall be approved by the City Attorney, and executed by the City Manager or their designee, to ensure that all the requirements of this Chapter are satisfied. The Affordable Housing Agreement shall be recorded against the residential development prior to final subdivision map approval, or, where a subdivision map is not being processed, prior to issuance of any building permits, with the exception of demolition permits for such parcels or units. The agreement shall be recorded with the office of the Los Angeles County Recorder. The Affordable Housing Agreement shall be binding on the applicant and all future owners and successors in interest thereof.
- 2. The Affordable Housing Agreement shall include all information requested in the Affordable Housing Plan and any other provisions necessary to ensure that the requirements of this Chapter are satisfied.
- 3. The Affordable Housing Agreement shall include the procedures for income verification of potential purchasers or renters.

9103.16.100 Enforcement

- A. The Director, or their designee, may suspend, revoke, or deny any building permit or other approval upon finding a violation of any provision of this Chapter. The provisions of this Chapter shall apply to all owners, agents, and successors of an applicant proposing a project. No entitlement approval, grading permit, building permit or certificate of occupancy shall be issued if it is found in noncompliance with the provisions of this Chapter.
- B. Any individual or entity who sells or rents an affordable unit in violation of the provisions of this Chapter shall be required to forfeit all monetary gains obtained through noncompliance. Recovered funds shall be deposited into the Affordable Housing Trust Fund.
- C. The City may use any appropriate legal actions or proceedings necessary to ensure compliance with this Chapter, including but not limited to:
 - 1. Actions to revoke, suspend, or deny any grading permit, building permit, certificate of occupancy, or discretionary approval.
 - 2. Any other action, civil or criminal, authorized by law or by any regulatory document, restriction, or agreement in this Chapter.
- D. The City shall be entitled to recover its reasonable attorney's fees and costs.

9103.16.110 Inclusionary Housing Trust Fund

Any in-lieu fees or equity share payment collected as a result of requirements of this Chapter shall be deposited in the City's Affordable Housing Trust Fund to be used exclusively to develop and retain the supply of housing affordable to extremely low, very low, low, and moderate-income households. The City shall provide ongoing implementation programs utilizing funds deposited in the Affordable Housing Trust Fund for the benefit of extremely low, very low, low, and moderate-income households.

Attachment No. 2

Resolution No. 7621, In-Lieu Development
Fee

RESOLUTION NO. 7621

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, ESTABLISHING AN INCLUSIONARY HOUSING IN-LIEU DEVELOPMENT FEE AS AN ALTERNATIVE TO PROVIDING AFFORDABLE HOUSING UNITS REQUIRED BY THE INCLUSIONARY HOUSING ORDINANCE; AND FINDING THAT THIS RESOLUTION IS EXEMPT FROM THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (“CEQA”)

WHEREAS, the Development Services Department has initiated Text Amendment No. TA 25-01 to add a new Inclusionary Housing Ordinance as Section 9103.16 to Article IX, Chapter 1 of the Arcadia Municipal Code (referred to as “Text Amendment”); and

WHEREAS, California State Housing Element Law establishes the requirements for Housing Elements and California Government Code Section 65588 requires that local government review and revise the Housing Element of their comprehensive General Plans not less than once every eight years. Additionally, the California State Legislature identifies overall housing goals for the State with the goal of ensuring every resident has access to housing and suitable living environments; and

WHEREAS, the updated Housing Element was adopted by City Council on February 15, 2022, and again, at the request of the State Department of Housing and Community Development, on November 1, 2022, and

WHEREAS, the City is required to implement actions and policies within the approved and certified Housing Element, including the provision of affordable housing, and compliance with the Regional Housing Needs Allocation (“RHNA”) for the City of Arcadia; and

WHEREAS, the proposed Inclusionary Housing Ordinance (City Council Ordinance No. 2402) meets the requirements of California State housing law by providing

alternatives to the provision of affordable units within housing projects, including the establishment of an Inclusionary Housing In-Lieu Development Fee as shown in Exhibit “A” of this Resolution; and

WHEREAS, based on an Inclusionary Housing In-Lieu Fee Analysis conducted by Keyser Marston Associates, Inc., the fees set forth in this Resolution are necessary for the purposes set forth in this Resolution. Said fees are based on an in-depth analysis of development costs within the City of Arcadia, and the proposed fees are deemed to be fair and reasonable as an alternative to providing affordable housing units; and

WHEREAS, on April 1, 2025, the City Council held a duly noticed public hearing concerning the Text Amendment, at which time all interested persons were given full opportunity to be heard and to present evidence.

NOW, THEREFORE, the City Council of the City of Arcadia does hereby resolve as follows:

SECTION 1. The establishment and/or adjustment of fees is statutorily exempt from the California Environmental Quality Act (“CEQA”), pursuant to Section 15273 of the CEQA Guidelines (Sections 21080(b)(8) and 21082, Public Resources Code).

SECTION 2. The City Council hereby adopts the Inclusionary Housing In-Lieu Development Fee, based on the square footage of leasable and/or saleable area in the Development, attached hereto as Exhibit “A”.

SECTION 3. The City Council directs that the Inclusionary Housing In-Lieu Development Fee be evaluated annually to ensure the fee is appropriate and consistent with the cost of development, and that recommended modifications to the fee be proposed to the City Council as necessary.

SECTION 4. The Inclusionary Housing In-Lieu Development Fee will be imposed and collected as of the effective date of the Inclusionary Housing Ordinance (Ordinance No. 2402), May 15, 2025.

SECTION 5. The City Clerk shall certify the adoption of this Resolution.

Passed, approved and adopted this 1st of April, 2025.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

EXHIBIT “A”
INCLUSIONARY HOUSING
IN-LIEU DEVELOPMENT FEE

BASE IN-LIEU PAYMENT AMOUNTS

Recommended Base In-Lieu Fee Payment Amounts Residential Developments with 20 or More Units Affordability Gap Analyses	
Apartment Development	
Per Inclusionary Unit	\$403,000
Per Square Foot of Total Leasable Area in the Development	\$43.80
Ownership Housing Development	
Per Inclusionary Unit	\$701,300
Per Square Foot of Total Saleable Area in the Development	\$23.30

DISCOUNTED IN-LIEU FEE SCHEDULES

Recommended Discounted In-Lieu Fee Schedules Measured Per Square Foot of Leasable or Saleable Area in the Residential Development		
Number of Units	Apartment Development	Ownership Housing Development
10	\$3.98	\$2.12
11	\$7.96	\$4.24
12	\$11.95	\$6.35
13	\$15.93	\$8.47
14	\$19.91	\$10.59
15	\$23.89	\$12.71
16	\$27.87	\$14.83
17	\$31.85	\$16.95
18	\$35.84	\$19.06
19	\$39.82	\$21.18
20+	\$43.80	\$23.30

FRACTIONAL IN-LIEU FEE SCHEDULES

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Leasable Area of One Unit in an Apartment Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Apartment Development
0.10	\$50.00	\$40,310
0.20	\$100.00	\$80,620
0.30	\$150.00	\$120,930
0.40	\$200.00	\$161,230
0.50	\$250.00	\$201,540
0.60	\$299.90	\$241,770
0.70	\$349.90	\$282,080
0.80	\$399.90	\$322,390
0.90	\$449.90	\$362,700
1.00	\$499.90	\$403,000

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Saleable Area of One Unit in an Ownership Housing Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Ownership Housing Development
0.10	\$47.80	\$70,100
0.20	\$95.70	\$140,300
0.30	\$143.50	\$210,400
0.40	\$191.40	\$280,600
0.50	\$239.20	\$350,600
0.60	\$287.00	\$420,700
0.70	\$334.90	\$490,900
0.80	\$382.70	\$561,000
0.90	\$430.60	\$631,200
1.00	\$478.40	\$701,300

Attachment No. 3

Financial Evaluation for Inclusionary
Housing, dated February 18, 2025



KEYSER MARSTON ASSOCIATES

**INCLUSIONARY HOUSING:
FINANCIAL EVALUATION**

Prepared for:

City of Arcadia

Prepared by:

Keyser Marston Associates, Inc.

February 18, 2025

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ATTACHMENTS

Attachment 1: Inclusionary Housing Program Surveys

Attachment 2: Property Sales Surveys

Appendix A: Vacant Land Sales

Appendix B: Sales of Improved Properties

Attachment 3: Affordable Housing Cost Calculation Methodologies

Appendix A: Affordable Rent Calculation Methodology

Appendix B: Affordable Sales Price Calculation Methodology

Attachment 4: Apartment Development

Appendix A: Rent Survey

Appendix B: Affordable Rent Calculations

Appendix C: Pro Forma Analyses – DMU Site – Large Development

Appendix D: Pro Forma Analyses – DMU Site – Small Development

Appendix E: Pro Forma Analyses – Las Tunas / Live Oak Corridor

Attachment 5: Ownership Housing Development

Appendix A: Home Sales Survey

Appendix B: Affordable Sales Price Calculations

Appendix C: Pro Forma Analyses – DMU Site: 64 Units/Acre Townhomes & Flats

Appendix D: Pro Forma Analyses – R-3 Upzone Site: 40 Units/Acre Townhomes & Flats

Appendix E: Pro Forma Analyses – C-G Residential Flex: 25 Units/Acre Townhomes

I. EXECUTIVE SUMMARY

A. Background

The City of Arcadia (City) received California Department of Housing and Community Development (HCD) approval of its Sixth Cycle Housing Element (Housing Element) on February 9, 2024.¹ This approval was based in part on the fact that the City completed rezoning activities that make adequate sites available pursuant to California Government Code Section 65583.2 (h) and (i).

As part of the Housing Element adoption process the City began evaluating the potential for creating an Inclusionary Housing program to assist in fulfilling a portion of the established Regional Housing Needs Assessment (RHNA) goals. To that end the City engaged Keyser Marston Associates, Inc. (KMA) to prepare an Inclusionary Housing: Financial Evaluation (Financial Evaluation) to assess the viability of an Inclusionary Housing program. KMA submitted a draft Financial Evaluation to the City on September 26, 2023. The following Financial Evaluation report provides an update to the 2023 report.

By way of background, over the past 20+ years the KMA Los Angeles office has assisted 40 jurisdictions in the Inclusionary Housing program adoption and updating processes. KMA's analyses reflect a real world perspective based on the firm's core experience in real estate development economics, real estate transactions, and developer negotiations services.

The KMA Financial Evaluation identifies supportable Inclusionary Housing program requirements for apartment and ownership housing developments. The fundamental purpose is to identify Inclusionary Housing requirements that balance the interests of property owners and developers against the City's need for affordable housing. The KMA evaluation methodology has been continually evolving over time. Each study is tailored to reflect the specific characteristics of the jurisdiction being evaluated.

¹ The Housing Element covers the period between 2021 and 2029.

B. Public Policy Objectives

Inclusionary Housing programs are subject to both statutory parameters imposed by the State Legislature and the rulings in the court cases that have challenged Inclusionary Housing programs over the past 30+ years. These statutes and court rulings are described in Section II of this Financial Evaluation. It is important to understand the constraints and opportunities that are created by these statutes and court rulings.

C. Inclusionary Housing Program Design

In 2015, the California Supreme Court ruled in *California Building Industry Association v. City of San Jose*, 61 Cal 4th 435 (*San Jose*) that Inclusionary Housing programs should be viewed as use restrictions that are a valid exercise of a jurisdiction's zoning powers. However, the *San Jose* ruling also imposed the following limitations on the requirements that jurisdictions can impose:

1. Inclusionary Housing requirements cannot be confiscatory; and
2. Inclusionary Housing requirements cannot deprive a property owner of a fair and reasonable return on their investment.

The court did not provide criteria under which jurisdictions can evaluate these limitations. As a result, each jurisdiction is left to create an evaluation methodology that balances the interests of property owners, developers and the jurisdiction's need for affordable housing. It is KMA's practice to take a conservative approach in evaluating potential requirements in order to comport with the court's ruling.

The first step in designing an Inclusionary Housing program is to identify the factors that will be considered in defining the program's goals. The characteristics of the unmet need for affordable housing in the community are commonly assessed for this purpose. The Financial Evaluation uses information presented in the Housing Element for this purpose.

D. Financial Analyses

In analyzing the potential for adopting an Inclusionary Housing program, the Financial Evaluation considers the following:

1. Zoning code amendments that were enacted in defined areas within Arcadia. The Financial Evaluation analyzes the impact the amended standards could potentially have on the values supported by the impacted properties.
2. An Inclusionary Housing Ordinance establishes affordable housing obligations that will be imposed on residential development. The Financial Evaluation estimates the difference between the achievable market rate rent or sales price and the allowable rent or sales price for each “Inclusionary Unit”. This difference is called the “Affordability Gap”.

Based on a review of the Housing Element and the current projects listed on the City’s Development Services webpage, KMA created prototype apartment and ownership housing developments. The apartment prototypes are described in the following table:

Project Descriptions Apartment Development Prototypes					
Area / Existing Use	Site Area (Acres)	Total Units	Density (Units/Acre)	Number of Stories	Parking Spaces Per Unit
DMU Site - Large Development Improved Commercial Site	2.50	200	80	6	1.71
DMU Site - Small Development Improved Commercial Site	0.75	48	64	6	1.83
Las Tunas / Live Oak Corridor Vacant Residential Land	1.00	60	60	4	2.50

The ownership prototypes are described in the following table:

Project Descriptions Ownership Housing Development Prototypes					
Area / Existing Use	Site Area (Acres)	Total Units	Density (Units/Acre)	Bedroom Mix	Parking Spaces Per Unit
DMU Site Improved Commercial Site	1.50	96	64	2 & 3	1.83
R-3 Upzone Site Improved Apartment Site	0.60	24	40	2 - 4	2.50
C-G Residential Flex Vacant C-G Land	1.75	44	25	3 & 4	2.50

The apartment and ownership housing development prototypes were used to evaluate the impacts associated with the following development characteristics:

1. Site size;
2. Achievable density;
3. Maximum allowable height;
4. Parking requirements; and
5. Value of the development site:
 - a. The value supported prior to any amendment to the zoning code standards; and
 - b. The value created by the amendment to the zoning code standards.

The Financial Evaluation methodology can be described as follows:

1. KMA undertook market surveys to compile information pertaining to:
 - a. Land and improved property sales values;
 - b. Common densities of apartment and ownership housing developments;

- c. Unit mixes in apartment and ownership housing developments; and
 - d. Apartment rents and ownership housing sales prices.
- 2. The Housing Element identified density and height standards that would be appropriate for application in the various rezoning areas. The impacts created by the application of the California Government Code Section 65915 et seq. (Section 65915) density bonus were also considered in creating the standards applied in this Financial Evaluation.
- 3. KMA prepared pro forma analyses to determine the following:
 - a. The land value supported by a 100% market rate apartment or ownership housing development.
 - b. The magnitude of the value enhancement created by the identified modifications to the zoning code standards.
 - c. The share of the value enhancement that can reasonably be committed to the provision of “Inclusionary Units” within a market rate residential development.

The Financial Evaluation is meant to assist the City in creating an Inclusionary Housing program that provides sufficient incentives and benefits to offset the impacts created by the affordable housing requirements being imposed. By definition, a program that is set up in this manner is not confiscatory and it does not deprive property owners of a fair and reasonable return on their investment.

E. Preliminary Recommendations

APARTMENT DEVELOPMENT

KMA concluded that the City could reasonably allow apartment developers to select from the following Inclusionary Housing production options:

Recommended Inclusionary Housing Production Options Apartment Development	
Income Categories	Total Obligation
Very Low Income Only	9%
Low Income Only	14%
Low & Very Low Income	6% + 5% = 11%
Moderate Income Only	20%

OWNERSHIP HOUSING DEVELOPMENT

The KMA analysis of ownership housing developments identified Affordability Gaps that range from \$549,000 to \$1.01 million per moderate income unit. Given the magnitude of the gaps, the supportable affordable housing requirements are limited. The results of the KMA analysis are summarized in the following table:

Supportable Inclusionary Housing Requirements Ownership Housing Development	
Area	Moderate Income Units
DMU Site	5.2%
R-3 Upzone Site	4.8%
C-G Residential Flex	9.7%

it is KMA's recommendation that developers be permitted to pay a fee in lieu of producing affordable ownership housing units. However, if the City chooses to impose an affordable housing production requirement on ownership housing development, KMA recommends that it be set at no higher than a 5% moderate income requirement.

PROGRAM RECOMMENDATIONS

Based on the results of the Financial Evaluation, and in consultation with City staff, KMA recommends that the following program requirements be enacted:

1. Projects that consist of 10 or more units should be subject to the Inclusionary Housing program requirements.
2. The following income and affordability covenant periods should be established:
 - a. Inclusionary Housing apartment units should be required to remain in place for as long as the property is developed with a residential use, but for not less than a 55 year period.
 - b. The covenant period for Inclusionary Housing ownership housing units should be set at one cumulative 45-year period.
3. The following alternative means of fulfilling the Inclusionary Housing obligations should be considered:
 - a. In-lieu fee payments should be allowed in the following situations:
 - i. An in-lieu fee should be allowed to be paid for any fraction of an Inclusionary Unit that results from the production calculations.
 - ii. Inclusionary Housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. KMA recommends that an in-lieu fee payment be allowed by right for apartment developments that consist of between 10 and 20 units.
 - iii. Ownership housing developments of any size should be provided with the option to pay a fee in lieu of producing affordable units.

- iv. An in-lieu fee option should be provided to any project where the developer can prove that the imposition of the Inclusionary Housing requirements creates an extreme financial hardship.
- b. Off-Site Production of Inclusionary Units:
 - i. KMA recommends that the developers of ownership housing developments be allowed to fulfill the Inclusionary Housing obligation in an off-site location.
 - ii. KMA does not recommend that an off-site production option be offered as a fulfillment alternative for apartment developments. It is our opinion that, from a public policy perspective, it is better to integrate market rate and affordable rental units into the same project.
- c. The City will not receive Regional Housing Needs Assessment (RHNA) credit for the acquisition and rehabilitation of existing units. As such, KMA recommends against the City allowing acquisition and rehabilitation projects to be used to fulfill Inclusionary Housing program requirements.

II. INCLUSIONARY HOUSING PROGRAM CHARACTERISTICS

A. Survey of Existing Inclusionary Housing Programs

Nearly 200 jurisdictions in California currently include an Inclusionary Housing program as a component in their overall affordable housing strategy. While the unifying foundation of these programs is the objective to attract affordable housing development, the characteristics of these programs vary widely from jurisdiction-to-jurisdiction.

To assist the City in evaluating options for creating an Inclusionary Housing program it is useful to identify the elements that are typically included in programs being implemented in California jurisdictions. To that end, KMA compiled information on 105 Inclusionary Housing programs being implemented throughout California. The survey is presented in Attachment 1.

The survey results can be summarized as follows:

1. In California, the majority of Inclusionary Housing programs include a threshold project size below which projects are not subject to the Inclusionary Housing requirements. Common thresholds found in the survey fall between three and 10 units, with a five unit median threshold and a seven unit average threshold.
2. The income and affordability standards imposed by Inclusionary Housing programs vary widely throughout California. The majority of programs have established standards in the range of 10% to 20% of the units in projects that will be subject to the requirements. However, the following policy variations are commonly found:
 - a. The threshold standards are varied as a reflection of the depth of the affordability being required.
 - b. Inclusionary Housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. As shown in the survey, a sliding scale requirement is sometimes used to mitigate these impacts.

- c. The length of the covenant period imposed on Inclusionary Units varies from jurisdiction-to-jurisdiction. California Health and Safety Code (H&SC) Section 33413 applies covenant periods of 55 years for apartment units and 45 years for ownership housing units. These standards are commonly used, but both shorter and longer covenant periods are imposed throughout the Inclusionary Housing programs in California.

Inclusionary Housing programs focus on the production of affordable housing units by imposing specific affordable housing requirements on new development. However, an option for projects to pay a fee in lieu of producing affordable units effectively allows resources to be transferred to developers that have experience in constructing affordable housing projects. This is advantageous for the following reasons:

1. Affordable housing developers have specific expertise in the development and operation of affordable housing projects.
2. Dedicated affordable housing projects have access to state and federal funding sources that are not available to market rate projects. These funding sources provide a more cost-efficient way to achieve deeper affordability than can be supported by an Inclusionary Housing requirement. A representative sample of programs that are targeted to dedicated affordable housing projects are:
 - a. Funds allocated to the City by HCD under the Permanent Local Housing Allocation (PLHA) for Senate Bill 2 (Chapter 364, Statutes of 2017);
 - b. County funding sources and the Section 8 rental assistance program;
 - c. State funding sources such as the Infill Infrastructure Grant (IIG), the Multifamily Housing Program (MHP), the Middle Income Program (MIP), the Affordable Housing and Sustainable Communities (AHSC) Program, and Project Homekey; and
 - d. Federal and state Low-Income Housing Tax Credits (Tax Credits) offered under Internal Revenue Code Section 42.

B. State Density Bonus and Inclusionary Housing Requirements

A tool that is commonly used to reduce the financial impact created by the imposition of Inclusionary Housing requirements is the Section 65915 density bonus. The City has complied with the statutory requirement to adopt an ordinance that specifies how it will comply with the State mandated density bonus requirements.

In July 2013, the First District Court of Appeal held that jurisdictions must agree to count the affordable units used to fulfill Section 65915 affordable housing requirements towards the Inclusionary Housing requirements that will be imposed on a project.² Based on that ruling, a developer must be allowed to use the same affordable units to fulfill both the Inclusionary Housing requirements and the Section 65915 requirements. However, in order to exercise this option, the developer must apply the more stringent of the two programs' requirements.

C. Structuring Issues

In structuring an Inclusionary Housing program it is important to understand that the courts and the State Legislature have placed the following key limitations on the requirements that can be imposed Inclusionary Housing programs.

SAN JOSE CASE

In the *San Jose* case, the California Supreme Court ruled that Inclusionary Housing programs should be viewed as use restrictions that are a valid exercise of a jurisdiction's zoning powers. Specifically, the Court found that Inclusionary Housing requirements are a planning tool rather than an exaction. This is interpreted to mean that an in-lieu fee payment option that is included in an Inclusionary Housing program, which includes an affordable housing production requirement, is not subject to the AB 1600 nexus requirements imposed by California Government Code §66000 et seq.

While Inclusionary Housing programs are not subject to the Mitigation Fee Act, these programs must comply with the following criteria:

² *Latinos Unidos del Valle de Napa y Solano v. County of Napa*, 217 Cal. App. 4th 1160 (Napa).

1. The requirements cannot be “Confiscatory”; and
2. The requirements cannot deprive a property owner of a fair and reasonable return on their investment.

Since the court did not provide criteria under which jurisdictions can evaluate these limitations, each jurisdiction is left to create an evaluation methodology. The objective is to balance the interests of property owners, developers and the jurisdiction’s need for affordable housing. It is KMA’s practice to take a conservative approach in identifying requirements that comport with the court’s ruling.

ASSEMBLY BILL 1505

Assembly Bill (AB) 1505 amended Section 65850 of the California Government Code and added Section 65850.01. This legislation provides jurisdictions with the ability to adopt programs that impose Inclusionary Housing requirements on apartment developments.

Section 65850.01 does not place a cap on the percentage of units that can be subject to income and affordability restrictions. However, Section 65850.01(a) gives HCD the authority to review the restrictions imposed by an Inclusionary Housing program on apartment developments if it requires that more than 15% of the units to be restricted to households earning less than 80% of the area median income (AMI), and if one of the following conditions applies:

1. The jurisdiction has failed to meet at least 75% of its RHNA allocation for above moderate income units. This test is measured on a pro-rated basis over the planning period, which is set at a minimum of five years; or
2. HCD finds that the jurisdiction has not submitted their Housing Element report for at least two consecutive years.

The City has fulfilled the requirements imposed by both of the standards identified above. As such, HCD does not have authority under Section 65850.01(a) to review the Inclusionary Housing requirements the City proposes to impose on apartment development. However, in a technical guidance memorandum dated October 21, 2019,

HCD reaffirmed its authority to review Inclusionary Housing ordinances as part of its review of a jurisdiction's Housing Element.

CALIFORNIA GOVERNMENT CODE SECTION 65583(A)

California Government Code Section 65583(a) (Section 65583(a)) requires the City to analyze potential and actual constraints being placed on the development of housing. HCD has the discretion to require the City to demonstrate that the Inclusionary Housing requirements do not create a constraint to housing development.

Section 65583(a) requires the City to analyze potential and actual constraints being placed on the development of housing. Within that context, it is important to recognize that the requirements imposed by an Inclusionary Housing program can only be expected to fulfill a small portion of the unmet need for affordable housing in Arcadia.

III. METHODOLOGY

The purpose of the Financial Evaluation is to evaluate the financial feasibility of imposing Inclusionary Housing requirements on residential development in Arcadia. The financial feasibility analysis is comprised of the following steps:

A. Parameters

As the first step in the evaluation process, it is necessary to identify the parameters that will be applied in the analysis. One measurement is the RHNA, which is used as a tool in the Housing Element process. The Sixth Cycle RHNA Allocation Plan covers the period between 2021 and 2029, and the Arcadia allocations are detailed in the following table:

Sixth Cycle RHNA Allocation October 2021 through October 2029		
Income Category	Total Obligation	% of Total
Extremely Low / Very Low	1,102	34.3%
Low	570	17.7%
Moderate	605	18.8%
Above Moderate	937	29.2%
Totals	3,214	100%

Notable factors to be considered are:

1. Nearly 30% of the unmet need for affordable housing falls in the above moderate income category. Based on historical development patterns it can be assumed that these units will be produced by market rate developers without City intervention.
2. Outside financial assistance sources are widely available to affordable housing projects targeted to extremely low and very low income households. There are numerous nonprofit housing organizations in the region that have experience obtaining these funding sources.

3. There are a limited number of outside funding available to assist low income units and effectively no outside funding sources available to assist moderate income units.

For these reasons it is KMA’s opinion that the Inclusionary Housing Program should focus on attracting development that serves households at the low and moderate income levels. In addition, the Inclusionary Housing program should balance the interests of property owners and developers against the public benefit created by the production of affordable housing units.

B. Program Foundation

The courts have held that affordable housing is a “public benefit,” and that locally imposed Inclusionary Housing programs are a legitimate means of providing this public benefit. The courts have tempered this with the requirement that the Inclusionary Housing obligations cannot be confiscatory, and they cannot deprive a property owner of a fair and reasonable return on their investment.

Recognizing that the courts have not provided guidance for determining how these limitations should be measured, it is left to the City to create a methodology for evaluating the financial impacts created by proposed Inclusionary Housing requirements. It is the City’s goal to create an Inclusionary Housing program that provides meaningful incentives and benefits that will encourage developers to produce affordable housing units.

C. Financial Evaluation Structure

The KMA financial analyses components are described in the following sections of this report.

DEVELOPMENT PROTOTYPES

KMA reviewed the Housing Element and compiled data pertaining to recent apartment and ownership development that has occurred in Arcadia. This information was used to create prototype residential developments to be evaluated. It is important to understand that the prototypes used in the Financial Evaluation do not represent actual projects. Instead, the

prototypes represent composites of projects that have recently been developed or proposed for development and the results of KMA market surveys.

PRO FORMA ANALYSES

KMA prepared pro forma analyses to determine the following:

1. The land value supported by a 100% market rate apartment or ownership housing development.
2. The magnitude of the value enhancement created by the modifications to the zoning code standards.
3. The share of the value enhancement that can reasonably be committed to the provision of Inclusionary Units within the residential development.

The results of the pro forma analyses were used to identify the range of Inclusionary Housing production requirements that can be supported.

D. Financial Analysis Organization

The following sections of the Financial Evaluation describe the assumptions, analysis and findings related to apartment and ownership housing developments. The analyses are supported by the following Attachments:

Financial Analysis Organization	
Attachment 2:	Property Sales Surveys
Attachment 3:	Affordable Housing Cost Calculation Methodologies
Attachment 4:	Apartment Development
Attachment 5:	Ownership Housing Development

IV. APARTMENT DEVELOPMENT ANALYSIS

KMA created three prototype apartment development scenarios that were used to evaluate the impacts created by variations in site sizes and densities of the project types anticipated to be developed in Arcadia. The characteristics of the apartment development prototypes are described in the following table:

Project Descriptions Apartment Development Prototypes					
Area / Existing Use	Site Area (Acres)	Total Units	Density (Units/Acre)	Number of Stories	Parking Spaces Per Unit
DMU Site - Large Development Improved Commercial Site	2.50	200	80	6	1.71
DMU Site - Small Development Improved Commercial Site	0.75	48	64	6	1.83
Las Tunas / Live Oak Corridor Vacant Residential Land	1.00	60	60	4	2.50

A. Pro Forma Organization and Assumptions

MARKET RATE SCENARIOS

The 100% market rate apartment development prototypes are used to estimate the value enhancement created by the proposed changes to the zoning code in the rezoning areas. The pro forma analyses are organized as follows:

Pro Forma Analysis - 100% Market Rate Scenario Apartment Development Prototypes	
Table 1:	Estimated Construction Costs
Table 2:	Estimated Stabilized Net Operating Income
Table 3:	Estimated Residual Land Value
Table 4:	Target Residual Land Value Analysis

AFFORDABLE HOUSING SCENARIOS

To assist in establishing the Inclusionary Housing production requirements that can be supported, KMA created the following affordability scenarios:

1. A low income scenario;
2. A very low income scenario;
3. A scenario that includes a mix of low and very low income units;
4. A moderate income scenario; and
5. A Section 65915 density bonus scenario.

KMA prepared sensitivity analyses for each scenario to identify the percentage of affordable housing units that could be supported by the enhanced value created by the zoning code modifications. The pro forma analyses for the affordable housing scenarios are organized as follows:

Pro Forma Analysis – Affordable Housing Scenarios Apartment Development Prototypes	
Table 1:	Estimated Construction Costs
Table 2:	Estimated Stabilized Net Operating Income
Table 3:	Estimated Residual Land Value

DEVELOPMENT CHARACTERISTICS

The apartment development pro forma analyses are provided in Attachment 4. The primary characteristics of the three apartment development prototypes are summarized in the following table:

Development Characteristics Apartment Development Prototypes			
	DMU Site - Large Development	DMU Site - Small Development	Las Tunas / Live Oak Corridor
Prototype Descriptions			
<u>Site Area</u>			
Square Feet	108,900	32,670	43,560
Acres	2.5	0.8	1.0
Density (Units/Acre)	80	64	60
Number of Stories	6	6	4
<u>Unit Mix</u>			
Studio Units	50		12
One-Bedroom Units	100	24	30
Two-Bedroom Units	50	24	18
Total Units	200	48	60
<u>Gross Leasable Area</u>			
Square Feet	155,000	45,600	47,700
Per Unit	775	950	795
Parking Spaces Per Unit	1.71	1.83	2.50
Estimated Construction Costs			
Total	\$74,380,000	\$20,740,000	\$25,038,000
Per Unit	\$372,000	\$432,000	\$417,000
Per Square Foot of Leasable Area	\$480	\$455	\$525
Projected Market Rents			
Studio Units	\$2,440		\$2,660
One-Bedroom Units	\$2,960	\$3,010	\$2,960
Two-Bedroom Units	\$3,900	\$3,900	\$3,540
Affordable Rents			
	Very Low Income Rents	Low Income Rents	Moderate Income Rents
Studio Units	\$768	\$1,284	\$1,800
One-Bedroom Units	\$861	\$1,450	\$2,039
Two-Bedroom Units	\$952	\$1,615	\$2,278

B. Residual Land Value Analyses: Market Rate Scenarios

The residual land value estimates generated by the pro forma analyses of the unrestricted market rate apartment prototypes are presented in the following table:

Estimated Residual Land Values 100% Market Rate Apartment Development Prototypes					
Area / Existing Use	Construction Costs			Residual Land Value	
	Total	Per Unit	Stabilized NOI	Total	Per Square Foot
DMU Site - Large Development Improved Commercial Site	\$74,380,000	\$372,000	\$4,961,000	\$24,840,000	\$228
DMU Site - Small Development Improved Commercial Site	\$20,740,000	\$432,000	\$1,360,000	\$6,460,000	\$198
Las Tunas / Live Oak Corridor Vacant Residential Land	\$25,038,000	\$417,000	\$1,494,000	\$4,842,000	\$111

C. Funds Available for Inclusionary Housing

The funds available for Inclusionary Housing are set at a percentage share of the value enhancement estimated to be achieved by the modifications to the zoning code that are being considered. The results of the analyses are presented in the following table:

Funds Available for Inclusionary Housing Apartment Development Prototypes					
Area / Existing Use	Estimated Land Value			Contribution	
	Market Rate Apartments	- Existing Use	= Value Enhancement	Percentage Share	Total Contribution
DMU Site - Large Development Improved Commercial Site	\$24,840,000	- \$12,524,000	= \$12,316,000	65%	\$8,005,000
DMU Site - Small Development Improved Commercial Site	\$6,460,000	- \$3,757,000	= \$2,703,000	65%	\$1,757,000
Las Tunas / Live Oak Corridor Vacant Residential Land	\$4,842,000	- \$4,351,000	= \$491,000	65%	\$319,000

D. Supportable Inclusionary Housing Requirements

The Inclusionary Housing requirements for apartment development that are supported by the Financial Evaluation are presented in the following tables:

Supportable Inclusionary Housing Requirements Single Income Category Analyses Apartment Development Prototypes					
Area	Very Low Income Units	OR	Low Income Units	OR	Moderate Income Units
DMU Site - Large Development	11%		15%		23%
DMU Site - Small Development	9%		14%		16%
Las Tunas / Live Oak Corridor	0%		2%		3%

Supportable Inclusionary Housing Requirements Mix of Income Categories Analyses Apartment Development Prototypes					
Area	Low Income Units	+	Very Low Income Units	=	Total Obligation
DMU Site - Large Development	7%	+	6%	=	13%
DMU Site - Small Development	6%	+	5%	=	11%
Las Tunas / Live Oak Corridor	2%	+	0%	=	2%

As can be seen in the preceding tables, the prototypes located in the Downtown Mixed Use area support significantly higher Inclusionary Housing requirements than can be supported by the Las Tunas / Live Oak Corridor prototype. The primary reason for this difference is that projects located within the Downtown Mixed Use area are subject to significantly lower parking ratio requirements than are imposed elsewhere within Arcadia.

The impact created by the parking requirements is further validated by the Section 65915 density bonus analyses that KMA prepared for each apartment development prototype. The results of the Section 65915 analyses can be summarized as follows:

1. In the Downtown Mixed Use area the use of the maximum 50% Section 65915 density bonus did not enhance the project economics sufficiently to support the requirement to allocate 15% of the base zoning units to very low income households. However, it is possible that some developers may choose to apply a

lower density bonus threshold in order to obtain the incentives, concessions and development standards waivers provided by Section 65915(d)(1) and Section 65915(e)(1).

2. The reduced parking ratios mandated by Section 65915(p) enhanced the project economics for the Las Tunas / Live Oak Corridor sufficiently to support a 15% very low income requirement. However, it is important to understand that a density bonus cannot be used efficiently on all development sites. This is particularly an issue for small development sites or for projects in which increased density would require a more expensive construction or parking type.

Based on all the factors considered in the apartment developments evaluation, KMA recommends that the City provide a menu of Inclusionary Housing production options from which developers can select. The recommended array of options is presented in the following table:

Recommended Inclusionary Housing Production Options Apartment Development	
<u>Income Categories</u>	<u>Total Obligation</u>
Very Low Income Only	9%
Low Income Only	14%
Low & Very Low Income	6% + 5% = 11%
Moderate Income Only	20%

V. OWNERSHIP HOUSING ANALYSES

Given the densities allowed in the rezoning areas, ownership housing development is anticipated to be focused on townhomes and condominiums. The characteristics of the ownership housing development prototypes are described in the following table:

Project Descriptions Ownership Housing Development Prototypes					
Area / Existing Use	Site Area (Acres)	Total Units	Density (Units/Acre)	Bedroom Mix	Parking Spaces Per Unit
DMU Site Improved Commercial Site	1.50	96	64	2 & 3	1.83
R-3 Upzone Site Improved Apartment Site	0.60	24	40	2 - 4	2.50
C-G Residential Flex Vacant C-G Land	1.75	44	25	3 & 4	2.50

A. Pro Forma Organization and Assumptions

MARKET RATE SCENARIOS

As the first step in the analysis, 100% market rate ownership development prototypes are used to estimate the value enhancement created by the proposed changes to the zoning code in the rezoning areas. The pro forma analyses are organized as follows:

Pro Forma Analysis - 100% Market Rate Scenario Ownership Housing Development Prototypes	
Table 1:	Estimated Construction Costs
Table 2:	Projected Net Sales Revenue
Table 3:	Estimated Residual Land Value
Table 4:	Value Enhancement Analysis

AFFORDABLE HOUSING SCENARIOS

The condominium / townhome sales prices identified in the KMA market survey range from a low of approximately \$710,000 for two-bedroom units to a high of approximately \$1.65 million for four-bedroom units. The cost to a developer of providing affordable units is equal to the Affordability Gap between the achievable market rate price and the defined affordable price.

For context purposes, the following table summarizes the current “Affordable Sales Prices” for moderate and low income ownership housing units:³

Affordable Sales Prices Ownership Housing Development		
	Moderate Income Units	Low Income Units
Two-Bedroom Units	\$313,200	\$135,800
Three-Bedroom Units	\$345,300	\$148,100
Four-Bedroom Units	\$366,600	\$153,700

Given the magnitude of the differences in the Affordable Sales Prices, KMA recommends that the Inclusionary Housing requirement be set at the moderate income level. This will maximize the number of affordable ownership housing units that are produced, while minimizing the Affordability Gaps between the market rate sales prices and the Affordable Sales Prices. The Affordability Gap analyses are presented in Exhibit II of Appendices C – E of Attachment 5.

DEVELOPMENT CHARACTERISTICS

The ownership housing development pro forma analyses are provided in Attachment 5. The primary characteristics of the three ownership housing development prototypes are summarized in the following table:

³ The Affordable Sales Price calculation methodology is described in Attachment 3: Appendix B and the Affordable Sales Price calculations are detailed in Attachment 5: Appendix B.

Development Characteristics Ownership Housing Development Prototypes			
	DMU Site	R-3 Upzone Site	C-G Residential Flex
Prototype Descriptions			
<u>Site Area</u>			
Square Feet	65,340	26,136	76,230
Acres	1.5	0.6	1.8
Density (Units/Acre)	64	40	25
<u>Unit Mix</u>			
Two-Bedroom Units	48	4	0
Three-Bedroom Units	48	14	22
Four-Bedroom Units	0	6	22
Total Units	96	24	44
<u>Gross Saleable Area</u>			
Square Feet	120,000	39,000	81,400
Per Unit	1,250	1,625	1,850
Parking Spaces Per Unit	1.83	2.50	2.50
Estimated Construction Costs			
Total	\$58,393,000	\$18,115,000	\$35,301,000
Per Unit	\$608,000	\$755,000	\$802,000
Per Sf of Gross Saleable Area	\$487	\$464	\$434
Projected Sales Prices			
<u>Market Rate Sales Price Per Unit</u>			
Two-Bedroom Units	\$707,000	\$836,000	
Three-Bedroom Units	\$1,049,000	\$1,199,000	\$1,274,000
Four-Bedroom Units		\$1,384,000	\$1,457,000
<u>Moderate Income Sales Prices</u>			
Two-Bedroom Units		\$313,200	
Three-Bedroom Units		\$345,300	
Four-Bedroom Units		\$366,600	
Net Revenue	\$79,652,000	\$26,870,000	\$56,778,000

B. Residual Land Value Analyses: Market Rate Scenarios

The residual land values generated by the market rate ownership housing developments are:

Estimated Residual Land Values 100% Market Rate Ownership Housing Development Prototypes					
Area / Existing Use	Construction Costs		Average Sales Price Per Unit	Residual Land Value	
	Total	Per Unit		Total	Per Square Foot
DMU Site Improved Commercial Site	\$58,393,000	\$608,000	\$878,000	\$11,701,000	\$179
R-3 Upzone Site Improved Apartment Site	\$18,115,000	\$755,000	\$1,185,000	\$6,068,000	\$232
C-G Residential Flex Vacant C-G Land	\$35,301,000	\$802,000	\$1,366,000	\$15,799,000	\$207

C. Funds Available for Inclusionary Housing

The funds available for Inclusionary Housing are set at a percentage share of the value enhancement estimated to be achieved by the modifications to the zoning code that are being considered. The results of the analyses are presented in the following table:

Funds Available for Inclusionary Housing Ownership Housing Development Prototypes					
Area / Existing Use	Estimated Land Value			Contribution	
	Market Rate Units	- Existing Use	= Value Enhancement	Percentage Share	Total Contribution
DMU Site Improved Commercial Site	\$11,701,000	- \$7,514,000	= \$4,187,000	65%	\$2,722,000
R-3 Upzone Site Improved Apartment Site	\$6,068,000	- \$4,574,000	= \$1,494,000	65%	\$971,000
C-G Residential Flex Vacant C-G Land	\$15,799,000	- \$9,148,000	= \$6,651,000	65%	\$4,323,000

D. Affordability Gap Analyses

The weighted average Affordability Gaps exhibited by the ownership housing development prototypes are presented in the following table:

Weighted Average Affordability Gap Per Unit Ownership Housing Development				
Area / Existing Use	Average Sales Price Per Unit	-	Average Moderate Income Price	= Affordability Gap
DMU Site Improved Commercial Site	\$878,000	-	\$329,000	= \$549,000
R-3 Upzone Site Improved Apartment Site	\$1,185,000	-	\$345,000	= \$840,000
C-G Residential Flex Vacant C-G Land	\$1,366,000	-	\$356,000	= \$1,010,000

As shown in the preceding table, the gaps between the average market rate prices for new condominium / townhome development and the designated Affordable Sales Prices range from \$549,000 to \$1.01 million per unit. Affordability Gaps of this magnitude severely limit the percentage of units that can be required to be sold to moderate income households.

E. Supportable Inclusionary Housing Requirements

The preceding section of the Financial Evaluation used pro forma analyses of prototype ownership housing developments to assist in identifying the Inclusionary Housing requirements that can currently be supported. The resulting supportable requirements are summarized in the following table:

Supportable Inclusionary Housing Requirements Ownership Housing Development	
Area	Moderate Income Units
DMU Site	5.2%
R-3 Upzone Site	4.8%
C-G Residential Flex	9.7%

F. Recommended Inclusionary Housing Production Requirements

Given the magnitude of the Affordability Gaps associated with new ownership housing units it is KMA's recommendation that developers be permitted to pay a fee in lieu of producing affordable housing units. However, if the City chooses to impose an affordable housing production requirement on ownership housing development, KMA recommends that it be set at no higher than a 5% moderate income requirement.

VI. FINDINGS / RECOMMENDATIONS

This section of the report summarizes the results of the Financial Evaluation. KMA used the analysis findings to assist in developing a recommended package of requirements to be imposed by the Inclusionary Housing program.

A. Inclusionary Housing Production Requirements

APARTMENT DEVELOPMENT

Based on the results of the Financial evaluation, KMA recommends that following menu of Inclusionary Housing production options be offered to apartment developers:

Recommended Inclusionary Housing Production Options Apartment Development	
Income Categories	Total Obligation
Very Low Income Only	9%
Low Income Only	14%
Low & Very Low Income	6% + 5% = 11%
Moderate Income Only	20%

OWNERSHIP HOUSING DEVELOPMENT

The results of the Financial Evaluation indicate that a 5% moderate income production requirement could reasonably be imposed on ownership housing developments. However, KMA recommends that developers be permitted to pay a fee in lieu of producing affordable housing units. The revenues generated by the in-lieu fee could be used to assist developers that produce affordable rental units using available outside public assistance sources.

B. Program Recommendations

THRESHOLD PROJECT SIZES

The KMA survey of Inclusionary Housing programs being implemented throughout California indicates that common thresholds fall between three and 10 units. Based on the supportable Inclusionary Housing production requirements identified in this Financial Evaluation, KMA recommends that the City set the threshold project size at 10 units.

COVENANT PERIODS

KMA recommends that the following covenant period requirements be imposed:

1. Inclusionary Housing apartment units should be required to remain in place for as long as the property is developed with a residential use, but for not less than a 55 year period.
2. The covenant period for affordable ownership housing units should be set at one cumulative 45-year period.

ALTERNATIVE MEANS OF FULFILLING INCLUSIONARY HOUSING OBLIGATIONS

AB 1505 includes a provision that requires jurisdictions to provide alternative means of complying with the income and affordability requirements imposed by an Inclusionary Housing program.⁴ In collaboration with City staff, KMA offers the following recommendations pertaining to alternative means of fulfilling the Inclusionary Housing program obligations.

In-Lieu Fee Payment

Some form of an in-lieu fee payment option is offered in nearly all Inclusionary Housing programs. KMA recommends that the following alternatives be considered:

⁴ AB 1505 only applies the restrictions imposed on apartment development. However, the provision of alternative means of compliance is a best practice and is commonly provided to ownership housing development as well.

1. An in-lieu fee should be allowed to be paid for any fraction of an Inclusionary Unit that results from the production calculations.
2. The following in-lieu fee payment options should be offered to proposed apartment development:
 - a. Inclusionary Housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. KMA recommends that an in-lieu fee payment be allowed by right for apartment developments that consist of between 10 and 20 units.
 - b. As a baseline, apartment developments with more than 20 units should be required to produce the requisite number of Inclusionary Units. However, the City Council should be provided with the discretion to allow an in-lieu fee to be paid for apartment projects with more than 20 units if the developer can prove that the obligation creates an extreme financial hardship.
3. Ownership housing developments of any size should be provided with the option to pay a fee in lieu of producing affordable units.

Offsite Production of Inclusionary Units

1. KMA recommends that the developers of ownership housing developments be allowed to fulfill the Inclusionary Housing obligation in an off-site location. The off-site location should be in close proximity to the development that is subject to the Inclusionary Housing requirement.
2. KMA recommends against allowing an off-site production option to be offered as a fulfillment alternative for apartment developments. It is our opinion that, from a public policy perspective, it is better to integrate market rate and affordable rental units into the same project.

Acquisition and Rehabilitation of Existing Units

Acquisition and rehabilitation projects must be identified in a jurisdiction's Housing Element in order to receive RHNA credit. Since no acquisition and rehabilitation projects were identified in the City's Housing Element, it will not be possible for the City to obtain RHNA credit for this type of project during the sixth cycle, which runs through 2029.

C. Implementation Recommendations

As part of the implementation process for the Inclusionary Housing program KMA recommends that the City take the following actions:

AFFORDABLE HOUSING REGULATIONS

The following Inclusionary Housing Ordinance regulations documents should be created:

1. Affordable Apartment Regulations; and
2. Affordable Ownership Housing Regulations: Developer Requirements.

INCLUSIONARY HOUSING PROGRAM UPDATES

The Inclusionary Housing program should be updated at regular intervals:

1. The entire program should be re-evaluated at least every five years. The City may wish to consider a shorter period for the first program re-evaluation.
2. To allow in-lieu fees to keep pace with changes in the market place during the intervening periods, the in-lieu fees should continue to be adjusted each year based on the percentage change in new home prices in Los Angeles County.

STAFFING PLAN

A staffing plan should be created for managing the development process and the ongoing monitoring of the affordable units once they are built.

ATTACHMENT 1

INCLUSIONARY HOUSING PROGRAM SURVEYS INCLUSIONARY HOUSING: FINANCIAL EVALUATION ARCADIA, CALIFORNIA

APPENDIX A

INCLUSIONARY HOUSING PROGRAM SURVEYS - CALIFORNIA
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
I. Inclusionary Requirements: Both Rental and Ownership Projects									
Agoura Hills	Create on-site units; pay an in-lieu fee for the required Low and/or Moderate Income Units. In-lieu fee cannot be paid to fulfill the very low income requirement.	15%	No	10	7% @ VL + 4% @ Low + 4% @ mod	55	10	7% @ VL + 4% @ Low + 4% @ mod	45
Alameda	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	5	4% @ VL + 4% @ Low + 7% @ Mod	59	5	4% @ VL + 4% @ Low + 7% @ Mod	59
Albany	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	Yes	5		Perpetual	5		Perpetual
Alhambra	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	6% at 120% AMI+ 9% at 80% AMI		5	6% at 120% AMI+ 9% at 80% AMI	
Avalon	Create on-site units; create off-site units; pay in-lieu fee. Full sch	20%	No	4	Decided per project	55	4	Decided per project	55
Berkeley	Create on-site units; pay in-lieu fee.	20%	No	5	80% unless subsidies are available	Life of the Building	5	80%	Life of the Building
Brea	On-site units; pay in-lieu fee; land dedication; acquisition and conversion of other units within city. City provides incentives to mitigate the impact of the requirement.	10%	Yes	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	55	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	45
Burbank	Create on-site units; create off-site units through new construction, substantial rehabilitation, or adaptive reuse; donate land; pay in-lieu fee.	15%	No	5	5% @ Very Low + 10% @ Low	> of 55 years or as long as resid use	5	Mod	> of 55 years or as long as resid use
Calabasas	Create on-site units; create off-site units; convert market rate units; preserve or rehab existing housing; pay in-lieu fee.	20%	No	5	20% @ 110%; 15% @ 90%; 10% @ 75%; or 5% at 50%		5	20% @ 110%; 15% @ 90%; 10% @ 75%; or 5% at 50% of AMI	
Campbell	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	No	10	6% @ VL + 9% @ Low	55	10	120%	45
Capitola	Create on-site units; pay in-lieu fee.	15%	Yes				7	120%	Life of Bldg
Carlsbad	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	15%	No	1	Low	55	1	Low	30

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INCLUSIONARY HOUSING PROGRAM SURVEYS - CALIFORNIA
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Chula Vista	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	20	5% @ Low + 5% @ Mod	Life of Bldg	20	5% @ Low + 5% @ Mod	Life of Bldg
Colma	Create on-site units; pay in-lieu fee.	20%	No	5	5% @ VL + 5% @ Low + 10% @ Mod	55	5	5% @ VL + 5% @ Low + 10% @ Mod	45
Concord	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee.	10%	Yes	5		55	5		45
Contra Costa County	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	3% @ VL + 12% @ Lower		5		3
Coronado	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	20%	No	2	Low		2	Mod	
Cupertino	1-7 units pays in-lieu fee. Create on-site units; create off-site units; pay impact/linkage fee; donate land.	15%	No	7	50% / 80%	99	7	50% / 120%	99
Davis	Create on-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10% - 25%	No	5-19 , 20+	5-19: 15% @ 80% or 10% @ 50%. 20+: 25% @ 80% or 10% @ 50%	Perpetual	5	120%	Perpetual
Del Mar	Create on-site units. In-lieu fee option provided for subdivisions that create new lots.	15% - 20%	No	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55
Downey	Create on-site units; create off-site units; pay in-lieu fee in the case of extreme hardship for apartments.	11%/10%	No		Mod	> of 55 years or as long as resid use		Mod	45
Dublin	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	12.5%	No	20	50% @ 120% + 20% @ 80% + 30% @ 50%	55	20	5% @ 80% + 7.5% @ 120%	55
Emeryville	Create on-site units; pay impact/linkage fee.	12%/20%	No		4% @ VL + 8% @ Low	55	10		55
Encinitas	Create on-site units; create off-site units; create ADU's; preserve at-risk units; pay in-lieu fee; donate land.	15%/20%	No	7	15% @ VL or 20% @ Low	Perpetual	7	15% VL or 20% @ Low	Perpetual

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INCLUSIONARY HOUSING PROGRAM SURVEYS - CALIFORNIA
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Fillmore	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	55	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	45
Fremont	Has a production option, but the in-lieu fee option is more cost effective.	15%	No	2	10% @ Low		2	5% @ Mod + 10% @ Low	
Fort Bragg	Create on-site units	10% to 20%		5	80% / 120%		5	100% / 120%	15
Goleta	Create on-site units; create off-site units; donate land; pay in-lieu fee; acquisition/rehabilitation. Income/Affordability trade off of extremley low and very low income units to low and moderate income units in demonstrated extreme hardship.	20% - reduced to 15% with public benefit	No	5	2.5% @ ELI + 2.5% @ VL+ 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	5	2.5% @ ELI + 2.5% @ VL+ 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years
Hayward	Create on-site units; create off-site units; pay in-lieu fee; pay impact/linkage fee; donate land.	6% / 7.5% - 10%	No	2	3% @ 50% + 3% @ 60%	55	2	Mod	45
Huntington Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	3	Low	55	3	Mod	45
Irvine	Projects with fewer than 50 units can create on-site units; convert market rate housing to affordable housing; extend the term of an existing affordable project; pay in-lieu fee; transfer units to a nonpfot housing agency; create off-site units; donate land. Projects with 50+ units must produce the affordable units on site.	15%	No	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	50	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30
Jurupa Valley	Create on-site units; create off-site units; pay in-lieu fee; convert market rate units to affordable units; preserve at-risk housing; donate land.	7%	No	1	25% Mod + 25% Low + 50% VL	55	1	25% Mod + 25% Low + 50% VL	45
Laguna Beach	Create on-site units; pay in-lieu fee.	25%	No	2-subdivision 3-other	Low and Moderate		2-subdivision 3-other	Low and Moderate	
Laguna Woods	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	7.5% @ VL + 7.5% @ Low	45	5	10% @ Low + 5% @ Mod	45

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INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
La Habra	Create on-site units; create off-site units; pay in-lieu fee; acquisition/rehabilitation.	Rental: 9% or 6% / Own: 15%	No	10	9% @ Mod or 6% @ VL & Low	55	10	110%	45
Long Beach	Create on-site units; pay in-lieu fee; donate land.	11%/10%	No	10	50%	> of 55 years or as long as resid use	10	110%	> of 55 years or as long as resid use
Los Altos	Create on-site units; create off-site units. Program requirements are only imposed in designated areas.	Rental: 5-9 @ 15% & 10+ @ 30%. Ownership @ 15%	No	5	5-9: 15% @ Mod, 10+: 5% @ Low + 15% @ Mod	30	10	7.5% @ Mod, 7.5% @ Low	30
Los Angeles County	Create on-site units; create off-site units. Program requirements vary by subarea.	5%-20% depending on project size & income standard	No	5	Averages: <40% AMI: 10% or 5% - sm proj <65% AMI: 15% or 7% - sm proj <80% AMI: 20% or 10% sm proj	55 or Perpetual	5	Mod/Middle Inc: Avg 135% AMI: Coastal SLA, SLA (exc condos), & ELA: 20% or 10% - sm proj SG Valley: 15% or 7% - sm proj Santa Clarita & Antelope Valleys (exc condos): 5%	Equity share on first sale
Menlo Park	Create on-site units; create off-site units; pay in-lieu fee. Full sch	10%	Yes	5	80% /120%		5	80% /120%	
Mill Valley	Create on-site units.	25%	Yes	4	120%	Perpetual	4	120%	Perpetual
Mission Viejo	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	1 / Projects with 9 or fewer units produce 1 ADU	7.5% VL + 7.5% Low	55	1 / Projects with 9 or fewer units produce 1 ADU	10% Mod + 5% Low	45
Nevada County	Create on-site units; create off-site units Program requirements are only applied in designated areas.		No	20		30	20		30
Norco	Create on-site units; create off-site units; pay in-lieu fee for projects with 20 or fewer units; donate land.	15%	No	5	6% Mod+9% Low Credits for deeper affordability	Perpetual	5	6% Mod+9% Low Credits for deeper affordability	45%

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Oceanside	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land; purchase credits from another project.	15%	No	10	Low	55	10	Low or Mod	55
Oxnard	Create on-site units; create off-site units; pay in-lieu fee in limited circumstances.	10%	No	10	5% @ VL + 5% Low	55	10	Low	20
Pacifica	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	8	6% @ VL + 4.5% @ Low + 4.5% @ Mod	55	8		45
Pasadena	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	20%	No	10	5% @ 50% + 5% @ 80% + 10% @ 120%	Perpetual	10	110%	45
Petaluma	Create on-site units; pay in-lieu fee; donate land	15%	No	5	7.5% @ VL; 7.5% @ Low	45	5	7.5% @ Low + 7.5% @ Mod	55
Pleasanton	Create on-site units; create off-site units; pay in-lieu fee; donate land; credit transfers; other alternate methods of compliance	15%	Yes	15	50% to 80%		15	50% to 120%	Perpetual
Pomona	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	13% / 7%- 11%	Yes	3	120%	> of 55 years or as long as resid use	3	120%	45
Poway	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	15% / 15%- 20%	No	1	Very Low	55	1	15% @ Low or 20% @ Mod	45
Redwood City	Create on-site units; create off-site units; preserve or rehab units; pay impact/linkage fee; donate land	20% / 15%	No	20	10% @ Mod + 5% @ Low + 5% @ VL	30	5	Moderate	30
Sacramento County	Has a production option, but the in-lieu fee option is more cost effective.	10%	No	1	80%		1	80%	
San Bruno	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area	15%	No	10	6% VL + 4.5% Low + 4.5% Mod	55	10	6% Low + 9% Mod	45
San Buenaventura	Create on-site units; create off-site units; pay in-lieu fee; preserve or rehab existing housing; donate land.	15% / 10%	No	7	Low	55	7	Mod	45
San Clemente	Create on-site units; create off-site units, pay in-lieu fee; donate land.	4%	No	6	Very Low	30	6	Very Low	30

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ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
San Diego	Create on-site units; create off-site units; rehabilitate existing units, SRO hotel rooms, or conversion of guest rooms; pay in-lieu fee; donate land.	5% to 20% depending on location	No	10	Outside FUA: 10% @ 60% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	55	10	Outside FUA: 10% @ 100% or 15% @120% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	15
San Francisco	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	15% to 20% / 15% to 26%	Yes	10	55% to 110%		10	80% to 130%	
San Jose	Create on-site units; create off-site units; preserve or rehab units; in-lieu fee; donate land; credit transfers; reduction for deeper affordability.	15%	Yes	10	5% @50% + 5% @ 60% + 5% @ 100%	99	10	120%	99
San Juan Capistrano	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	2		55	2	120%	55
San Luis Obispo (City)	Create on-site units; pay an in-lieu fee to fulfill the entire obligation and pay an in-lieu fee for fractional unit obligations.	6% / 10%	No	1	5% Very Low + 5% Low	55	1	5% Low + 5% Moderate	45
San Marcos	Create on-site, create off-site units for ownership housing projects; pay an in-lieu fee for six or fewer rental unit projects and for all ownership housing projects.	15%	No	1	Hhld income set by the City. <=25% of the affordable units may be Mod.	55	1	Requirement is set by the City on a project by project basis	55
San Mateo County	Create on-site units, pay in-lieu fee.	20%	Yes	5	10% @ ELI + 10% @ Low	Life of Bldg	11	10% @ Low + 10% @ Mod	45
San Rafael	Create on-site units; pay in-lieu fee. City provides incentives to mitigate the impact of the requirement.	10%	No	2			2	120%	

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Santa Ana	Only applies to changes in land use and zoning designations. Create on-site units; off-site units; substantially rehab existing units; pay in-lieu fee.	Rental: 5% - 15% & Own: 5%	No	5	15% @ Low or 10% @ VL or 5% @ ELI or 5% Low + 3% VL +2% ELI	55	5	120%	55
Santa Barbara (City)	Create on-site units; create off-site units; pay in-lieu fee for 1 to 9 & fractional units; donate land.	10% / 15%	No	5	Mod	90	1	120% to 200%	90 / restarts on each resale
Santa Clara (City)	Create on-site units; create off-site units; dedicate land; pay an in-lieu fee for fractional unit obligations.	15%	No	10	Mix of ELI, VL, Low & Mod. Must average less than 100% of AMI	55	10	Mix of ELI, VL, Low & Mod. Must average less than 100% of AMI	20
Santa Clara County (Excludes Unincorp Areas and Stanford Community Plan Area)	Create on-site units; create off-site units; in-lieu fee payments for projects with six or fewer units and for fractional unit obligations; conversion of existing market rate units.	16%	No	4	Lower	55	4	Moderate	55
Santa Cruz	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	20%	Yes	2	50% for SRO's 80% all other	Perpetual	2	120%	Perpetual
Santa Monica	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	Yes	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55
Santa Paula	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	10% to 17%	Yes	10	15% Low or 10% VL	55	10	15% Low or 10% VL	45
Santa Rosa	Has a production option, but the in-lieu fee option is more cost effective.	5% to 8% / 10%	No	1	5% @ 50% or 8% @ 60%		2	110%	
Solana Beach	Create on-site units; create off-site units; create rental units to fulfill an ownership housing development requirement; preservation or conversion of existing units; payment of the Affordable Housing Impact Fee.	15%	No	5	VL or Low	99	5	VL or Low	99
Sonoma	Create on-site units.	20%	Yes	5	120%	55	5	120%	55

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Sonoma County	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	10% or 15% / 20%	Yes	1	7.5% @ VL + 7.5% @ Low, or 5% @ ELI + 5% @ VL	55	1	10% @ Low + 10% @ Mod	30
South San Francisco	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee	20%	No	4		55	4		55
South Pasadena	Create on-site units; create off-site units; pay in-lieu fee for 3 or 4 rental unit projects, ownership for any size project, & fractional units; rehab existing market rate units; donate land.	20%	No	3	10 or fewer units: multiple options 11 or more units: 10% ELI or VL + 10% Low	55	3	Moderate	55
Sunnyvale	Create on-site units; create off-site units; pay in-lieu fee; donate land, unit conversion, other proposals.	15.0%	No	7	5% @ 50% + 10% @ 60%	55	7	100%	30
Thousand Oaks	Create on-site units; rental units to fulfill ownership requirement; in-lieu fee; donate land.	10% / 5% to 10%	Yes	10	Low	> of 55 years or as long as resid use	10	SFH: 5% Mod Condo: 10% Mod	45
Tiburon	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	3	5% @ Low + 10% @ Mod	Perpetual	3	5% @ Low + 10% @ Mod	Perpetual
Union City	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	7	4.5% @ VL + 10.5% @ Low		7	1.5% @ Low + 4.5% @ 100% + 9% @ 120%	
Vista	Create on-site units; pay in-lieu fee	9%	No	20	5% Low or lower + 4% Mod or lower			5% Low or lower + 4% Mod or lower	
West Sacramento	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	5	5% @ 50% + 5% @ 60%	55	5	70%	45
West Hollywood	Create on-site units; create off-site units; pay in-lieu fee for 2-10 unit projects.	20%	No	2	Low / Mod	> of 55 years or as long as resid use	2	Low / Mod	> of 55 years or as long as resid use

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold	Affordability	Covenant	Threshold	Affordability	Covenant
				Project Size		Period	Project Size		Period
II. Inclusionary Requirements: Ownership Projects Only									
Carpinteria	Create on-site units; pay in-lieu fee in limited circumstances.	12%	No				5	200%	30
Danville	Create on-site units; pay in-lieu fee.	10%	Yes				7	110%	20
Folsom	Create on-site units; create off-site units; pay in-lieu fee; donate land; acq/rehab; other proposals.	10%	No				10	3% @ VL + 7% @ Low	
Lafayette	Create on-site units; create off-site units.	15%	No				2	9% @ Mod + 6% @ VL	45
Monterey	Create on-site units; donate land.	20%	No				6		Perpetual
Mountain View	Create on-site units; pay in-lieu fee.	15%	No				3	100%	55
Rohnert Park	Create on-site units; create off-site units; pay in-lieu fee.	15%	No				50		55
San Leandro	Create on-site units; pay in-lieu fee.	15%	Yes				2	9% @ Mod + 6% @ Low	55
San Mateo County	Create on-site units; create off-site units; pay in-lieu fee; donate land.	20%	No				5	10% @ Low + 10% @ Mod	55
Santa Barbara County	Create on-site units; create off-site units in the coastal zone; pay in-lieu fee for certain unit types.	5% - 15%	Yes				5	5-19: 1 Mod. 20+: South Coast: 2.5% VL + 2.5% Low + 5% Mod + 5% Workforce Santa Ynez: No Workforce Santa Maria & Lompoc: 2.5% VL + 2.5 Low	45 - restarts up to 90

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
III. <u>Inclusionary for Ownership Projects & Impact Fee for Rental Projects</u>									
Fontana	Create on-site units; pay in-lieu fee; develop a reduced percentage at deeper affordability.	10%	No				5	4% @ VL + 4% @ Low + 2% @ Mod	55
Palo Alto	Create on-site units; create off-site units; in-lieu for fractional unit; convert market rate units to affordable units; preserve at-risk housing; donate land.	15% < 5 / 20% 5 acres +	Yes		\$22.69/sf Impact Fee		1	67% @ 80-100% 33% @ 100-120%	99
San Carlos	Create on-site units; create off-site units; pay impact/linkage fee.	15%	Yes			55	2	10% @ Mod + 5% @ Low	45
Truckee	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; pay impact/linkage fee; donate land. Requirements vary by zones, neighborhoods or districts.	15%	No	7		Perpetual	7		Perpetual
IV. <u>Mandatory Inclusionary for Ownership Projects & Voluntary Inclusionary for Rental Projects</u>									
Pittsburg	Create on-site units; pay in-lieu fee.	15%/20%	Yes				5	9% @ Mod + 6% @ Low, or 20% @ Mod	
Salinas	Create on-site units; create off-site units; donate land.	20%	No				10		30
San Juan Bautista	Create on-site units; pay impact/linkage fee.	6%					6	80%	
San Luis Obispo	Create on-site units; pay in-lieu fee; donate land.	3% or 5%	Yes			55	5	3% low or 5% Moderate	45
San Marcos	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	No			55		120%	55
Solana Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay impact/linkage fee.	15%	No	5		55	5		45

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
V. Rental Projects Only									
Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% Low Properties at less than 60 units per acre: 4% VL or 6% Low	55			
Fullerton	Applies only to the Transportation Specific Plan area. Create on-site units.	15%	No		5% @ VL + 5% @ Low + 5% @ Mod	55			
Glendale	Create on-site units; create off-site units; pay in-lieu fee; donate land; acquisition/rehabilitation.	15%	No	8	60%	55			

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INCLUSIONARY HOUSING: FINANCIAL EVALUATION
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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
I. Inclusionary Requirements: Both Rental and Ownership Projects										
Agoura Hills	Create on-site units; pay an in-lieu fee for the required Low and/or Moderate Income Units. In-lieu fee cannot be paid to fulfill the very low income requirement.	15%	N/A	10	7% @ VL + 4% @ Low + 4% @ mod	55	10	7% @ VL + 4% @ Low + 4% @ mod	45	Set in 2018 to be consistent with the Affordability gap. \$285,336 per VL apartment unit, \$262,541 per low income condominium unit, and \$427,002 per moderate income single family home.
Alhambra	On-site or pay in-lieu fee.	15%	No	5	6% at 120% AMI+ 9% at 80% AMI		5	6% at 120% AMI+ 9% at 80% AMI		Fee Schedule: 5 -20 units. Rental: \$0.89 - \$14.30/SF; Ownership: \$1.88 - \$30.00/SF
Brea	On-site units; pay in-lieu fee; land dedication; acquisition and conversion of other units within city. City provides incentives to mitigate the impact of the requirement.	10%	No	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	55	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	45	Calculated per project. Based on the Affordability Gap.
Burbank	Create on-site units; create off-site units through new construction, substantial rehabilitation, or adaptive reuse; donate land; pay in-lieu fee.	15%	No	5	5% @ 50% + 10% @ 80%	> of 55 years or as long as resid use	5	Mod	> of 55 years or as long as resid use	Sliding scale by project size: Rental: \$5.75 - \$10.27/SF Ownership: \$11.24 - \$20.07/SF.
Carlsbad	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	15%	No	1	Low		1	Low		Available up to 6 units.\$18.00/SF for 2-6 unit projects.
Chula Vista	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	20	5% @ Low + 5% @ Mod	Life of Bldg	20	5% @ Low + 5% @ Mod	Life of Bldg	In-lieu fee is based on the median home price minus the affordable home price.

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Coronado	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	20%	No	2	Low		2	Mod		In-lieu fee paid by right. \$7,000 per market rate unit.
Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% L Properties at less than 60 units per acre: 4% VL or 6% L	55	NA	NA	NA	In-Lieu fee paid by right. \$10 per square foot of leasable area in the market rate project.
Del Mar	Create on-site units. In-lieu fee option provided for subdivisions that create new lots.	15% - 20%	No	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	Available to subdivisions that create new lots. \$27,500 per lot created.
Downey	Create on-site units; create off-site units; pay in-lieu fee.	11%/10%	No	10	Mod	>55 or as long as resid	10	Mod	45	Rental: \$23.50/SF - only allowed under extreme hardship. Ownership: \$15.90/SF payable based on City Council criteria.
Encinitas	Create on-site units; create off-site units; create ADU's; preserve at-risk units; pay in-lieu fee; donate land.	15%/20%	No	7	15% VL or 20% Low	Perpetual	7	15% VL or 20% Low	45	One to 6 unit projects and fractional units. \$24.08/SF.
Fillmore	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	55	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	45	

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Goleta	Create on-site units; create off-site units; donate land, pay in-lieu fee; acquisition/rehabilitation. Income/Affordability trade off of extremely low and very low income units to low and moderate income units in demonstrated extreme hardship.	20% - reduced to 15% with public benefit	No	5	2.5% @ ELI + 2.5% @ VL+ 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	5	2.5% @ ELI + 2.5% @ VL+ 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	Equal to the Affordability Gap associated with providing the requisite number of affordable units on site within the market rate project.
Huntington Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	3	Low	55	3	Moderate	45	Sliding Scale: 3 to 30 units. In-Lieu Fee allowed for projects up to 100 units. Rental: \$3.58 to \$35.80/SF Ownership: \$2.54 to \$25.36/SF. The per SF measurement caps at 2,000 SF.
Irvine	Projects with fewer than 50 units can create on-site units; convert market rate housing to affordable housing; extend the term of an existing affordable project; pay in-lieu fee; transfer units to a nonprofit housing agency; create off-site units; donate land. Projects with 50+ units must produce the affordable units on site.	15%	No	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	Calculated per project. The calculation methodology is based on the average land value in Irvine, the average density of housing in Irvine, and a defined predevelopment cost allowance. Formula: $[(\text{Land Value} \div \text{Density}) + \text{Predevelopment Allowance}] \times \text{Percentage Share of Cost related to affordable units not being produced.}$
Jurupa Valley	Create on-site units; create off-site units; pay in-lieu fee; convert market rate units to affordable units; preserve at-risk housing; donate land.	7%	No	1	25% Mod + 25% Low + 50% VL	55	1	25% Mod + 25% Low + 50% VL	45	\$2.50 per net square foot of living area including garages.
Laguna Beach	Create on-site; pay in-lieu fee.	25%	No	2-subdivision 3-other	Low and Moderate		2-subdivision 3-other	Low and Moderate		\$247,317 per affordable rental unit. \$348,197 per affordable ownership unit or lot.

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Laguna Woods	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	7.5% @ VL + 7.5% @ Low	45	5	10% @ Low + 5% @ Mod	45	In-lieu fee is allowed for ownership housing developments that can prove to the City Council's satisfaction that including affordable units is financially infeasible. The fee is calculated based on: the median price of homes sold in Laguna Woods during the last quarter of the previous calendar year minus the affordable price for a 2-bedroom unit.
La Habra	Create on-site units; create off-site units; pay in-lieu fee; acquisition/rehabilitation.	Rental: 9% or 6% / Own: 15%	No	10	9% Mod or 6% VL & Low	55	10	110%	45	\$6.50 per square foot of total building area.
Long Beach	Create on-site units; pay in-lieu fee; donate land.	11%/10%	No	10	50%	> of 55 yrs or as long as resid	10	120%	> of 55 yrs or as long as resid	Rental @ \$38.00/SF; Ownership @ \$29.10/SF
Mission Viejo	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	1 / Projects with 9 or fewer units produce 1 ADU	7.5% VL + 7.5% Low	55	1 / Projects with 9 or fewer units produce 1 ADU	10% Mod + 5% Low	45	In-lieu fee is allowed for rental developments with fewer than 20 units, and for all ownership housing developments. Rental: \$41.90/SF Ownership \$58.20/SF
Norco	Create on-site units; create off-site units; pay in-lieu fee for projects with 20 or fewer units; donate land.	15%	No	5	6% Mod+9% Low Credits for deeper affordability	Perpetual	5	6% Mod+9% Low Credits for deeper affordability	45%	Sliding scale based on square feet of leasable/saleable area: Rental: \$1.34 - \$21.50 Ownership: \$2.91 - \$46.50
Oceanside	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land; purchase credits from another project.	15%	No	10	Low	55	10	Mod	55	In-lieu fee paid by right. \$20/SF in 2024. Administratively adjusted annually based on change to the ENR CCI index.
Oxnard	Create on-site units; create off-site units; pay in-lieu fee in limited circumstances.	10%	No	10	5% @ VL + 5% Low	55	10	Low	20	Fee charged per total unit in the project. In 2022: SFH \$36,000; MF Ownership \$35,000; Rental \$28,000.

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Pasadena	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	20%	No	10	5% @50% + 5% @ 80% + 10% @ 120%	Perpetual	10	110%	45	Sliding scale by sub-area & project size: Rental: \$1.23 - \$34.98/SF Ownership: \$17.47 - \$66.20/SF.
Pomona	Create on-site units; create off-site units; pay in-lieu fee; donate land	13% / 7%-11%	Yes	3	120%	Perpetual	3	120%	45	Rental @ \$9.30/SF; SFH @ \$11.40/SF Condominiums @ \$9.30/SF
Poway	Create on-site units; create off-site units; pay in-lieu fee.	15% / 15%-20%	No	1	Very Low	55	1	15% @ Low or 20% @ Mod	45	In-lieu fee is payable by right and is set at maximum of \$500 per unit for both rental and ownership housing.
San Buenaventura	Create on-site units; create off-site units; pay in-lieu fee; preserve or rehab existing housing; donate land.	15% / 10%	No	7	Low	55	7	Mod	45	Ownership @ \$29.80 - \$66.30/SF; Apartments @ \$20.30 - \$48.90/SF
San Clemente	Create on-site units; create off-site units, pay in-lieu fee; donate land.	4%	No	6	Very Low	30	6	Very Low	30	Based on the greater of 1% of construction costs as determined by the Building Division or 2% of the affordability gap determined by the formula in the Housing Element.
San Diego	Create on-site units; create off-site units; rehabilitate existing units, SRO hotel rooms, or conversion of guest rooms; pay in-lieu fee; donate land.	5% to 20% depending on location	No	10	Outside FUA: 10% @ 60% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	55		Outside FUA: 10% @ 100% or 15% @120% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	15	In-lieu fee paid by right in each area except inside FIA. Base in-lieu fee a \$25/SF. Alternative compliance in-lieu fee at \$50/SF.

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
San Juan Capistrano	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	2		55	2		55	Based on 90% of the Affordability Gap, which is updated monthly based on benchmark market prices.
San Marcos	Create on-site, create off-site units for ownership housing projects; pay an in-lieu fee for six or fewer rental unit projects and for all ownership housing projects.	15%	No	1	Target hhld income set by the City. No more than 25% of the affordable units may be Mod.	55	1	Requirement is set by the City on a project by project basis	55	In-lieu fee paid by right for apartment projects with six or fewer units and for all ownership housing developments. In-Lieu Fee @ \$15/SF.
Santa Ana	Only applies to changes in land use and zoning designations. Create on-site units; off-site units; pay in-lieu fee.	Rental: 5% / 15% & Own: 5%	No	5	15% @ Low or 10% @ VL or 5% @ ELI or 5% Low + 3% VL +2% ELI	55	5	120%	55	Fee charged per sf of habitable area: 5-9: \$6.00; 10-14: \$9.00; 15-19: \$12; 20+: \$15. Discounts for use of skilled and trained labor force.
Santa Barbara (City)	Create on-site units; create off-site units; pay in-lieu fee for 1 to 9 & fractional units; donate land.	10% / 15%	No	5	Mod	90	1	120% to 200%	90 / restarts on each resale	In 2020 the in-lieu fee for rental projects was set at \$25 per SF. Adjusted annually by the Engineering News Record (ENR) Building Cost Index for Los Angeles. In-lieu fee for ownership units is calculated based on the median price for 2-bedroom condos, a low income standard, and the estimated production cost (sales price - 15% profit). A discount schedule is provided from small units.
Santa Monica	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	Yes	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	Rental @ \$41.39/SF Ownership @ \$48.35/SF
Santa Paula	Create on-site units; create off-site units; pay in-lieu fee.	10% to 17%	Yes	10	15% Low or 10% VL	55	10		45	In-Lieu Fee is set on a project-by-project basis.

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Solana Beach	Create on-site units; create off-site units; create rental units to fulfill an ownership housing development requirement; preservation or conversion of existing units; payment of the Affordable Housing Impact Fee.	15%	No	5	VL or Low	99	5	VL or Low	99	Affordable Housing Impact Fee @ \$25.91.
South Pasadena	Create on-site units; create off-site units; pay in-lieu fee for 3 or 4 rental unit projects, ownership for any size project, & fractional units; rehab existing market rate units; donate land.	20%	No	3	10 or fewer units: multiple options 11 or more units: 10% ELI or VL + 10% Low	55	3	Mod	55	The in-lieu fee will be set by the City Council. Until that occurs, the fee will be calculated on a project-by-project basis.
Thousand Oaks	Create on-site units; rental units to fulfill ownership requirement; in-lieu fee; donate land.	10% / 5% to 10%	No	10	Low	> of 55 yrs or as long as resid	10	SFH: 5% Mod Condo: 10% Mod	45	In-lieu fee is allowed for rental developments with fewer than 20 units, and for all ownership housing developments. Rental: \$25.70/SF Ownership \$14.60 - \$16.80/SF
Vista	Create on-site units; pay in-lieu fee	9%	No	20	5% Low or lower + 4% Mod or lower		20	5% Low or lower + 4% Mod or lower		In-lieu fee paid by right and is set at \$17.56/SF
West Hollywood	Create on-site units; create off-site units; pay in-lieu fee for 2-10 units projects.	20%	No	2	Low / Mod	> of 55 yrs or as long as resid	2	Low / Mod	> of 55 yrs or as long as resid	Sliding scale: 2 Units @ \$13.63/SF - 10 Units @ \$29.23/SF

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development		Covenant Period	Ownership Development		In-Lieu Fee	
				Threshold Project Size	Affordability		Threshold Project Size	Affordability		
II. Inclusionary Requirements: Ownership Projects Only										
Carpinteria	Create on-site units; pay in-lieu fee in limited circumstances.	12%	No				5	200%	30	In-lieu fee allowed if infeasibility can be proved. The fee is based on the difference between the median sales price of condominiums and/or single family homes and the affordable price at 121% of AMI with 30% of income dedicated to housing expenses.
Santa Barbara County	Create on-site units; create off-site units in the coastal zone; pay in-lieu fee for certain unit types.	5% - 15%	Yes				5	5-19: 1 Mod. 20+: South Coast: 2.5% VL + 2.5% Low + 5% Mod + 5% Workforce	45 - restarts up to 90	In-Lieu fee is measured per affordable unit. Varies by HMA & income / affordability level. Fee: Very Low & Low are based on the estimated cost for the County to subsidize very low & low income units. Cost of Construction Fee: Moderate & Workforce are based on the median condo sales prices minus 15% of the median price of condos.
								Santa Ynez: No Workforce		2020 Very Low & Low Fees: South Coast \$176,000; Santa Maria \$96,600; Santa Ynez \$146,200; Lompoc \$99,500
								Santa Maria & Lompoc: 2.5% VL + 2.5 Low		2020 Mod & Workforce Fees: South Coast \$658,000; Santa Maria \$248,000; Santa Ynez \$431,600; Lompoc \$227,600

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development		Ownership Development		In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	
III. <u>Inclusionary Requirements: Rental Projects Only</u>								
Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% L Properties at less than 60 units per acre: 4% VL or 6% L	55		In-Lieu fee paid by right. \$10 per square foot of leasable area in the market rate project.
Glendale	Create on-site units; create off-site units; pay in-lieu fee; donate land; acquisition / rehabilitation.	15%	No	8	60%	55		Sliding scale: 8 Units @ \$28.71/SF - 21 Units @ \$55/SF

ATTACHMENT 2

PROPERTY SALES SURVEYS

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 2: APPENDIX A

VACANT LAND SALES¹ PROPERTY SALES SURVEYS INCLUSIONARY HOUSING: FINANCIAL EVALUATION ARCADIA, CALIFORNIA

Address	City	Sale Date	Site Size (SF)	Zoning	Sales Price	
					Total	Per SF
1022 La Cadena Ave	Arcadia	4/21	20,848	ARR3YY / MF	\$2,860,000	\$137
501 N Santa Anita Ave	Arcadia	11/15	46,173	ARR310000 / MF	\$7,100,000	\$154
901 W Duarte Rd	Arcadia	8/20	29,621	R-3	\$3,200,000	\$108
1027 Arcadia Ave	² Arcadia	10/20	11,326	R3YY	\$1,570,000	\$139
845 S Baldwin Blvd		5/23	22,002	C-G	\$2,650,000	\$120
4217 E Live Oak Ave		11/22	21,780	LCC3YY	\$2,600,000	\$119
4241 E Live Oak Ave		6/23	499,198	PID	\$45,000,000	\$90
122-128 E Live Oak Ave		9/19	17,860	ARC2YY / MU	\$1,825,000	\$102
Minimum			11,326		\$1,570,000	\$90
Maximum			499,198		\$45,000,000	\$154
Weighted Average			83,601		\$8,350,625	\$100

¹ Source: CoStar, February 2025. The sites were all purchased for subsequent residential or mixed use development.

² The site was purchased entitled for the development of six condominiums.

ATTACHMENT 2: APPENDIX B

SALES OF IMPROVED PROPERTIES ¹ PROPERTY SALES SURVEYS INCLUSIONARY HOUSING: FINANCIAL EVALUATION ARCADIA, CALIFORNIA

Address	City	Sale Date	Zoning	Site Area (SF)	Sales Price	
					Total	Per SF Land Area
I. <u>Retail / Office</u>						
147-153 Duarte Rd	Arcadia	8/21	ARC2	11,988	\$2,000,000	\$167
518-524 S 1st Ave	Arcadia	2/22	MU	13,273	\$2,600,000	\$196
521 N First Ave	Arcadia	3/22	CG	14,654	\$2,225,000	\$152
501 S 1st Ave	Arcadia	12/24	MU	14,998	\$2,900,000	\$193
181 Colorado Pl	Arcadia	10/20	CG	26,136	\$2,900,000	\$111
117 E Live Oak	Arcadia	10/24	R3YY,A-R	27,434	\$2,600,000	\$95
333 N Santa Anita	Arcadia	3/23	ARCM	43,560	\$8,150,000	\$187
610 Las Tunas Dr	Arcadia	12/23	CG	71,861	\$4,604,500	\$64
17 Las Tunas Dr	Arcadia	2018	ARC2 / MU	217,785	\$22,600,000	\$104
Minimum				11,988	\$2,000,000	\$64
Maximum				217,785	\$22,600,000	\$196
Weighted Average				49,077	\$5,619,944	\$115
II. <u>Apartment Development</u>						
2						
433 S Baldwin Ave	Arcadia	9/21	ARR1	10,973	\$2,068,000	\$188
1116 W Duarte Rd	Arcadia	8/23	R3	16,087	\$2,880,000	\$179
833 W Duarte Rd	Arcadia	1/21	R3	16,483	\$3,617,000	\$219
727 Southview Rd	Arcadia	12/24	R3	16,605	\$3,950,000	\$238
5741-5749 Baldwin Ave	Arcadia	1/22	R3	17,860	\$2,755,000	\$154
521 E Live Oak Ave	Arcadia	6/21	ARR3YY	17,977	\$3,805,000	\$212
815 Fairview Ave	Arcadia	4/22	ARR3YY	18,840	\$3,730,000	\$198
829 1/2 Huntington Dr	Arcadia	6/21	ARR3YY	19,380	\$3,250,000	\$168
503 Fairview Ave	Arcadia	9/21	R3	19,602	\$3,855,000	\$197
475 Fairview Ave	Arcadia	5/22	ARR3YY	19,606	\$3,700,000	\$189
1015 Sunset Blvd	Arcadia	6/24	LAC2	21,310	\$3,375,000	\$158
1119 Arcadia Ave	Arcadia	1/23	R3	21,906	\$4,800,000	\$219
309-311 Baldwin Ave	Arcadia	12/24	ARR1YY	21,998	\$3,100,000	\$141
10522 E Live Oak Ave	Arcadia	5/21	TCR172	29,185	\$2,650,000	\$91
922 Duarte Rd	Arcadia	4/22	ARR3YY	33,715	\$6,550,000	\$194
1125 Arcadia Ave	Arcadia	1/23	ARR3	37,884	\$8,800,000	\$232
1018 Arcadia Ave	Arcadia	5/23	R3	56,214	\$6,785,000	\$121
Minimum				10,973	\$2,068,000	\$91
Maximum				56,214	\$8,800,000	\$238
Weighted Average				23,272	\$4,098,235	\$176

¹ Source: CoStar, February 2024.

² The survey is limited to projects with fewer than 20 units on lots of at least 10,000 square feet of land area.

ATTACHMENT 3
AFFORDABLE HOUSING COST CALCULATION METHODOLOGIES
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

APPENDIX A

AFFORDABLE RENT CALCULATION METHODOLOGY

ASSUMPTIONS

The Affordable Rent calculations are presented in Attachment 4 – Appendix B. The calculations are based on the following assumptions:

1. The household income information used in the calculations is based on 2024 income statistics for Los Angeles County as a whole:
 - a. The household incomes for very low and low income households are produced by United States Department of Housing and Urban Development (HUD) and distributed by the California Department of Housing and Community Development (HCD).
 - b. The household incomes for moderate income households are produced and distributed annually by HCD.
2. The household size appropriate for the unit is based on the California Health and Safety Code (H&SC) Section 50052.5 standard of the number of bedrooms in the home plus one.¹ H&SC Section 50052.5 refers to this as “the family size appropriate for the unit.” This is a benchmark that is used for calculation purposes only. It is neither an occupancy minimum nor a maximum.
3. The benchmark household incomes used in the Affordable Rent analyses are based on the following standards:
 - a. The very low income rents are based on 50% of area median income (AMI). This percentage of AMI is based on the standard imposed in H&SC Section 50053.
 - b. The low income rents are based on 80% of AMI. This percentage of AMI is based on the standard imposed by Assembly Bill 1505.
 - c. The moderate income rents are based on 110% of AMI, which is the standard imposed by H&SC Section 50053.

¹ For example, the imputed household size for a one-bedroom unit is two persons.

4. Thirty percent (30%) of defined household income is allocated to housing-related expenses.
5. The following monthly utilities allowances were applied in this analysis.²

Utility Allowances Apartment Development Prototypes	
Number of Bedrooms	Monthly Utilities Allowances
Studio	\$91
1	\$121
2	\$153

AFFORDABLE RENTS

The resulting affordable rents are presented in the following table:

Affordable Rents Apartment Development Prototypes			
Number of Bedrooms	Very Low Income	Low Income	Moderate Income
Studio	\$768	\$1,284	\$1,800
1	\$861	\$1,450	\$2,039
2	\$952	\$1,615	\$2,278

² Utilities allowances are based on utilities costs comprised of electric heating, cooking and water heating; and basic electric, and air conditioning. The allowances are based on the Los Angeles County Development Authority Multifamily All Electric Schedule effective as of July 1, 2024.

APPENDIX B

AFFORDABLE SALES PRICE CALCULATION METHODOLOGY

ASSUMPTIONS

The Affordable Sales Price calculations are presented in Attachment 5 – Appendix B. The calculations are based on the following assumptions:

1. The household income information used in the calculations is based on 2024 income statistics for Los Angeles County as a whole:
 - a. The household incomes for low income households are produced by HUD and distributed by HCD.
 - b. The household incomes for moderate income households are produced and distributed annually by HCD.
2. The Affordable Sales Price estimates are based on the calculation methodology imposed by H&SC Section 50052.5.

The elements included in the Affordable Sales Price calculations are described in the following sections of this Attachment.

Household Size

For the sole purposes of calculating Affordable Sales Prices, H&SC Section 50052.5 sets household sizes based on the number of bedrooms in the home plus one. As discussed previously, this is not an occupancy minimum or maximum. Rather, it is a benchmark that creates a consistent Affordable Sales Price calculation methodology.

Household Income

For calculation purposes only, H&SC Section 50052.5 applies benchmark household incomes as the standard for determining the Affordable Sales Prices. These benchmarks are based on the following percentages of the Los Angeles County AMI:

Income Category	% of AMI
Moderate	110%
Low	70%

The identified benchmark percentages of AMI are not income caps. The household income qualification standards are set at the upper limits presented in the HCD and are based on the actual size of the homebuyer's household.

Income Allocated to Housing-Related Expenses

H&SC Section 50052.5 allocates the following percentages of the benchmark household incomes to the payment of housing-related expenses:

Income Category	% of Benchmark Income
Moderate	35%
Low	30%

Housing-Related Expenses

Based on research undertaken by KMA, the variable housing related expense assumptions used in this analysis are presented in the following table:

Variable Housing Related Expenses		
Ownership Housing Development Prototypes		
Number of Bedrooms	Monthly Utilities Allowances ³	Monthly HOA, Insurance & Maintenance
2	\$260	\$300
3	\$317	\$325
4	\$389	\$350

³Utilities allowances are based on utilities costs comprised of electric heating, cooking and water heating; basic electric; and water, sewer and trash services. The allowances are based on the Los Angeles County Development Authority Single-Family Schedule effective as of July 1, 2024.

The property tax expense estimates are based on 1.15% of the defined Affordable Sales Prices. This assumes that the City will require the homes to be resold on an Affordable Sales Price throughout one cumulative 45-year covenant period.

Supportable Mortgage Amount

The mortgage amounts used in the Affordable Sales Price calculations are estimated using the income available after the other housing-related expenses are paid. The mortgage terms used in this Financial Evaluation were based on a 30-year fully amortizing loan at a 6.98% interest rate. ⁴

Benchmark Down Payment

KMA set the benchmark down payment at 5% of the estimated Affordable Sales Price. A down payment of this magnitude is commonly allowed by affordable housing programs.

AFFORDABLE SALES PRICES

The resulting Affordable Sales Prices are estimated as follows:

Affordable Sales Prices		
Ownership Housing Development Prototypes		
Number of Bedrooms	Moderate Income	Low Income
2	\$313,200	\$136,800
3	\$345,300	\$148,100
4	\$366,600	\$153,700

⁴ Based on a 25 basis points premium applied to the Freddie Mac monthly average, between February 2024 and January 2025, for a fixed-interest rate loan with a 30-year amortization period.

ATTACHMENT 4

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES APARTMENT DEVELOPMENT INCLUSIONARY HOUSING: FINANCIAL EVALUATION ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

Name	Address			# of Units	Unit Size (SF)	Average Effective Rent		Year Built
						Total	Per SF	
I. Studio Units								
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	21	491	\$2,363	\$4.81	2024
Luxe	1769 E Walnut St	Pasadena	91106	20	514	\$2,514	\$4.89	2016
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	45	531	\$2,340	\$4.41	2023
Areum Apts	1110 S 5th Ave	Monrovia	91016	7	574	\$2,344	\$4.08	2017
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	61	585	\$2,543	\$4.35	2022
The RinRose	3768 E Colorado Blvd	Pasadena	91107	14	590	\$2,850	\$4.83	2023
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	4	602	\$2,608	\$4.33	2016
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	2	620	\$2,054	\$3.31	2018
The Huntington	1413 Huntington Dr	Duarte	91010	24	640	\$2,509	\$3.92	2022
	Minimum				491	\$2,054	\$3.31	
	Maximum				640	\$2,850	\$4.89	
	Weighted Average				563	\$2,482	\$4.43	

ATTACHMENT 4: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Name	Address			# of Units	Unit Size (SF)	Average Effective Rent		Year Built
						Total	Per SF	
II. One-Bedroom Units								
Luxe	1769 E Walnut St	Pasadena	91106	71	637	\$2,740	\$4.30	2024
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	89	684	\$2,905	\$4.25	
Begonia Place	5570 Rosemead Blvd	Temple City	91780	2	696	\$3,928	\$5.64	
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	183	707	\$2,838	\$4.01	
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	161	724	\$2,535	\$3.50	
The RinRose	3768 E Colorado Blvd	Pasadena	91107	62	728	\$3,417	\$4.69	2021
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	274	738	\$2,726	\$3.69	
Areum Apts	1110 S 5th Ave	Monrovia	91016	91	747	\$2,537	\$3.40	
Avalon Monrovia	825 S Myrtle Ave	Monrovia	91016	46	771	\$2,903	\$3.77	
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	165	792	\$2,741	\$3.46	
The Huntington	1413 Huntington Dr	Duarte	91010	88	797	\$2,722	\$3.42	2020
57 Wheeler	57 Wheeler Ave	Arcadia	91006	15	1,056	\$2,728	\$2.58	
	Minimum				637	\$2,535	\$2.58	
	Maximum				1,056	\$3,928	\$5.64	
	Weighted Average				738	\$2,762	\$3.76	

ATTACHMENT 4: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Name	Address			# of Units	Unit Size (SF)	Average Effective Rent		Year Built
						Total	Per SF	
III.	Two-Bedroom Units							
Luxe	1769 E Walnut St	Pasadena	91106	40	934	\$3,513	\$3.76	
Begonia Place	5570 Rosemead Blvd	Temple City	91780	68	952	\$4,233	\$4.45	
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	74	956	\$3,362	\$3.52	
The RinRose	3768 E Colorado Blvd	Pasadena	91107	24	1,011	\$4,120	\$4.08	
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	79	1,038	\$3,678	\$3.54	
Avalon Monrovia	825 S Myrtle Ave	Monrovia	91016	69	1,042	\$3,664	\$3.52	
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	98	1,059	\$2,960	\$2.80	
Areum Apts	1110 S 5th Ave	Monrovia	91016	56	1,081	\$3,226	\$2.98	
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	134	1,109	\$3,714	\$3.35	
The Huntington	1413 Huntington Dr	Duarte	91010	49	1,131	\$3,241	\$2.87	
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	43	1,168	\$3,618	\$3.10	
57 Wheeler	57 Wheeler Ave	Arcadia	91006	23	1,332	\$3,409	\$2.56	
The Residence at Mission View	109 S Alanmay Ave	San Gabriel	91776	6	1,345	\$4,331	\$3.22	
	Minimum				934	\$2,960	\$2.56	
	Maximum				1,345	\$4,331	\$4.45	
	Weighted Average				1,059	\$3,547	\$3.37	

¹ Source: CoStar, January 2025. Projects built in the past 10 years within 5 miles of Arcadia City Hall. The survey excludes affordable projects, three extraordinarily large studio units in the Avalon Monrovia, and five extraordinarily large one-bedroom unit in the Residences.

ATTACHMENT 4: APPENDIX B

AFFORDABLE RENT CALCULATIONS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX B

AFFORDABLE RENT CALCULATIONS
2024 INCOME STANDARDS
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

		Studio Units	One-Bedroom Units	Two-Bedroom Units
I. General Assumptions				
Benchmark Household Size	¹	1	2	3
Area Median Income (AMI)	²	\$68,750	\$78,550	\$88,400
Monthly Utilities Allowance	³	\$91	\$121	\$153
II. Affordable Rent Calculations				
A. Very Low Income - Rent Based on 50% AMI				
Benchmark Annual Household Income	⁴	\$34,375	\$39,275	\$44,200
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$10,313	\$11,783	\$13,260
Monthly Income Available for Housing Expenses		\$859	\$982	\$1,105
(Less) Monthly Utilities Allowance		(91)	(121)	(153)
Maximum Allowable Rent		\$768	\$861	\$952
B. Low Income - Rent Based on 80% AMI				
Benchmark Annual Household Income	⁵	\$55,000	\$62,840	\$70,720
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$16,500	\$18,852	\$21,216
Monthly Income Available for Housing Expenses		\$1,375	\$1,571	\$1,768
(Less) Monthly Utilities Allowance		(91)	(121)	(153)
Maximum Allowable Rent		\$1,284	\$1,450	\$1,615
C. Moderate Income - Rent Based on 110% AMI				
Benchmark Annual Household Income	⁶	\$75,625	\$86,405	\$97,240
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$22,688	\$25,922	\$29,172
Monthly Income Available for Housing Expenses		\$1,891	\$2,160	\$2,431
(Less) Monthly Utilities Allowance		(91)	(121)	(153)
Maximum Allowable Rent		\$1,800	\$2,039	\$2,278

¹ For the purposes of calculating the Affordable Rents, Health & Safety Code Section 50052.5 sets the benchmark household sizes at the number of bedrooms in the unit plus one. This is neither an occupancy cap nor a floor.

² Based on the 2024 Los Angeles County household incomes published by the California Department of Housing & Community Development (HCD).

³ Based on the Los Angeles County Development Authority (LACDA) Multifamily All Electric Schedule effective as of July 1, 2024. Assumes: Electric Heating, Electric Cooking, and Electric Water Heater; and Basic Electric.

⁴ Based on 50% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053.

⁵ Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505.

⁶ Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053.

ATTACHMENT 4: APPENDIX C

PRO FORMA ANALYSES

DMU SITE - LARGE DEVELOPMENT

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX C - EXHIBIT I

PRO FORMA ANALYSIS

MARKET RATE SCENARIO

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 1

ESTIMATED CONSTRUCTION COSTS

MARKET RATE SCENARIO

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					
On-Site Improvements / Landscaping	1	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000
Parking	2				
At-Grade Spaces		67	Spaces	\$5,000 /Space	335,000
Podium Spaces		275	Spaces	\$20,000 /Space	5,500,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		155,000	Sf of GLA	\$230 /Sf of GLA	35,650,000
Contractor/DC Contingency Allow	3	20%	Other Direct Costs		9,168,000
Total Direct Costs		155,000	Sf of GLA	\$355 /Sf of GLA	\$55,009,000
II. Indirect Costs					
Architecture, Engineering & Consulting		6%	Direct Costs		\$3,301,000
Public Permits & Fees	4	200	Units	\$19,000 /Unit	3,800,000
Taxes, Insurance, Legal & Accounting		2%	Direct Costs		1,100,000
Marketing		200	Units	\$2,500 /Unit	500,000
Developer Fee		5%	Direct Costs		2,750,000
Soft Cost Contingency Allowance		5%	Other Indirect Costs		573,000
Total Indirect Costs					\$12,024,000
III. Financing Costs					
Interest During Construction					
Land Acquisition	5	\$24,840,000	Cost	6.2% Avg Rate	\$2,310,000
Construction	6	\$74,280,000	Cost	6.2% Avg Rate	4,145,000
Loan Origination Fees		60%	Loan to Cost	1.5 Points	892,000
Total Financing Costs					\$7,347,000
IV. Total Construction Cost					
		200	Units	\$372,000 /Unit	\$74,380,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME

MARKET RATE SCENARIO

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Gross Income

A. Market Rate Units

¹

Studio Units	50 Units @	\$2,440 /Unit/Month	\$1,464,000
One-Bedroom Units	100 Units @	\$2,960 /Unit/Month	3,552,000
Two-Bedroom Units	50 Units @	\$3,900 /Unit/Month	2,340,000

B. Miscellaneous Income

200 Units @	\$75 /Unit/Month	180,000

Total Gross Income

\$7,536,000

Vacancy & Collection Allowance

5% Gross Income

(377,000)

II. **Effective Gross Income**

\$7,159,000

III. Operating Expenses

General Operating Expenses	200 Units @	\$4,500 /Unit	\$900,000
Property Taxes	200 Units @	\$6,300 /Unit	1,268,000
Replacement Reserve Deposits	200 Units @	\$150 /Unit	30,000

Total Operating Expenses

(\$2,198,000)

IV. **Stabilized Net Operating Income**

\$4,961,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.95 per square foot of leasable area.

² The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 3

ESTIMATED RESIDUAL LAND VALUE
MARKET RATE SCENARIO
DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Project Value				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 2		\$4,961,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$110,244,000
II. Total Project Cost				
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 1		\$74,380,000	
Threshold Developer Profit	10% of Value		11,024,000	
Total Project Cost				(\$85,404,000)
III. Estimated Residual Land Value				
	108,900	Sf of Land	\$228 /Sf of Land	\$24,840,000

ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 4

TARGET RESIDUAL LAND VALUE ANALYSIS

MARKET RATE SCENARIO

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. **Estimated Land Value**

DMU Site - Large Development	See ATTACHMENT 4: APPENDIX C - EXHIBIT I - TABLE 3	\$24,840,000	
Improved Commercial Site	¹ 108,900 Sf of Land \$115 /Sf of Land	12,524,000	
Estimated Value Enhancement			\$12,316,000

II. **Value Enhancement Funds Available for Inclusionary Housing**

Estimated Value Enhancement		\$12,316,000	
Share Allocated to Inclusionary Housing		65%	
Value Enhancement Funds Available for Inclusionary Housing			\$8,005,000

III. **Target Residual Land Value**

Estimated Land Value: DMU Site - Large Development		\$24,840,000	
Minus Value Enhancement Funds Available for Inclusionary Housing		(8,005,000)	
Target Residual Land Value			\$16,835,000

¹ See ATTACHMENT 2: PROPERTY SALES SURVEYS.

ATTACHMENT 4: APPENDIX C - EXHIBIT II

PRO FORMA ANALYSIS

SUPPORTABLE REQUIREMENT: 11% VERY LOW INCOME UNITS

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX C - EXHIBIT II - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 11% VERY LOW INCOME UNITS

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					
On-Site Improvements / Landscaping	1	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000
Parking	2				
At-Grade Spaces		67	Spaces	\$5,000 /Space	335,000
Podium Spaces		275	Spaces	\$20,000 /Space	5,500,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		155,000	Sf of GLA	\$230 /Sf of GLA	35,650,000
Contractor/DC Contingency Allow	3	20%	Other Direct Costs		9,168,000
Total Direct Costs		155,000	Sf of GLA	\$355 /Sf of GLA	\$55,009,000
II. Indirect Costs					
Architecture, Engineering & Consulting		6%	Direct Costs		\$3,301,000
Public Permits & Fees	5	200	Units	\$19,000 /Unit	3,800,000
Taxes, Insurance, Legal & Accounting		2%	Direct Costs		1,100,000
Marketing		200	Units	\$2,500 /Unit	500,000
Developer Fee		5%	Direct Costs		2,750,000
Soft Cost Contingency Allowance		5%	Other Indirect Costs		573,000
Total Indirect Costs					\$12,024,000
III. Financing Costs					
Interest During Construction					
Land Acquisition	4	\$16,989,000	Cost	6.2% Avg Rate	\$1,580,000
Construction	5	\$73,531,000	Cost	6.2% Avg Rate	4,103,000
Loan Origination Fees		60%	Loan to Cost	1.5 Points	815,000
Total Financing Costs					\$6,498,000
IV. Total Construction Cost					
		200	Units	\$368,000 /Unit	\$73,531,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT II - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUPPORTABLE REQUIREMENT: 11% VERY LOW INCOME UNITS
DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. **Gross Income**

A. Market Rate Units		¹			
Studio Units	44 Units @		\$2,440 /Unit/Month	\$1,288,000	
One-Bedroom Units	89 Units @		\$2,960 /Unit/Month	3,161,000	
Two-Bedroom Units	45 Units @		\$3,900 /Unit/Month	2,106,000	
B. Very Low Income Units		²			
Studio Units	6 Units @		\$768 /Unit/Month	55,000	
One-Bedroom Units	11 Units @		\$861 /Unit/Month	114,000	
Two-Bedroom Units	5 Units @		\$952 /Unit/Month	57,000	
C. Miscellaneous Income			200 Units @	\$75 /Unit/Month	180,000
Total Gross Income					\$6,961,000
Vacancy & Collection Allowance	5% Gross Income				(348,000)
II. Effective Gross Income					\$6,613,000

III. **Operating Expenses**

General Operating Expenses	200 Units @		\$4,500 /Unit	\$900,000	
Property Taxes	200 Units @	³	\$5,800 /Unit	1,157,000	
Replacement Reserve Deposits	200 Units @		\$150 /Unit	30,000	
Total Operating Expenses			200 Units @	\$10,435 /Unit	(\$2,087,000)

IV. Stabilized Net Operating Income					\$4,526,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.95 per square foot of leasable area.

² Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT II - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 11% VERY LOW INCOME UNITS
DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Project Value				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT II - TABLE 2		\$4,526,000	
Capitalization Rate			4.50%	
Estimated Project Value			\$100,578,000	
II. Total Project Cost				
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT II - TABLE 1		\$73,531,000	
Threshold Developer Profit	10% of Value		10,058,000	
Total Project Cost			(\$83,589,000)	
III. Estimated Residual Land Value	108,900	Sf of Land	\$156 /Sf of Land	\$16,989,000

ATTACHMENT 4: APPENDIX C - EXHIBIT III

PRO FORMA ANALYSIS

SUPPORTABLE REQUIREMENT: 15% LOW INCOME UNITS

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX C - EXHIBIT III - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 15% LOW INCOME UNITS

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					
On-Site Improvements / Landscaping	1	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000
Parking	2				
At-Grade Spaces		67	Spaces	\$5,000 /Space	335,000
Podium Spaces		275	Spaces	\$20,000 /Space	5,500,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		155,000	Sf of GLA	\$230 /Sf of GLA	35,650,000
Contractor/DC Contingency Allow	3	20%	Other Direct Costs		9,168,000
Total Direct Costs		155,000	Sf of GLA	\$355 /Sf of GLA	\$55,009,000
II. Indirect Costs					
Architecture, Engineering & Consulting		6%	Direct Costs		\$3,301,000
Public Permits & Fees	5	200	Units	\$19,000 /Unit	3,800,000
Taxes, Insurance, Legal & Accounting		2%	Direct Costs		1,100,000
Marketing		200	Units	\$2,500 /Unit	500,000
Developer Fee		5%	Direct Costs		2,750,000
Soft Cost Contingency Allowance		5%	Other Indirect Costs		573,000
Total Indirect Costs					\$12,024,000
III. Financing Costs					
Interest During Construction					
Land Acquisition	4	\$16,989,000	Cost	6.2% Avg Rate	\$1,580,000
Construction	5	\$73,531,000	Cost	6.2% Avg Rate	4,103,000
Loan Origination Fees		60%	Loan to Cost	1.5 Points	815,000
Total Financing Costs					\$6,498,000
IV. Total Construction Cost					
		200	Units	\$368,000 /Unit	\$73,531,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT III - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUPPORTABLE REQUIREMENT: 15% LOW INCOME UNITS
DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. **Gross Income**

A. Market Rate Units ¹				
Studio Units	42 Units @	\$2,440 /Unit/Month	\$1,230,000	
One-Bedroom Units	85 Units @	\$2,960 /Unit/Month	3,019,000	
Two-Bedroom Units	43 Units @	\$3,900 /Unit/Month	2,012,000	
B. Low Income Units ²				
Studio Units	8 Units @	\$1,284 /Unit/Month	123,000	
One-Bedroom Units	15 Units @	\$1,450 /Unit/Month	261,000	
Two-Bedroom Units	7 Units @	\$1,615 /Unit/Month	136,000	
C. Miscellaneous Income				
	200 Units @	\$75 /Unit/Month	180,000	
Total Gross Income				\$6,961,000
Vacancy & Collection Allowance	5% Gross Income			(348,000)

II. **Effective Gross Income** \$6,613,000

III. **Operating Expenses**

General Operating Expenses	200 Units @	\$4,500 /Unit	\$900,000	
Property Taxes	200 Units @	\$5,800 /Unit	1,157,000	
Replacement Reserve Deposits	200 Units @	\$150 /Unit	30,000	
Total Operating Expenses				(\$2,087,000)

IV. Stabilized Net Operating Income	\$4,526,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.95 per square foot of leasable area.

² Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT III - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 15% LOW INCOME UNITS
DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Project Value									
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT III - TABLE 2		\$4,526,000						
Capitalization Rate			4.50%						
Estimated Project Value				\$100,578,000					
II. Total Project Cost									
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT III - TABLE 1		\$73,531,000						
Threshold Developer Profit	10% of Value		10,058,000						
Total Project Cost				(\$83,589,000)					
III. <table border="1"><tr><td>Estimated Residual Land Value</td><td>108,900</td><td>Sf of Land</td><td>\$156 /Sf of Land</td><td>\$16,989,000</td></tr></table>					Estimated Residual Land Value	108,900	Sf of Land	\$156 /Sf of Land	\$16,989,000
Estimated Residual Land Value	108,900	Sf of Land	\$156 /Sf of Land	\$16,989,000					

ATTACHMENT 4: APPENDIX C - EXHIBIT IV

PRO FORMA ANALYSIS

SUPPORTABLE REQUIREMENT:

7% LOW INCOME UNITS + 6% VERY LOW INCOME UNITS

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 7% LOW INCOME UNITS + 6% VERY LOW INCOME UNITS

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					
On-Site Improvements / Landscaping	1	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000
Parking	2				
At-Grade Spaces		67	Spaces	\$5,000 /Space	335,000
Podium Spaces		275	Spaces	\$20,000 /Space	5,500,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		155,000	Sf of GLA	\$230 /Sf of GLA	35,650,000
Contractor/DC Contingency Allow	3	20%	Other Direct Costs		9,168,000
Total Direct Costs		155,000	Sf of GLA	\$355 /Sf of GLA	\$55,009,000
II. Indirect Costs					
Architecture, Engineering & Consulting		6%	Direct Costs		\$3,301,000
Public Permits & Fees	5	200	Units	\$19,000 /Unit	3,800,000
Taxes, Insurance, Legal & Accounting		2%	Direct Costs		1,100,000
Marketing		200	Units	\$2,500 /Unit	500,000
Developer Fee		5%	Direct Costs		2,750,000
Soft Cost Contingency Allowance		5%	Other Indirect Costs		573,000
Total Indirect Costs					\$12,024,000
III. Financing Costs					
Interest During Construction					
Land Acquisition	4	\$16,701,000	Cost	6.2% Avg Rate	\$1,553,000
Construction	5	\$73,499,000	Cost	6.2% Avg Rate	4,101,000
Loan Origination Fees		60%	Loan to Cost	1.5 Points	812,000
Total Financing Costs					\$6,466,000
IV. Total Construction Cost					
		200	Units	\$367,000 /Unit	\$73,499,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME

SUPPORTABLE REQUIREMENT: 7% LOW INCOME UNITS + 6% VERY LOW INCOME UNITS

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Gross Income

A. Market Rate Units

1

Studio Units	44 Units @	\$2,440 /Unit/Month	\$1,288,000
One-Bedroom Units	87 Units @	\$2,960 /Unit/Month	3,090,000
Two-Bedroom Units	43 Units @	\$3,900 /Unit/Month	2,012,000

B. Low Income Units

2

Studio Units	3 Units @	\$1,284 /Unit/Month	46,000
One-Bedroom Units	7 Units @	\$1,450 /Unit/Month	122,000
Two-Bedroom Units	4 Units @	\$1,615 /Unit/Month	78,000

B. Very Low Income Units

3

Studio Units	3 Units @	\$768 /Unit/Month	28,000
One-Bedroom Units	6 Units @	\$861 /Unit/Month	62,000
Two-Bedroom Units	3 Units @	\$952 /Unit/Month	34,000

C. Miscellaneous Income

200 Units @	\$75 /Unit/Month	180,000

Total Gross Income

\$6,940,000

Vacancy & Collection Allowance

5% Gross Income

(347,000)

II. Effective Gross Income

\$6,593,000

III. Operating Expenses

General Operating Expenses	200 Units @	\$4,500 /Unit	\$900,000
Property Taxes	200 Units @	\$5,800 /Unit	1,153,000
Replacement Reserve Deposits	200 Units @	\$150 /Unit	30,000

Total Operating Expenses

200 Units @	\$10,415 /Unit	(\$2,083,000)

IV. Stabilized Net Operating Income

\$4,510,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.96 per square foot of leasable area.

² Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

³ Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

⁴ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 7% LOW INCOME UNITS + 6% VERY LOW INCOME UNITS
DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Project Value				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2		\$4,510,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$100,222,000
II. Total Project Cost				
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1		\$73,499,000	
Threshold Developer Profit	10% of Value		10,022,000	
Total Project Cost				(\$83,521,000)
III. Estimated Residual Land Value				
	108,900	Sf of Land	\$153 /Sf of Land	\$16,701,000

ATTACHMENT 4: APPENDIX C - EXHIBIT V

PRO FORMA ANALYSIS

**SUPPORTABLE REQUIREMENT: 23% MODERATE INCOME UNITS
DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX C - EXHIBIT V - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 23% MODERATE INCOME UNITS

DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					
On-Site Improvements / Landscaping	1	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000
Parking	2				
At-Grade Spaces		67	Spaces	\$5,000 /Space	335,000
Podium Spaces		275	Spaces	\$20,000 /Space	5,500,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		155,000	Sf of GLA	\$230 /Sf of GLA	35,650,000
Contractor/DC Contingency Allow	3	20%	Other Direct Costs		9,168,000
Total Direct Costs		155,000	Sf of GLA	\$355 /Sf of GLA	\$55,009,000
II. Indirect Costs					
Architecture, Engineering & Consulting		6%	Direct Costs		\$3,301,000
Public Permits & Fees	5	200	Units	\$19,000 /Unit	3,800,000
Taxes, Insurance, Legal & Accounting		2%	Direct Costs		1,100,000
Marketing		200	Units	\$2,500 /Unit	500,000
Developer Fee		5%	Direct Costs		2,750,000
Soft Cost Contingency Allowance		5%	Other Indirect Costs		573,000
Total Indirect Costs					\$12,024,000
III. Financing Costs					
Interest During Construction					
Land Acquisition	4	\$17,044,000	Cost	6.2% Avg Rate	\$1,585,000
Construction	5	\$73,536,000	Cost	6.2% Avg Rate	4,103,000
Loan Origination Fees		60%	Loan to Cost	1.5 Points	815,000
Total Financing Costs					\$6,503,000
IV. Total Construction Cost					
		200	Units	\$368,000 /Unit	\$73,536,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT V - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUPPORTABLE REQUIREMENT: 23% MODERATE INCOME UNITS
DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. **Gross Income**

A. Market Rate Units ¹				
Studio Units	39 Units @	\$2,440 /Unit/Month	\$1,142,000	
One-Bedroom Units	77 Units @	\$2,960 /Unit/Month	2,735,000	
Two-Bedroom Units	38 Units @	\$3,900 /Unit/Month	1,778,000	
B. Moderate Income Units ²				
Studio Units	11 Units @	\$1,800 /Unit/Month	238,000	
One-Bedroom Units	23 Units @	\$2,039 /Unit/Month	563,000	
Two-Bedroom Units	12 Units @	\$2,278 /Unit/Month	328,000	
C. Miscellaneous Income				
	200 Units @	\$75 /Unit/Month	180,000	
Total Gross Income				\$6,964,000
Vacancy & Collection Allowance	5% Gross Income			(348,000)

II. **Effective Gross Income** \$6,616,000

III. **Operating Expenses**

General Operating Expenses	200 Units @	\$4,500 /Unit	\$900,000	
Property Taxes	200 Units @	\$5,800 /Unit	1,157,000	
Replacement Reserve Deposits	200 Units @	\$150 /Unit	30,000	
Total Operating Expenses				(\$2,087,000)

IV. Stabilized Net Operating Income	\$4,529,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.96 per square foot of leasable area.

² Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT V - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 23% MODERATE INCOME UNITS
DMU SITE - LARGE DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Project Value				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT V - TABLE 2		\$4,529,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$100,644,000
II. Total Project Cost				
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT V - TABLE 1		\$73,536,000	
Threshold Developer Profit	10% of Value		10,064,000	
Total Project Cost				(\$83,600,000)
III. Estimated Residual Land Value				
	108,900	Sf of Land	\$157 /Sf of Land	\$17,044,000

ATTACHMENT 4: APPENDIX C - EXHIBIT VI

PRO FORMA ANALYSIS

50% §65915 DENSITY BONUS: 120 UNITS/ACRE

DMU SITE - LARGE DEVELOPMENT

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX C - EXHIBIT VI - TABLE 1

ESTIMATED CONSTRUCTION COSTS

50% §65915 DENSITY BONUS: 120 UNITS/ACRE

DMU SITE - LARGE DEVELOPMENT

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					¹
On-Site Improvements / Landscaping	108,900	Sf of Land	\$40 /Sf of Land	\$4,356,000	
Parking					²
At-Grade Spaces	0	Spaces	\$5,000 /Space	0	
Podium Spaces	0	Spaces	\$20,000 /Space	0	
1st Level Subterranean Spaces	272	Spaces	\$40,000 /Space	10,880,000	
2nd Level Subterranean Spaces	66	Spaces	\$50,000 /Space	3,300,000	
Building Costs	232,500	Sf of GLA	\$250 /Sf of GLA	58,125,000	
Contractor/DC Contingency Allow	20%	Other Direct Costs		15,332,000	³
Total Direct Costs				\$91,993,000	
II. Indirect Costs					
Architecture, Engineering & Consulting	6%	Direct Costs		\$5,520,000	
Public Permits & Fees	300	Units	\$19,000 /Unit	5,700,000	⁴
Taxes, Insurance, Legal & Accounting	2%	Direct Costs		1,840,000	
Marketing	300	Units	\$2,500 /Unit	750,000	
Developer Fee	5%	Direct Costs		4,600,000	
Soft Cost Contingency Allowance	5%	Other Indirect Costs		921,000	
Total Indirect Costs				\$19,331,000	
III. Financing Costs					
Interest During Construction					
Land Acquisition	\$16,142,000	Cost	6.2% Avg Rate	\$1,501,000	⁵
Construction	#####	Cost	6.2% Avg Rate	6,741,000	⁶
Loan Origination Fees	60%	Loan to Cost	1.5 Points	1,232,000	
Total Financing Costs				\$9,474,000	
IV. Total Construction Cost					
	300	Units	\$403,000 /Unit	\$120,798,000	

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 65915 (p) requires jurisdictions to allow projects to meet the following statutorily established parking standards. 1.0 space per Studio Unit; 1.0 space per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; and 1.5 spaces per Three-Bedroom Unit. No guest spaces are

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT VI - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
50% §65915 DENSITY BONUS: 120 UNITS/ACRE
DMU SITE - LARGE DEVELOPMENT
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

¹

Studio Units	67 Units @	\$2,440 /Unit/Month	\$1,962,000
One-Bedroom Units	135 Units @	\$2,960 /Unit/Month	4,795,000
Two-Bedroom Units	68 Units @	\$3,900 /Unit/Month	3,182,000

B. **Density Bonus Very Low Income Units**

²

Studio Units	8 Units @	\$768 /Unit/Month	74,000
One-Bedroom Units	15 Units @	\$861 /Unit/Month	155,000
Two-Bedroom Units	7 Units @	\$952 /Unit/Month	80,000

C. **Miscellaneous Income**

300 Units @	\$75 /Unit/Month	270,000

Total Gross Income

\$10,518,000

Vacancy & Collection Allowance

5% Gross Income

(526,000)

II. **Effective Gross Income**

\$9,992,000

III. **Operating Expenses**

General Operating Expenses	300 Units @	\$4,500 /Unit	\$1,350,000
Property Taxes	300 Units @	\$5,800 /Unit	1,750,000
Replacement Reserve Deposits	300 Units @	\$150 /Unit	45,000

Total Operating Expenses

300 Units @	\$10,483 /Unit	(\$3,145,000)

IV. **Stabilized Net Operating Income**

\$6,847,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.95 per square foot of leasable area.

² Section 65915 (c) (1) (B) (i) calculates very low income rents based on household income based on 110% of AMI. This represents the standard identified in California Health & Safety Code Section 50503. See ATTACHMENT 4: APPENDIX B.

³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT VI - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
50% \$65915 DENSITY BONUS: 120 UNITS/ACRE
DMU SITE - LARGE DEVELOPMENT
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I.	Estimated Project Value		
	Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT VI - TABLE 2	\$6,847,000
	Capitalization Rate		4.50%
	Estimated Project Value		\$152,156,000
II.	Total Project Cost		
	Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT VI - TABLE 1	\$120,798,000
	Threshold Developer Profit	10% of Value	15,216,000
	Total Project Cost		(\$136,014,000)
III.	Estimated Residual Land Value		
	108,900	Sf of Land	\$148 /Sf of Land
			\$16,142,000

ATTACHMENT 4: APPENDIX D

PRO FORMA ANALYSES

DMU SITE - SMALL DEVELOPMENT

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX D - EXHIBIT I

PRO FORMA ANALYSIS

MARKET RATE SCENARIO

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 1

ESTIMATED CONSTRUCTION COSTS

MARKET RATE SCENARIO

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					¹
On-Site Improvements / Landscaping	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000	
Parking					²
At-Grade Spaces	16	Spaces	\$5,000 /Space	80,000	
Podium Spaces	72	Spaces	\$20,000 /Space	1,440,000	
1st Level Subterranean Spaces	0	Spaces	\$40,000 /Space	0	
2nd Level Subterranean Spaces	0	Spaces	\$50,000 /Space	0	
Building Costs	45,600	Sf of GLA	\$220 /Sf of GLA	10,032,000	
Contractor/DC Contingency Allow	20%	Other Direct Costs		2,572,000	³
Total Direct Costs				\$15,431,000	
II. Indirect Costs					
Architecture, Engineering & Consulting	6%	Direct Costs		\$926,000	
Public Permits & Fees	48	Units	\$21,300 /Unit	1,022,000	⁴
Taxes, Insurance, Legal & Accounting	2%	Direct Costs		309,000	
Marketing	48	Units	\$2,500 /Unit	120,000	
Developer Fee	5%	Direct Costs		772,000	
Soft Cost Contingency Allowance	5%	Other Indirect Costs		157,000	
Total Indirect Costs				\$3,306,000	
III. Financing Costs					
Interest During Construction					
Land Acquisition	\$6,460,000	Cost	6.2% Avg Rate	\$601,000	⁵
Construction	\$20,740,000	Cost	6.2% Avg Rate	1,157,000	⁶
Loan Origination Fees	60%	Loan to Cost	1.5 Points	245,000	
Total Financing Costs				\$2,003,000	
IV. Total Construction Cost					
	48	Units	\$432,000 /Unit	\$20,740,000	

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME

MARKET RATE SCENARIO

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Gross Income

A. Market Rate Units

¹

Studio Units	0 Units @	\$0 /Unit/Month	\$0
One-Bedroom Units	24 Units @	\$3,010 /Unit/Month	867,000
Two-Bedroom Units	24 Units @	\$3,900 /Unit/Month	1,123,000

B. Miscellaneous Income

48 Units @	\$75 /Unit/Month	43,000

Total Gross Income

\$2,033,000

Vacancy & Collection Allowance

5% Gross Income

(102,000)

II. **Effective Gross Income**

\$1,931,000

III. Operating Expenses

General Operating Expenses	48 Units @	\$4,500 /Unit	\$216,000
Property Taxes	48 Units @	\$7,300 /Unit	348,000
Replacement Reserve Deposits	48 Units @	\$150 /Unit	7,000

Total Operating Expenses

(\$571,000)

IV. **Stabilized Net Operating Income**

\$1,360,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.64 per square foot of leasable area.

² The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 3

ESTIMATED RESIDUAL LAND VALUE
MARKET RATE SCENARIO
DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Project Value				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 2		\$1,360,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$30,222,000
II. Total Project Cost				
Total Construction Cost	See ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 1		\$20,740,000	
Threshold Developer Profit	10% of Value		3,022,000	
Total Project Cost				(\$23,762,000)
III. Estimated Residual Land Value	32,670	Sf of Land	\$198 /Sf of Land	\$6,460,000

ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 4

TARGET RESIDUAL LAND VALUE ANALYSIS

MARKET RATE SCENARIO

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. **Estimated Land Value**

DMU Site - Small Development	See ATTACHMENT 4: APPENDIX D - EXHIBIT I - TABLE 3	\$6,460,000	
Improved Commercial Site	¹ 32,670 Sf of Land \$115 /Sf of Land	3,757,000	
Estimated Value Enhancement			\$2,703,000

II. **Value Enhancement Funds Available for Inclusionary Housing**

Estimated Value Enhancement		\$2,703,000	
Share Allocated to Inclusionary Housing		65%	
Value Enhancement Funds Available for Inclusionary Housing			\$1,757,000

III. **Target Residual Land Value**

Estimated Land Value: DMU Site - Small Development		\$6,460,000	
Minus Value Enhancement Funds Available for Inclusionary Housing		(1,757,000)	
Target Residual Land Value			\$4,703,000

¹ See ATTACHMENT 2: PROPERTY SALES SURVEYS.

² Based on the Value Enhancement Funds Available for Inclusionary Housing.

ATTACHMENT 4: APPENDIX D - EXHIBIT II

PRO FORMA ANALYSIS

SUPPORTABLE REQUIREMENT: 9% VERY LOW INCOME UNITS

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX D - EXHIBIT II - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 9% VERY LOW INCOME UNITS

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					¹
On-Site Improvements / Landscaping	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000	
Parking					²
At-Grade Spaces	16	Spaces	\$5,000 /Space	80,000	
Podium Spaces	72	Spaces	\$20,000 /Space	1,440,000	
1st Level Subterranean Spaces	0	Spaces	\$40,000 /Space	0	
2nd Level Subterranean Spaces	0	Spaces	\$50,000 /Space	0	
Building Costs	45,600	Sf of GLA	\$220 /Sf of GLA	10,032,000	
Contractor/DC Contingency Allow	20%	Other Direct Costs		2,572,000	³
Total Direct Costs				\$15,431,000	
II. Indirect Costs					
Architecture, Engineering & Consulting	6%	Direct Costs		\$926,000	
Public Permits & Fees	48	Units	\$21,300 /Unit	1,022,000	⁵
Taxes, Insurance, Legal & Accounting	2%	Direct Costs		309,000	
Marketing	48	Units	\$2,500 /Unit	120,000	
Developer Fee	5%	Direct Costs		772,000	
Soft Cost Contingency Allowance	5%	Other Indirect Costs		157,000	
Total Indirect Costs				\$3,306,000	
III. Financing Costs					
Interest During Construction					
Land Acquisition	\$4,820,000	Cost	6.2% Avg Rate	\$448,000	⁴
Construction	\$20,560,000	Cost	6.2% Avg Rate	1,147,000	⁵
Loan Origination Fees	60%	Loan to Cost	1.5 Points	228,000	
Total Financing Costs				\$1,823,000	
IV. Total Construction Cost					
	48	Units	\$428,000 /Unit	\$20,560,000	

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX D - EXHIBIT II - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUPPORTABLE REQUIREMENT: 9% VERY LOW INCOME UNITS
DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. **Gross Income**

A. Market Rate Units				¹
Studio Units	0 Units @	\$0 /Unit/Month	\$0	
One-Bedroom Units	22 Units @	\$3,010 /Unit/Month	795,000	
Two-Bedroom Units	22 Units @	\$3,900 /Unit/Month	1,030,000	
B. Very Low Income Units				²
Studio Units	0 Units @	\$768 /Unit/Month	0	
One-Bedroom Units	2 Units @	\$861 /Unit/Month	21,000	
Two-Bedroom Units	2 Units @	\$952 /Unit/Month	23,000	
C. Miscellaneous Income				
	48 Units @	\$75 /Unit/Month	43,000	
Total Gross Income			\$1,912,000	
Vacancy & Collection Allowance	5% Gross Income		(96,000)	

II. **Effective Gross Income** \$1,816,000

III. **Operating Expenses**

General Operating Expenses	48 Units @	\$4,500 /Unit	\$216,000	
Property Taxes	48 Units @	\$6,800 /Unit	324,000	
Replacement Reserve Deposits	48 Units @	\$150 /Unit	7,000	
Total Operating Expenses			(\$547,000)	

IV. Stabilized Net Operating Income	\$1,269,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.64 per square foot of leasable area.

² Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX D - EXHIBIT II - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 9% VERY LOW INCOME UNITS
DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. <u>Estimated Project Value</u>				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX D - EXHIBIT II - TABLE 2		\$1,269,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$28,200,000
II. <u>Total Project Cost</u>				
Total Construction Cost	See ATTACHMENT 4: APPENDIX D - EXHIBIT II - TABLE 1		\$20,560,000	
Threshold Developer Profit	10% of Value		2,820,000	
Total Project Cost				(\$23,380,000)
III. <u>Estimated Residual Land Value</u>				
	32,670	Sf of Land	\$148 /Sf of Land	\$4,820,000

ATTACHMENT 4: APPENDIX D - EXHIBIT III

PRO FORMA ANALYSIS

SUPPORTABLE REQUIREMENT: 14% LOW INCOME UNITS

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX D - EXHIBIT III - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 14% LOW INCOME UNITS

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					
On-Site Improvements / Landscaping	1	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000
Parking	2				
At-Grade Spaces		16	Spaces	\$5,000 /Space	80,000
Podium Spaces		72	Spaces	\$20,000 /Space	1,440,000
1st Level Subterranean Spaces		0	Spaces	\$40,000 /Space	0
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		45,600	Sf of GLA	\$220 /Sf of GLA	10,032,000
Contractor/DC Contingency Allow	3	20%	Other Direct Costs		2,572,000
Total Direct Costs		45,600	Sf of GLA	\$338 /Sf of GLA	\$15,431,000
II. Indirect Costs					
Architecture, Engineering & Consulting		6%	Direct Costs		\$926,000
Public Permits & Fees	5	48	Units	\$21,300 /Unit	1,022,000
Taxes, Insurance, Legal & Accounting		2%	Direct Costs		309,000
Marketing		48	Units	\$2,500 /Unit	120,000
Developer Fee		5%	Direct Costs		772,000
Soft Cost Contingency Allowance		5%	Other Indirect Costs		157,000
Total Indirect Costs					\$3,306,000
III. Financing Costs					
Interest During Construction					
Land Acquisition	4	\$4,585,000	Cost	6.2% Avg Rate	\$426,000
Construction	5	\$20,535,000	Cost	6.2% Avg Rate	1,146,000
Loan Origination Fees		60%	Loan to Cost	1.5 Points	226,000
Total Financing Costs					\$1,798,000
IV. Total Construction Cost					
		48	Units	\$428,000 /Unit	\$20,535,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX D - EXHIBIT III - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUPPORTABLE REQUIREMENT: 14% LOW INCOME UNITS
DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Gross Income

A. Market Rate Units	¹			
Studio Units		0 Units @	\$0 /Unit/Month	\$0
One-Bedroom Units		21 Units @	\$3,010 /Unit/Month	759,000
Two-Bedroom Units		21 Units @	\$3,900 /Unit/Month	983,000
B. Low Income Units	²			
Studio Units		0 Units @	\$1,284 /Unit/Month	0
One-Bedroom Units		3 Units @	\$1,450 /Unit/Month	52,000
Two-Bedroom Units		3 Units @	\$1,615 /Unit/Month	58,000
C. Miscellaneous Income		48 Units @	\$75 /Unit/Month	43,000
Total Gross Income				\$1,895,000
Vacancy & Collection Allowance		5% Gross Income		(95,000)

II. **Effective Gross Income** \$1,800,000

III. Operating Expenses

General Operating Expenses		48 Units @	\$4,500 /Unit	\$216,000
Property Taxes	³	48 Units @	\$6,700 /Unit	321,000
Replacement Reserve Deposits		48 Units @	\$150 /Unit	7,000
Total Operating Expenses		48 Units @	\$11,333 /Unit	(\$544,000)

IV. Stabilized Net Operating Income	\$1,256,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.64 per square foot of leasable area.

² Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX D - EXHIBIT III - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 14% LOW INCOME UNITS
DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Project Value				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX D - EXHIBIT III - TABLE 2		\$1,256,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$27,911,000
II. Total Project Cost				
Total Construction Cost	See ATTACHMENT 4: APPENDIX D - EXHIBIT III - TABLE 1		\$20,535,000	
Threshold Developer Profit	10% of Value		2,791,000	
Total Project Cost				(\$23,326,000)
III. Estimated Residual Land Value				
	32,670	Sf of Land	\$140 /Sf of Land	\$4,585,000

ATTACHMENT 4: APPENDIX C - EXHIBIT IV

PRO FORMA ANALYSIS

SUPPORTABLE REQUIREMENT:

6% LOW INCOME UNITS + 5% VERY LOW INCOME UNITS

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 6% LOW INCOME UNITS + 5% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					1
On-Site Improvements / Landscaping	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000	
Parking					2
At-Grade Spaces	16	Spaces	\$5,000 /Space	80,000	
Podium Spaces	72	Spaces	\$20,000 /Space	1,440,000	
1st Level Subterranean Spaces	0	Spaces	\$40,000 /Space	0	
2nd Level Subterranean Spaces	0	Spaces	\$50,000 /Space	0	
Building Costs	45,600	Sf of GLA	\$220 /Sf of GLA	10,032,000	
Contractor/DC Contingency Allow	20%	Other Direct Costs		2,572,000	3
Total Direct Costs	45,600	Sf of GLA	\$338 /Sf of GLA	\$15,431,000	
II. Indirect Costs					
Architecture, Engineering & Consulting	6%	Direct Costs		\$926,000	
Public Permits & Fees	48	Units	\$21,300 /Unit	1,022,000	5
Taxes, Insurance, Legal & Accounting	2%	Direct Costs		309,000	
Marketing	48	Units	\$2,500 /Unit	120,000	
Developer Fee	5%	Direct Costs		772,000	
Soft Cost Contingency Allowance	5%	Other Indirect Costs		157,000	
Total Indirect Costs				\$3,306,000	
III. Financing Costs					
Interest During Construction					
Land Acquisition	\$4,765,000	Cost	6.2% Avg Rate	\$443,000	4
Construction	\$20,555,000	Cost	6.2% Avg Rate	1,147,000	5
Loan Origination Fees	60%	Loan to Cost	1.5 Points	228,000	
Total Financing Costs				\$1,818,000	
IV. Total Construction Cost	48	Units	\$428,000 /Unit	\$20,555,000	

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME

SUPPORTABLE REQUIREMENT: 6% LOW INCOME UNITS + 5% VERY LOW INCOME UNITS

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Gross Income

A. Market Rate Units

1

Studio Units	0 Units @	\$0 /Unit/Month	\$0
One-Bedroom Units	21 Units @	\$3,010 /Unit/Month	759,000
Two-Bedroom Units	22 Units @	\$3,900 /Unit/Month	1,030,000

B. Low Income Units

2

Studio Units	0 Units @	\$1,284 /Unit/Month	0
One-Bedroom Units	2 Units @	\$1,450 /Unit/Month	35,000
Two-Bedroom Units	1 Unit @	\$1,615 /Unit/Month	19,000

B. Very Low Income Units

3

Studio Units	0 Units @	\$768 /Unit/Month	0
One-Bedroom Units	1 Unit @	\$861 /Unit/Month	10,000
Two-Bedroom Units	1 Unit @	\$952 /Unit/Month	11,000

C. Miscellaneous Income

48 Units @	\$75 /Unit/Month	43,000

Total Gross Income

\$1,907,000

Vacancy & Collection Allowance

5% Gross Income

(95,000)

II. Effective Gross Income

\$1,812,000

III. Operating Expenses

General Operating Expenses	48 Units @	\$4,500 /Unit	\$216,000
Property Taxes	48 Units @	\$6,700 /Unit	323,000
Replacement Reserve Deposits	48 Units @	\$150 /Unit	7,000

Total Operating Expenses

48 Units @	\$11,375 /Unit	(\$546,000)

IV. Stabilized Net Operating Income

\$1,266,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.63 per square foot of leasable area.

² Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

³ Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

⁴ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 6% LOW INCOME UNITS + 5% VERY LOW INCOME UNITS
APARTMENT DEVELOPMENT
DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 80 UNITS/ACRE
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Project Value				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2		\$1,266,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$28,133,000
II. Total Project Cost				
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1		\$20,555,000	
Threshold Developer Profit	10% of Value		2,813,000	
Total Project Cost				(\$23,368,000)
III. Estimated Residual Land Value				
	32,670	Sf of Land	\$146 /Sf of Land	\$4,765,000

ATTACHMENT 4: APPENDIX D - EXHIBIT V

PRO FORMA ANALYSIS

**SUPPORTABLE REQUIREMENT: 16% MODERATE INCOME UNITS
DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA**

ATTACHMENT 4: APPENDIX D - EXHIBIT V - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 16% MODERATE INCOME UNITS

DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					¹
On-Site Improvements / Landscaping	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000	
Parking					²
At-Grade Spaces	16	Spaces	\$5,000 /Space	80,000	
Podium Spaces	72	Spaces	\$20,000 /Space	1,440,000	
1st Level Subterranean Spaces	0	Spaces	\$40,000 /Space	0	
2nd Level Subterranean Spaces	0	Spaces	\$50,000 /Space	0	
Building Costs	45,600	Sf of GLA	\$220 /Sf of GLA	10,032,000	
Contractor/DC Contingency Allow		20% Other Direct Costs		2,572,000	³
Total Direct Costs	45,600	Sf of GLA	\$338 /Sf of GLA	\$15,431,000	
II. Indirect Costs					
Architecture, Engineering & Consulting		6% Direct Costs		\$926,000	
Public Permits & Fees		48 Units	\$21,300 /Unit	1,022,000	⁵
Taxes, Insurance, Legal & Accounting		2% Direct Costs		309,000	
Marketing		48 Units	\$2,500 /Unit	120,000	
Developer Fee		5% Direct Costs		772,000	
Soft Cost Contingency Allowance		5% Other Indirect Costs		157,000	
Total Indirect Costs				\$3,306,000	
III. Financing Costs					
Interest During Construction					
Land Acquisition		4	\$4,765,000 Cost	6.2% Avg Rate	\$443,000
Construction		5	\$20,555,000 Cost	6.2% Avg Rate	1,147,000
Loan Origination Fees			60% Loan to Cost	1.5 Points	228,000
Total Financing Costs					\$1,818,000
IV. Total Construction Cost	48	Units	\$428,000 /Unit	\$20,555,000	

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.0 space per Studio Unit; 1.5 spaces per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; and 0.33 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 18 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 18 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX D - EXHIBIT V - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUPPORTABLE REQUIREMENT: 16% MODERATE INCOME UNITS
DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. **Gross Income**

A. Market Rate Units				¹
Studio Units	0 Units @	\$0 /Unit/Month	\$0	
One-Bedroom Units	20 Units @	\$3,010 /Unit/Month	722,000	
Two-Bedroom Units	20 Units @	\$3,900 /Unit/Month	936,000	
B. Moderate Income Units				²
Studio Units	0 Units @	\$1,800 /Unit/Month	0	
One-Bedroom Units	4 Units @	\$2,039 /Unit/Month	98,000	
Two-Bedroom Units	4 Units @	\$2,278 /Unit/Month	109,000	
C. Miscellaneous Income				
	48 Units @	\$75 /Unit/Month	43,000	
Total Gross Income			\$1,908,000	
Vacancy & Collection Allowance	5% Gross Income		(95,000)	
II. Effective Gross Income			\$1,813,000	

III. **Operating Expenses**

General Operating Expenses	48 Units @	\$4,500 /Unit	\$216,000	
Property Taxes	48 Units @	\$6,800 /Unit	324,000	
Replacement Reserve Deposits	48 Units @	\$150 /Unit	7,000	
Total Operating Expenses			(\$547,000)	

IV. Stabilized Net Operating Income	\$1,266,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.64 per square foot of leasable area.

² Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX D - EXHIBIT V - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 16% MODERATE INCOME UNITS
DMU SITE - SMALL DEVELOPMENT: BASE ZONING: 64 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. <u>Estimated Project Value</u>				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX D - EXHIBIT V - TABLE 2		\$1,266,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$28,133,000
II. <u>Total Project Cost</u>				
Total Construction Cost	See ATTACHMENT 4: APPENDIX D - EXHIBIT V - TABLE 1		\$20,555,000	
Threshold Developer Profit	10% of Value		2,813,000	
Total Project Cost				(\$23,368,000)
III. <u>Estimated Residual Land Value</u>				
	32,670	Sf of Land	\$146 /Sf of Land	\$4,765,000

ATTACHMENT 4: APPENDIX D - EXHIBIT VI

PRO FORMA ANALYSIS

50% §65915 DENSITY BONUS: 96 UNITS/ACRE

DMU SITE - SMALL DEVELOPMENT

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX D - EXHIBIT VI - TABLE 1

ESTIMATED CONSTRUCTION COSTS

50% §65915 DENSITY BONUS: 96 UNITS/ACRE

DMU SITE - SMALL DEVELOPMENT

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					¹
On-Site Improvements / Landscaping	32,670	Sf of Land	\$40 /Sf of Land	\$1,307,000	
Parking					²
At-Grade Spaces	0	Spaces	\$5,000 /Space	0	
Podium Spaces	0	Spaces	\$20,000 /Space	0	
1st Level Subterranean Spaces	82	Spaces	\$40,000 /Space	3,280,000	
2nd Level Subterranean Spaces	8	Spaces	\$50,000 /Space	400,000	
Building Costs	68,400	Sf of GLA	\$240 /Sf of GLA	16,416,000	
Contractor/DC Contingency Allow		20% Other Direct Costs		4,281,000	³
Total Direct Costs				\$25,684,000	
II. Indirect Costs					
Architecture, Engineering & Consulting	6%	Direct Costs		\$1,541,000	
Public Permits & Fees	72	Units	\$21,300 /Unit	1,534,000	⁴
Taxes, Insurance, Legal & Accounting	2%	Direct Costs		514,000	
Marketing	72	Units	\$2,500 /Unit	180,000	
Developer Fee	5%	Direct Costs		1,284,000	
Soft Cost Contingency Allowance	5%	Other Indirect Costs		253,000	
Total Indirect Costs				\$5,306,000	
III. Financing Costs					
Interest During Construction					
Land Acquisition	\$3,947,000	Cost	6.2% Avg Rate	\$306,000	⁵
Construction	\$33,173,000	Cost	6.2% Avg Rate	1,543,000	⁶
Loan Origination Fees	60%	Loan to Cost	1.5 Points	334,000	
Total Financing Costs				\$2,183,000	
IV. Total Construction Cost					
	72	Units	\$461,000 /Unit	\$33,173,000	

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 65915 (p) requires jurisdictions to allow projects to meet the following statutorily established parking standards. 1.0 space per Studio Unit; 1.0 space per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; and 1.5 spaces per Three-Bedroom Unit. No guest spaces are

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX D - EXHIBIT VI - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
50% §65915 DENSITY BONUS: 96 UNITS/ACRE
DMU SITE - SMALL DEVELOPMENT
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. **Gross Income**

A. **Market Rate Units**

¹

Studio Units	0 Units @	\$0 /Unit/Month	\$0
One-Bedroom Units	32 Units @	\$3,010 /Unit/Month	1,156,000
Two-Bedroom Units	32 Units @	\$3,900 /Unit/Month	1,498,000

B. **Density Bonus Very Low Income Units**

²

Studio Units	0 Units @	\$768 /Unit/Month	0
One-Bedroom Units	4 Units @	\$861 /Unit/Month	41,000
Two-Bedroom Units	4 Units @	\$952 /Unit/Month	46,000

C. **Miscellaneous Income**

72 Units @	\$75 /Unit/Month	65,000

Total Gross Income

\$2,806,000

Vacancy & Collection Allowance

5% Gross Income

(140,000)

II. **Effective Gross Income**

\$2,666,000

III. **Operating Expenses**

General Operating Expenses	72 Units @	\$4,500 /Unit	\$324,000
Property Taxes	72 Units @	\$6,600 /Unit	475,000
Replacement Reserve Deposits	72 Units @	\$150 /Unit	11,000

Total Operating Expenses

72 Units @	\$11,250 /Unit	(\$810,000)

IV. **Stabilized Net Operating Income**

\$1,856,000

- ¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.64 per square foot of leasable area.
- ² Section 65915 (c) (1) (B) (i) calculates very low income rents based on household income based on 110% of AMI. This represents the standard identified in California Health & Safety Code Section 50503. See ATTACHMENT 4: APPENDIX B.
- ³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX D - EXHIBIT VI - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
50% \$65915 DENSITY BONUS: 96 UNITS/ACRE
DMU SITE - SMALL DEVELOPMENT
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I.	<u>Estimated Project Value</u>			
	Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX D - EXHIBIT VI - TABLE 2		\$1,856,000
	Capitalization Rate			4.50%
	Estimated Project Value			\$41,244,000
II.	<u>Total Project Cost</u>			
	Total Construction Cost	See ATTACHMENT 4: APPENDIX D - EXHIBIT VI - TABLE 1		\$33,173,000
	Threshold Developer Profit	10% of Value		4,124,000
	Total Project Cost			(\$37,297,000)
III.	<u>Estimated Residual Land Value</u>	32,670 Sf of Land	\$121 /Sf of Land	\$3,947,000

ATTACHMENT 4: APPENDIX E

PRO FORMA ANALYSES

LAS TUNAS / LIVE OAK CORRIDOR

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX E - EXHIBIT I

PRO FORMA ANALYSIS

MARKET RATE SCENARIO

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 1

ESTIMATED CONSTRUCTION COSTS

MARKET RATE SCENARIO

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					¹
On-Site Improvements / Landscaping	43,560	Sf of Land	\$40 /Sf of Land	\$1,742,000	
Parking					²
At-Grade Spaces	30	Spaces	\$5,000 /Space	150,000	
Podium Spaces	58	Spaces	\$20,000 /Space	1,160,000	
1st Level Subterranean Spaces	62	Spaces	\$40,000 /Space	2,480,000	
2nd Level Subterranean Spaces	0	Spaces	\$50,000 /Space	0	
Building Costs	47,700	Sf of GLA	\$220 /Sf of GLA	10,494,000	
Contractor/DC Contingency Allow		20% Other Direct Costs		3,205,000	³
Total Direct Costs				\$19,231,000	
II. Indirect Costs					
Architecture, Engineering & Consulting	6%	Direct Costs		\$1,154,000	
Public Permits & Fees	60	Units	\$19,300 /Unit	1,158,000	⁴
Taxes, Insurance, Legal & Accounting	2%	Direct Costs		385,000	
Marketing	60	Units	\$2,500 /Unit	150,000	
Developer Fee	5%	Direct Costs		962,000	
Soft Cost Contingency Allowance	5%	Other Indirect Costs		190,000	
Total Indirect Costs				\$3,999,000	
III. Financing Costs					
Interest During Construction					
Land Acquisition	\$4,842,000	Cost	6.2% Avg Rate	\$375,000	⁵
Construction	\$25,038,000	Cost	6.2% Avg Rate	1,164,000	⁶
Loan Origination Fees	60%	Loan to Cost	1.5 Points	269,000	
Total Financing Costs				\$1,808,000	
IV. Total Construction Cost					
	60	Units	\$417,000 /Unit	\$25,038,000	

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 space per Studio Unit; 2.0 spaces per One-Bedroom Unit; 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; and 0.50 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME

MARKET RATE SCENARIO

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Gross Income

A. Market Rate Units

¹

Studio Units	12 Units @	\$2,660 /Unit/Month	\$383,000
One-Bedroom Units	30 Units @	\$2,960 /Unit/Month	1,066,000
Two-Bedroom Units	18 Units @	\$3,540 /Unit/Month	765,000

B. Miscellaneous Income

60 Units @	\$75 /Unit/Month	54,000

Total Gross Income

\$2,268,000

Vacancy & Collection Allowance

5% Gross Income

(113,000)

II. **Effective Gross Income**

\$2,155,000

III. Operating Expenses

General Operating Expenses	60 Units @	\$4,500 /Unit	\$270,000
Property Taxes	60 Units @	\$6,400 /Unit	382,000
Replacement Reserve Deposits	60 Units @	\$150 /Unit	9,000

Total Operating Expenses

(\$661,000)

IV. **Stabilized Net Operating Income**

\$1,494,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.

² The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 3

ESTIMATED RESIDUAL LAND VALUE
MARKET RATE SCENARIO
LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. <u>Estimated Project Value</u>				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 2		\$1,494,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$33,200,000
II. <u>Total Project Cost</u>				
Total Construction Cost	See ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 1		\$25,038,000	
Threshold Developer Profit	10% of Value		3,320,000	
Total Project Cost				(\$28,358,000)
III. <u>Estimated Residual Land Value</u>				
	43,560	Sf of Land	\$111 /Sf of Land	\$4,842,000

ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 4

TARGET RESIDUAL LAND VALUE ANALYSIS
MARKET RATE SCENARIO
LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. <u>Estimated Land Value</u>					
Las Tunas / Live Oak Corridor		See ATTACHMENT 4: APPENDIX E - EXHIBIT I - TABLE 3			\$4,842,000
Vacant Residential Land	¹	43,560 Sf of Land	\$100 /Sf of Land		4,351,000
Estimated Value Enhancement					\$491,000
II. <u>Value Enhancement Funds Available for Inclusionary Housing</u>					
Estimated Value Enhancement					\$491,000
Share Allocated to Inclusionary Housing					65%
Value Enhancement Funds Available for Inclusionary Housing					\$319,000
III. <u>Target Residual Land Value</u>					
Estimated Land Value: Las Tunas / Live Oak Corridor					\$4,842,000
Minus Value Enhancement Funds Available for Inclusionary Housing					(319,000)
Target Residual Land Value					\$4,523,000

¹ See ATTACHMENT 2: PROPERTY SALES SURVEYS.
² Based on the Value Enhancement Funds Available for Inclusionary Housing.

ATTACHMENT 4: APPENDIX E - EXHIBIT II

PRO FORMA ANALYSIS

SUPPORTABLE REQUIREMENT: 0% VERY LOW INCOME UNITS

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX E - EXHIBIT II - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 0% VERY LOW INCOME UNITS

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					1
On-Site Improvements / Landscaping	43,560	Sf of Land	\$40 /Sf of Land	\$1,742,000	
Parking					2
At-Grade Spaces	30	Spaces	\$5,000 /Space	150,000	
Podium Spaces	58	Spaces	\$20,000 /Space	1,160,000	
1st Level Subterranean Spaces	62	Spaces	\$40,000 /Space	2,480,000	
Building Costs	47,700	Sf of GLA	\$220 /Sf of GLA	10,494,000	
Contractor/DC Contingency Allow		20% Other Direct Costs		3,205,000	3
Total Direct Costs	47,700	Sf of GLA	\$403 /Sf of GLA	\$19,231,000	
II. Indirect Costs					
Architecture, Engineering & Consulting		6% Direct Costs		\$1,154,000	
Public Permits & Fees		60 Units	\$19,300 /Unit	1,158,000	5
Taxes, Insurance, Legal & Accounting		2% Direct Costs		385,000	
Marketing		60 Units	\$2,500 /Unit	150,000	
Developer Fee		5% Direct Costs		962,000	
Soft Cost Contingency Allowance		5% Other Indirect Costs		190,000	
Total Indirect Costs				\$3,999,000	
III. Financing Costs					
Interest During Construction					
Land Acquisition					4
Construction					5
Loan Origination Fees		60% Loan to Cost	1.5 Points	267,000	
Total Financing Costs				\$1,806,000	
IV. Total Construction Cost	60	Units	\$417,000 /Unit	\$25,036,000	

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 space per Studio Unit; 2.0 spaces per One-Bedroom Unit; 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; and 0.50 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX E - EXHIBIT II - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUPPORTABLE REQUIREMENT: 0% VERY LOW INCOME UNITS
LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. **Gross Income**

A. Market Rate Units		¹			
Studio Units	12 Units @		\$2,660 /Unit/Month	\$383,000	
One-Bedroom Units	30 Units @		\$2,960 /Unit/Month	1,066,000	
Two-Bedroom Units	18 Units @		\$3,540 /Unit/Month	765,000	
B. Very Low Income Units		²			
Studio Units	0 Units @		\$768 /Unit/Month	0	
One-Bedroom Units	0 Units @		\$861 /Unit/Month	0	
Two-Bedroom Units	0 Units @		\$952 /Unit/Month	0	
C. Miscellaneous Income			60 Units @	\$75 /Unit/Month	54,000
Total Gross Income					\$2,268,000
Vacancy & Collection Allowance	5% Gross Income				(113,000)
II. Effective Gross Income					\$2,155,000

III. **Operating Expenses**

General Operating Expenses	60 Units @		\$4,500 /Unit	\$270,000	
Property Taxes	60 Units @	³	\$6,400 /Unit	382,000	
Replacement Reserve Deposits	60 Units @		\$150 /Unit	9,000	
Total Operating Expenses			60 Units @	\$11,017 /Unit	(\$661,000)

IV. Stabilized Net Operating Income					\$1,494,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.

² Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX E - EXHIBIT II - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 0% VERY LOW INCOME UNITS
LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. <u>Estimated Project Value</u>				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX E - EXHIBIT II - TABLE 2		\$1,494,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$33,200,000
II. <u>Total Project Cost</u>				
Total Construction Cost	See ATTACHMENT 4: APPENDIX E - EXHIBIT II - TABLE 1		\$25,036,000	
Threshold Developer Profit	10% of Value		3,320,000	
Total Project Cost				(\$28,356,000)
III. <u>Estimated Residual Land Value</u>				
	43,560	Sf of Land	\$111 /Sf of Land	\$4,844,000

ATTACHMENT 4: APPENDIX E - EXHIBIT III

PRO FORMA ANALYSIS

SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX E - EXHIBIT III - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					
On-Site Improvements / Landscaping	1	43,560	Sf of Land	\$40 /Sf of Land	\$1,742,000
Parking	2				
At-Grade Spaces		30	Spaces	\$5,000 /Space	150,000
Podium Spaces		58	Spaces	\$20,000 /Space	1,160,000
1st Level Subterranean Spaces		62	Spaces	\$40,000 /Space	2,480,000
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		47,700	Sf of GLA	\$220 /Sf of GLA	10,494,000
Contractor/DC Contingency Allow	3	20%	Other Direct Costs		3,205,000
Total Direct Costs		47,700	Sf of GLA	\$403 /Sf of GLA	\$19,231,000
II. Indirect Costs					
Architecture, Engineering & Consulting		6%	Direct Costs		\$1,154,000
Public Permits & Fees	5	60	Units	\$19,300 /Unit	1,158,000
Taxes, Insurance, Legal & Accounting		2%	Direct Costs		385,000
Marketing		60	Units	\$2,500 /Unit	150,000
Developer Fee		5%	Direct Costs		962,000
Soft Cost Contingency Allowance		5%	Other Indirect Costs		190,000
Total Indirect Costs					\$3,999,000
III. Financing Costs					
Interest During Construction					
Land Acquisition	4	\$4,586,000	Cost	6.2% Avg Rate	\$355,000
Construction	5	\$25,014,000	Cost	6.2% Avg Rate	1,163,000
Loan Origination Fees		60%	Loan to Cost	1.5 Points	266,000
Total Financing Costs					\$1,784,000
IV. Total Construction Cost					
		60	Units	\$417,000 /Unit	\$25,014,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 space per Studio Unit; 2.0 spaces per One-Bedroom Unit; 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; and 0.50 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX E - EXHIBIT III - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS
LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. **Gross Income**

A. Market Rate Units				¹
Studio Units	12 Units @	\$2,660 /Unit/Month	\$383,000	
One-Bedroom Units	29 Units @	\$2,960 /Unit/Month	1,030,000	
Two-Bedroom Units	18 Units @	\$3,540 /Unit/Month	765,000	
B. Low Income Units				²
Studio Units	0 Units @	\$1,284 /Unit/Month	0	
One-Bedroom Units	1 Unit @	\$1,450 /Unit/Month	17,000	
Two-Bedroom Units	0 Units @	\$1,615 /Unit/Month	0	
C. Miscellaneous Income				
	60 Units @	\$75 /Unit/Month	54,000	
Total Gross Income			\$2,249,000	
Vacancy & Collection Allowance	5% Gross Income		(112,000)	
II. Effective Gross Income			\$2,137,000	

III. **Operating Expenses**

General Operating Expenses	60 Units @	\$4,500 /Unit	\$270,000	
Property Taxes	60 Units @	\$6,300 /Unit	378,000	
Replacement Reserve Deposits	60 Units @	\$150 /Unit	9,000	
Total Operating Expenses			(\$657,000)	

IV. Stabilized Net Operating Income	\$1,480,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.

² Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX E - EXHIBIT III - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS
LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. <u>Estimated Project Value</u>				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX E - EXHIBIT III - TABLE 2		\$1,480,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$32,889,000
II. <u>Total Project Cost</u>				
Total Construction Cost	See ATTACHMENT 4: APPENDIX E - EXHIBIT III - TABLE 1		\$25,014,000	
Threshold Developer Profit	10% of Value		3,289,000	
Total Project Cost				(\$28,303,000)
III. <u>Estimated Residual Land Value</u>				
	43,560	Sf of Land	\$105 /Sf of Land	\$4,586,000

ATTACHMENT 4: APPENDIX C - EXHIBIT IV

PRO FORMA ANALYSIS

SUPPORTABLE REQUIREMENT:

2% LOW INCOME UNITS + 0% VERY LOW INCOME UNITS

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS + 0% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					¹
On-Site Improvements / Landscaping	43,560	Sf of Land	\$40 /Sf of Land	\$1,742,000	
Parking					²
At-Grade Spaces	30	Spaces	\$5,000 /Space	150,000	
Podium Spaces	58	Spaces	\$20,000 /Space	1,160,000	
1st Level Subterranean Spaces	62	Spaces	\$40,000 /Space	2,480,000	
2nd Level Subterranean Spaces	0	Spaces	\$50,000 /Space	0	
Building Costs	47,700	Sf of GLA	\$220 /Sf of GLA	10,494,000	
Contractor/DC Contingency Allow		20% Other Direct Costs		3,205,000	³
Total Direct Costs				\$19,231,000	
II. Indirect Costs					
Architecture, Engineering & Consulting	6%	Direct Costs		\$1,154,000	
Public Permits & Fees	60	Units	\$19,300 /Unit	1,158,000	⁵
Taxes, Insurance, Legal & Accounting	2%	Direct Costs		385,000	
Marketing	60	Units	\$2,500 /Unit	150,000	
Developer Fee	5%	Direct Costs		962,000	
Soft Cost Contingency Allowance	5%	Other Indirect Costs		190,000	
Total Indirect Costs				\$3,999,000	
III. Financing Costs					
Interest During Construction					
Land Acquisition	\$4,586,000	Cost	6.2% Avg Rate	\$355,000	⁴
Construction	\$25,014,000	Cost	6.2% Avg Rate	1,163,000	⁵
Loan Origination Fees	60%	Loan to Cost	1.5 Points	266,000	
Total Financing Costs				\$1,784,000	
IV. Total Construction Cost					
	60	Units	\$417,000 /Unit	\$25,014,000	

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 space per Studio Unit; 2.0 spaces per One-Bedroom Unit; 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; and 0.50 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME

SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS + 0% VERY LOW INCOME UNITS

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Gross Income

A. Market Rate Units

¹

Studio Units	12 Units @	\$2,660 /Unit/Month	\$383,000
One-Bedroom Units	29 Units @	\$2,960 /Unit/Month	1,030,000
Two-Bedroom Units	18 Units @	\$3,540 /Unit/Month	765,000

B. Low Income Units

²

Studio Units	0 Units @	\$1,284 /Unit/Month	0
One-Bedroom Units	1 Unit @	\$1,450 /Unit/Month	17,000
Two-Bedroom Units	0 Units @	\$1,615 /Unit/Month	0

B. Very Low Income Units

³

Studio Units	0 Units @	\$768 /Unit/Month	0
One-Bedroom Units	0 Units @	\$861 /Unit/Month	0
Two-Bedroom Units	0 Units @	\$952 /Unit/Month	0

C. Miscellaneous Income

60 Units @	\$75 /Unit/Month	54,000

Total Gross Income

\$2,249,000

Vacancy & Collection Allowance

5% Gross Income

(112,000)

II. Effective Gross Income

\$2,137,000

III. Operating Expenses

General Operating Expenses	60 Units @	\$4,500 /Unit	\$270,000
Property Taxes	60 Units @	\$6,300 /Unit	378,000
Replacement Reserve Deposits	60 Units @	\$150 /Unit	9,000

Total Operating Expenses

60 Units @	\$10,950 /Unit	(\$657,000)

IV. Stabilized Net Operating Income

\$1,480,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.

² Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

³ Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053. See ATTACHMENT 4: APPENDIX B.

⁴ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 2% LOW INCOME UNITS + 0% VERY LOW INCOME UNITS
APARTMENT DEVELOPMENT
LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Project Value				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 2		\$1,480,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$32,889,000
II. Total Project Cost				
Total Construction Cost	See ATTACHMENT 4: APPENDIX C - EXHIBIT IV - TABLE 1		\$25,014,000	
Threshold Developer Profit	10% of Value		3,289,000	
Total Project Cost				(\$28,303,000)
III. Estimated Residual Land Value				
	43,560	Sf of Land	\$105 /Sf of Land	\$4,586,000

ATTACHMENT 4: APPENDIX E - EXHIBIT V

PRO FORMA ANALYSIS

SUPPORTABLE REQUIREMENT: 3% MODERATE INCOME UNITS

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX E - EXHIBIT V - TABLE 1

ESTIMATED CONSTRUCTION COSTS

SUPPORTABLE REQUIREMENT: 3% MODERATE INCOME UNITS

LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					
On-Site Improvements / Landscaping	1	43,560	Sf of Land	\$40 /Sf of Land	\$1,742,000
Parking	2				
At-Grade Spaces		30	Spaces	\$5,000 /Space	150,000
Podium Spaces		58	Spaces	\$20,000 /Space	1,160,000
1st Level Subterranean Spaces		62	Spaces	\$40,000 /Space	2,480,000
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		47,700	Sf of GLA	\$220 /Sf of GLA	10,494,000
Contractor/DC Contingency Allow	3	20%	Other Direct Costs		3,205,000
Total Direct Costs		47,700	Sf of GLA	\$403 /Sf of GLA	\$19,231,000
II. Indirect Costs					
Architecture, Engineering & Consulting		6%	Direct Costs		\$1,154,000
Public Permits & Fees	5	60	Units	\$19,300 /Unit	1,158,000
Taxes, Insurance, Legal & Accounting		2%	Direct Costs		385,000
Marketing		60	Units	\$2,500 /Unit	150,000
Developer Fee		5%	Direct Costs		962,000
Soft Cost Contingency Allowance		5%	Other Indirect Costs		190,000
Total Indirect Costs					\$3,999,000
III. Financing Costs					
Interest During Construction					
Land Acquisition	4	\$4,457,000	Cost	6.2% Avg Rate	\$345,000
Construction	5	\$25,003,000	Cost	6.2% Avg Rate	1,163,000
Loan Origination Fees		60%	Loan to Cost	1.5 Points	265,000
Total Financing Costs					\$1,773,000
IV. Total Construction Cost					
		60	Units	\$417,000 /Unit	\$25,003,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 space per Studio Unit; 2.0 spaces per One-Bedroom Unit; 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; and 0.50 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX E - EXHIBIT V - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
SUPPORTABLE REQUIREMENT: 3% MODERATE INCOME UNITS
LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. **Gross Income**

A. Market Rate Units ¹				
Studio Units	12 Units @	\$2,660 /Unit/Month	\$383,000	
One-Bedroom Units	29 Units @	\$2,960 /Unit/Month	1,030,000	
Two-Bedroom Units	17 Units @	\$3,540 /Unit/Month	722,000	
B. Moderate Income Units ²				
Studio Units	0 Units @	\$1,800 /Unit/Month	0	
One-Bedroom Units	1 Unit @	\$2,039 /Unit/Month	24,000	
Two-Bedroom Units	1 Unit @	\$2,278 /Unit/Month	27,000	
C. Miscellaneous Income				
	60 Units @	\$75 /Unit/Month	54,000	
Total Gross Income				\$2,240,000
Vacancy & Collection Allowance	5% Gross Income			(112,000)
II. Effective Gross Income				\$2,128,000

III. **Operating Expenses**

General Operating Expenses	60 Units @	\$4,500 /Unit	\$270,000	
Property Taxes	60 Units @	\$6,300 /Unit	376,000	
Replacement Reserve Deposits	60 Units @	\$150 /Unit	9,000	
Total Operating Expenses				(\$655,000)

IV. Stabilized Net Operating Income				\$1,473,000

¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.

² Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505. See ATTACHMENT 4: APPENDIX B.

³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX E - EXHIBIT V - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
SUPPORTABLE REQUIREMENT: 3% MODERATE INCOME UNITS
LAS TUNAS / LIVE OAK CORRIDOR: BASE ZONING: 60 UNITS/ACRE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Project Value				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX E - EXHIBIT V - TABLE 2		\$1,473,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$32,733,000
II. Total Project Cost				
Total Construction Cost	See ATTACHMENT 4: APPENDIX E - EXHIBIT V - TABLE 1		\$25,003,000	
Threshold Developer Profit	10% of Value		3,273,000	
Total Project Cost				(\$28,276,000)
III. Estimated Residual Land Value				
	43,560	Sf of Land	\$102 /Sf of Land	\$4,457,000

ATTACHMENT 4: APPENDIX E - EXHIBIT VI

PRO FORMA ANALYSIS

50% §65915 DENSITY BONUS: 90 UNITS/ACRE

LAS TUNAS / LIVE OAK CORRIDOR

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

ATTACHMENT 4: APPENDIX E - EXHIBIT VI - TABLE 1

ESTIMATED CONSTRUCTION COSTS

50% §65915 DENSITY BONUS: 90 UNITS/ACRE

LAS TUNAS / LIVE OAK CORRIDOR

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. Direct Costs					
On-Site Improvements / Landscaping	1	43,560	Sf of Land	\$40 /Sf of Land	\$1,742,000
Parking	2				
At-Grade Spaces		0	Spaces	\$5,000 /Space	0
Podium Spaces		0	Spaces	\$20,000 /Space	0
1st Level Subterranean Spaces		104	Spaces	\$40,000 /Space	4,160,000
2nd Level Subterranean Spaces		0	Spaces	\$50,000 /Space	0
Building Costs		71,550	Sf of GLA	\$240 /Sf of GLA	17,172,000
Contractor/DC Contingency Allow	3	20%	Other Direct Costs		4,615,000
Total Direct Costs		71,550	Sf of GLA	\$387 /Sf of GLA	\$27,689,000
II. Indirect Costs					
Architecture, Engineering & Consulting		6%	Direct Costs		\$1,661,000
Public Permits & Fees	4	90	Units	\$19,200 /Unit	1,728,000
Taxes, Insurance, Legal & Accounting		2%	Direct Costs		554,000
Marketing		90	Units	\$2,500 /Unit	225,000
Developer Fee		5%	Direct Costs		1,384,000
Soft Cost Contingency Allowance		5%	Other Indirect Costs		278,000
Total Indirect Costs					\$5,830,000
III. Financing Costs					
Interest During Construction					
Land Acquisition	5	\$4,866,000	Cost	6.2% Avg Rate	\$377,000
Construction	6	\$35,934,000	Cost	6.2% Avg Rate	1,671,000
Loan Origination Fees		60%	Loan to Cost	1.5 Points	367,000
Total Financing Costs					\$2,415,000
IV. Total Construction Cost					
		90	Units	\$399,000 /Unit	\$35,934,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 65915 (p) requires jurisdictions to allow projects to meet the following statutorily established parking standards. 1.0 space per Studio Unit; 1.0 space per One-Bedroom Unit; 1.5 spaces per Two-Bedroom Unit; and 1.5 spaces per Three-Bedroom Unit. No guest spaces are

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Based on an 15 month construction period following receipt of entitlements, and a 100% average outstanding loan balance.

⁶ Based on an 15 month construction period following receipt of entitlements, and a 60% average outstanding loan balance.

ATTACHMENT 4: APPENDIX E - EXHIBIT VI - TABLE 2

ESTIMATED STABILIZED NET OPERATING INCOME
50% §65915 DENSITY BONUS: 90 UNITS/ACRE
LAS TUNAS / LIVE OAK CORRIDOR
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Gross Income

A. Market Rate Units ¹

Studio Units	16 Units @	\$2,660 /Unit/Month	\$511,000
One-Bedroom Units	40 Units @	\$2,960 /Unit/Month	1,421,000
Two-Bedroom Units	24 Units @	\$3,540 /Unit/Month	1,020,000

B. Density Bonus Very Low Income Units ²

Studio Units	2 Units @	\$768 /Unit/Month	18,000
One-Bedroom Units	5 Units @	\$861 /Unit/Month	52,000
Two-Bedroom Units	3 Units @	\$952 /Unit/Month	34,000

C. Miscellaneous Income

90 Units @	\$75 /Unit/Month	81,000

Total Gross Income

\$3,137,000

Vacancy & Collection Allowance

5% Gross Income

(157,000)

II. **Effective Gross Income**

\$2,980,000

III. Operating Expenses

General Operating Expenses	90 Units @	\$4,500 /Unit	\$405,000
Property Taxes	90 Units @	\$5,800 /Unit	521,000
Replacement Reserve Deposits	90 Units @	\$150 /Unit	14,000

Total Operating Expenses

90 Units @ \$10,444 /Unit

(\$940,000)

IV. **Stabilized Net Operating Income**

\$2,040,000

- ¹ Based in part on the rent survey presented in ATTACHMENT 4: APPENDIX A. The weighted average monthly rent equates to \$3.87 per square foot of leasable area.
- ² Section 65915 (c) (1) (B) (i) calculates very low income rents based on household income based on 110% of AMI. This represents the standard identified in California Health & Safety Code Section 50503. See ATTACHMENT 4: APPENDIX B.
- ³ The assessed value is estimated based on a 4.50% capitalization rate. The property tax rate is set at 1.15%.

ATTACHMENT 4: APPENDIX E - EXHIBIT VI - TABLE 3

ESTIMATED STABILIZED RETURN ON TOTAL INVESTMENT
50% \$65915 DENSITY BONUS: 90 UNITS/ACRE
LAS TUNAS / LIVE OAK CORRIDOR
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Project Value				
Stabilized Net Operating Income	See ATTACHMENT 4: APPENDIX E - EXHIBIT VI - TABLE 2		\$2,040,000	
Capitalization Rate			4.50%	
Estimated Project Value				\$45,333,000
II. Total Project Cost				
Total Construction Cost	See ATTACHMENT 4: APPENDIX E - EXHIBIT VI - TABLE 1		\$35,934,000	
Threshold Developer Profit	10% of Value		4,533,000	
Total Project Cost				(\$40,467,000)
III. Estimated Residual Land Value	43,560	Sf of Land	\$112 /Sf of Land	\$4,866,000

ATTACHMENT 5

OWNERSHIP HOUSING DEVELOPMENT INCLUSIONARY HOUSING: FINANCIAL EVALUATION ARCADIA, CALIFORNIA

ATTACHMENT 5: APPENDIX A

HOME SALES SURVEY
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

ATTACHMENT 5: APPENDIX A

RESALE HOME SALES SURVEY
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

Address			Unit Size (SF)	Sales Price		Year Built
				Total	Per SF	
Two-Bedroom Units						
1128 W Duarte Rd Unit F	Arcadia	91007	1,300	\$710,000	\$546	2006
2966 Grand Oak Way	Arcadia	91006	1,312	\$775,055	\$591	2024
2955 Grand Oak Way	Arcadia	91006	1,312	\$779,990	\$595	2024
2959 Grand Oak Way	Arcadia	91006	1,312	\$793,983	\$605	2024
56 E Duarte Rd #410	Arcadia	91006	1,460	\$938,960	\$643	2019
Minimum			1,300	\$710,000	\$546	2006
Maximum			1,460	\$938,960	\$643	2024
Average			1,339	\$799,600	\$597	2019
Three-Bedroom Units						
138 Alice St Unit B	Arcadia	91006	1,208	\$840,000	\$695	2006
2607 Winston Ct	Arcadia	91007	1,490	\$1,048,800	\$704	2021
138 El Dorado St Unit A	Arcadia	91006	1,501	\$1,000,000	\$666	2006
413 California St Unit D	Arcadia	91006	1,561	\$1,050,000	\$673	2019
411 california St Unit D	Arcadia	91006	1,561	\$1,075,000	\$689	2019
415 California St Unit B	Arcadia	91006	1,561	\$1,060,000	\$679	2019
409 California St Unit C	Arcadia	91006	1,565	\$1,066,000	\$681	2019
129 El Dorado St Unit A	Arcadia	91006	1,579	\$1,210,000	\$766	2018
511 N Santa Anita Ave Unit A	Arcadia	91006	1,600	\$1,060,000	\$663	2020
1058 Sunset Blvd Unit A	Arcadia	91007	1,620	\$1,098,000	\$678	2014
409 California St Unit B	Arcadia	91006	1,625	\$1,060,000	\$652	2019
923 Fairview Ave Unit B	Arcadia	91007	1,630	\$1,100,000	\$675	2014
22 E Colorado Blvd Unit C	Arcadia	91006	1,640	\$1,133,000	\$691	2020
921 Fairview Ave Unit C	Arcadia	91007	1,660	\$1,140,000	\$687	2014
1022 La Cadena Ave Unit I	Arcadia	91007	1,664	\$1,298,000	\$780	2024
1068 Sunset Blvd Unit A	Arcadia	91007	1,670	\$1,103,000	\$660	2014
39 Fano St Unit A	Arcadia	91006	1,731	\$1,120,000	\$647	2002
129 El Dorado St Unit B	Arcadia	91006	1,737	\$1,250,000	\$720	2018
656 W Huntington Dr Unit A-2	Arcadia	91007	1,770	\$1,141,000	\$645	2013
656 W Huntington Dr Unit B2	Arcadia	91007	1,770	\$1,280,000	\$723	2013
656 W Huntington Dr Unit N1	Arcadia	91007	1,770	\$1,210,000	\$684	2013
1116 W Huntington Dr Unit C	Arcadia	91007	1,876	\$937,400	\$500	2002
1112 Fairview Ave	Arcadia	91007	1,880	\$1,170,000	\$622	2000
507 Santa Anita N Unit B	Arcadia	91006	1,887	\$1,280,000	\$678	2020
901 W Duarte Rd Unit B	Arcadia	91007	1,903	\$1,550,000	\$815	2024
1343 JACARANDA Cir	Arcadia	91006	1,908	\$998,000	\$523	2002
418 W Fairview Ave Unit B	Arcadia	91007	1,913	\$1,268,000	\$663	2022
721 S Arcadia Ave Unit A	Arcadia	91007	1,918	\$1,090,000	\$568	2003
623 Fairview Ave Unit C	Arcadia	91007	1,987	\$1,285,000	\$647	2019
618 Arcadia Ave Unit A	Arcadia	91007	1,990	\$1,138,000	\$572	2000
503 N Santa Anita Ave Unit F	Arcadia	91006	2,009	\$1,335,000	\$665	2020
462 W Duarte Rd Unit C	Arcadia	91007	2,013	\$1,080,000	\$537	2005
721 S 3rd Ave Unit A	Arcadia	91006	2,048	\$1,399,000	\$683	2007

ATTACHMENT 5: APPENDIX A

RESALE HOME SALES SURVEY
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

				Sales Price		Year Built
Address		Unit Size (SF)		Total	Per SF	
721 S 3rd Ave Unit B	Arcadia	91006	2,052	\$1,399,000	\$682	2007
800 W Huntington Dr Unit A	Arcadia	91007	2,085	\$1,180,000	\$566	2006
1122 Arcadia Ave Unit C	Arcadia	91007	2,101	\$1,060,888	\$505	2000
455 Fairview Ave	Arcadia	91007	2,118	\$1,102,000	\$520	2003
829 La Cadena Ave Unit A	Arcadia	91007	2,147	\$1,100,000	\$512	2004
1112 S Golden West Ave #104	Arcadia	91007	2,269	\$1,010,000	\$445	2003
425 El Dorado St Unit A	Arcadia	91006	2,473	\$1,488,000	\$602	2003
414 S 2nd Ave Unit E	Arcadia	91006	2,739	\$1,900,000	\$694	2023
Minimum			1,208	\$840,000	\$445	2000
Maximum			2,739	\$1,900,000	\$815	2024
Average			1,835	\$1,173,500	\$640	2012

Four-Bedroom Units

36 Bedford Ct	Arcadia	91007	1,570	\$1,180,000	\$752	2021
16 Bedford Ct	Arcadia	91007	1,580	\$1,105,000	\$699	2021
1022 La Cadena Ave Unit H	Arcadia	91007	1,614	\$1,150,000	\$713	2024
1027 Arcadia Ave Unit F	Arcadia	91007	1,761	\$1,350,000	\$767	2023
1022 La Cadena Ave Unit D	Arcadia	91007	1,771	\$1,310,000	\$740	2024
1027 Arcadia Ave Unit D	Arcadia	91007	1,773	\$1,225,000	\$691	2023
1022 La Cadena Ave Unit G	Arcadia	91007	1,797	\$1,338,000	\$745	2024
1510 S Baldwin Ave Unit E	Arcadia	91007	1,803	\$1,060,000	\$588	2005
1027 Arcadia Ave Unit E	Arcadia	91007	1,824	\$1,250,000	\$685	2023
1022 La Cadena Ave Unit C	Arcadia	91007	1,824	\$1,338,000	\$734	2024
509 N Santa Anita Ave	Arcadia	91006	1,871	\$1,350,000	\$722	2020
4372 Alamo Ln	Arcadia	91006	1,970	\$980,071	\$497	2023
656 W Huntington Dr Unit N2	Arcadia	91007	2,040	\$1,272,600	\$624	2013
151 Alicec St Unit C	Arcadia	91006	2,100	\$1,600,000	\$762	2023
151 Alice St Unit B	Arcadia	91006	2,200	\$1,580,000	\$718	2023
2950 Sycamore Ln	Arcadia	91006	2,268	\$1,100,000	\$485	2002
925 Duarte Rd W Unit A	Arcadia	91007	2,302	\$1,320,000	\$573	2002
418 Genoa	Arcadia	91006	2,343	\$1,650,000	\$704	2023
516 S 2nd Ave	Arcadia	91006	2,470	\$1,580,000	\$640	2015
Minimum			1,570	\$980,071	\$485	2002
Maximum			2,470	\$1,650,000	\$767	2024
Average			1,941	\$1,302,000	\$671	2019

¹ Source: Redfin, January 2025. The survey includes sales that occurred between January 2024 and January 2025. The survey is limited to home constructed since 2000.

ATTACHMENT 5: APPENDIX B

**AFFORDABLE SALES PRICE CALCULATIONS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA**

ATTACHMENT 5: APPENDIX B

AFFORDABLE SALES PRICE CALCULATIONS
2024 INCOME STANDARDS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

1

		Two-Bedroom Units	Three-Bedroom Units	Four-Bedroom Units
General Assumptions				
Benchmark Household Size	2	3	4	5
Area Median Income	3	\$88,400	\$98,200	\$106,050
Annual Utilities Allowance	4	\$3,120	\$3,804	\$4,668
HOA, Maintenance & Insurance	5	\$3,600	\$3,900	\$4,200
I. Moderate Income Units				
A. Income Allotted to Housing Based on 110% AMI				
Benchmark Annual Household Income		\$97,240	\$108,020	\$116,655
Income Allotted to Housing @ 35% of Income		\$34,030	\$37,810	\$40,830
B. Property Taxes @ 1.15% of Affordable Sales Price				
		\$3,600	\$3,970	\$4,210
C. Income Available for Mortgage Debt Service				
	6	\$23,710	\$26,136	\$27,752
D. Affordable Sales Price				
Supportable Mtg @ 6.98% Interest	7	\$297,500	\$328,000	\$348,300
Home Buyer Down Payment @ 5% of ASP		15,700	17,300	18,300
Affordable Sales Price		\$313,200	\$345,300	\$366,600
II. Low Income Units				
A. Income Allotted to Housing Based on 70% AMI				
Benchmark Annual Household Income		\$61,880	\$68,740	\$74,235
Income Allotted to Housing @ 30% of Income		\$18,560	\$20,620	\$22,270
B. Property Taxes @ 1.15% of Affordable Sales Price				
		\$1,560	\$1,700	\$1,770
C. Income Available for Mortgage Debt Service				
	6	\$10,280	\$11,216	\$11,632
D. Affordable Sales Price				
Supportable Mtg @ 6.98% Interest	7	\$129,000	\$140,700	\$146,000
Home Buyer Down Payment @ 5% of ASP		6,800	7,400	7,700
Affordable Sales Price		\$135,800	\$148,100	\$153,700

- ¹ Based on the California Health & Safety Code Section 50052.5 calculation methodology.
- ² For the purposes of calculating the Affordable Sales Prices, California Health & Safety Code Section 50052.5 sets the benchmark household sizes at the number of bedrooms in the unit plus one. This is neither an occupancy cap nor a floor.
- ³ Based on the 2024 Los Angeles County household incomes published by the California Department of Housing & Community Development (HCD).
- ⁴ Utilities allowances are based on the Los Angeles County Development Authority (LACDA) Single-Family utility allowance schedule effective as of July 1, 2024. Assumes: Electric Heating, Electric Cooking, Electric Water Heater, Basic Electric, Air
- ⁵ Based in part on information derived from the home resales survey presented in ATTACHMENT 5: APPENDIX A.
- ⁶ Based on the Income Allotted to Housing minus the following: Annual Utilities Allowance; HOA, Maintenance & Insurance; and Property Taxes @ 1.15% of Affordable Sales Price.
- ⁷ Based on a 25 basis points premium applied to the Freddie Mac monthly average, between February 2024 and January 2025, for a fixed-interest rate loan with a 30-year amortization period.

ATTACHMENT 5: APPENDIX C

PRO FORMA ANALYSES

DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS OWNERSHIP HOUSING DEVELOPMENT INCLUSIONARY HOUSING: FINANCIAL EVALUATION ARCADIA, CALIFORNIA

ATTACHMENT 5: APPENDIX C - EXHIBIT I

**PRO FORMA ANALYSIS
DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA**

ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 1

ESTIMATED CONSTRUCTIONS COSTS
DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I	Direct Costs	¹				
	On-Site Improvements/Landscaping		65,340	Sf of Land	\$30 /Sf of Land	\$1,960,000
	Parking	²				
	Attached Garage		0	Spaces	\$0 /Space	0
	At-Grade Parking Spaces		32	Spaces	\$5,000 /Space	160,000
	Podium Spaces		144	Spaces	\$20,000 /Space	2,880,000
	Building Costs		120,000	Sf of GSA	\$255 /Sf of GSA	30,600,000
	Contractor/DC Contingency Allow	³	20%	Other Direct Costs		7,120,000
	Total Direct Costs					\$42,720,000
II.	Indirect Costs					
	Architecture, Engineering & Consulting		6.0%	Direct Costs		\$2,563,000
	Public Permits & Fees	⁴	96	Units	\$23,800 /Unit	2,285,000
	Taxes, Insurance, Legal & Accounting		1.5%	Direct Costs		641,000
	Marketing		96	Units	\$5,000 /Unit	480,000
	Developer Fee		3.0%	Gross Sales Revenue		2,529,000
	Soft Cost Contingency Allowance		5.0%	Other Indirect Costs		425,000
	Total Indirect Costs					\$8,923,000
III.	Financing Costs					
	Interest During Construction	⁵				\$6,180,000
	Loan Origination Fees		60.0%	Loan to Cost	1.5 Points	570,000
	Total Financing Costs					\$6,750,000
IV.	Total Construction Cost		96	Units	\$608,000 /Unit	\$58,393,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with Mixed Use Zoning: 1.5 spaces per Two-Bedroom Unit; 1.5 spaces per Three-Bedroom Unit; 1.5 spaces per Four-Bedroom Unit; and 0.33 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Assumes a 7.0% interest cost for debt; an 18 month construction period after receipt of entitlements; an 16 month absorption period; 10% of the units are presold and close during first month after completion; and 1.5 points for loan origination fees.

ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 2

PROJECTED NET SALES REVENUE

DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS

OWNERSHIP HOUSING DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. <u>Gross Sales Revenue</u>				¹
Two-Bedroom Units	48 Units @	\$707,000 /Unit	\$33,936,000	
Three-Bedroom Units	48 Units @	\$1,049,000 /Unit	50,352,000	
Four-Bedroom Units	0 Units @	\$0 /Unit	0	
Total Gross Sales Revenue			\$84,288,000	
II. <u>Cost of Sales</u>				
Commissions	3.0% Gross Sales Revenue		\$2,529,000	
Closing	2.0% Gross Sales Revenue		1,686,000	
Warranty	0.5% Gross Sales Revenue		421,000	
Total Cost of Sales			(\$4,636,000)	
III. <u>Net Revenue</u>			\$79,652,000	

¹ Based in part on a survey of homes in Arcadia that were constructed after 2000 and resold between September 2022 and September 2023. See ATTACHMENT 5: APPENDIX A. The weighted average sales price equates to \$702 per square foot of saleable area.

ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 3

ESTIMATED RESIDUAL LAND VALUE
DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I.	Net Revenue	See ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 2		\$79,652,000
II.	Project Costs			
	Total Construction Cost	See ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 1	\$58,393,000	
	Threshold Developer Profit	12% Net Revenue	9,558,000	
	Total Project Costs			\$67,951,000
III.	Estimated Residual Land Value	65,340 Sf of Land	\$179 /Sf of Land	\$11,701,000

ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 4

VALUE ENHANCEMENT ANALYSIS
DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Land Value					
DMU Site		See ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 3			\$11,701,000
Improved Commercial Site	¹	65,340	Sf of Land	\$115 /Sf of Land	7,514,000
Estimated Value Enhancement					\$4,187,000
II. Value Enhancement Funds Available for Inclusionary Housing					
Estimated Value Enhancement					\$4,187,000
Share Allocated to Inclusionary Housing					65%
Value Enhancement Funds Available for Inclusionary Housing					\$2,722,000

¹ See ATTACHMENT 2: PROPERTY SALES SURVEYS.

ATTACHMENT 5: APPENDIX C - EXHIBIT II

SUPPORTABLE INCLUSIONARY HOUSING REQUIREMENTS
DMU SITE: 64 UNITS/ACRE TOWNHOMES & FLATS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

		Two-Bedroom Units	Three- Bedroom Units	Four-Bedroom Units
I. <u>Affordability Gap Calculation</u>				
Market Rate Sales Price	¹	\$707,000	\$1,049,000	\$0
Affordable Sales Price	²	313,200	345,300	0
Affordability Gap Per Inclusionary Unit		\$393,800	\$703,700	\$0
II. <u>Number of Inclusionary Units</u>				
Unit Allocation	¹	48	48	0
Supportable Inclusionary Housing Percentage		5.20%	5.20%	5.20%
Total Number of Inclusionary Units		2.5	2.5	0.0
III. Total Affordability Gap by Bedroom Type		\$982,920	\$1,756,440	\$0
IV. <u>Crosscheck</u>				
Value Enhancement Funds Available for Inclusionary Housing		\$2,722,000		
Total Affordability Gap / Impact of The Inclusionary Requirement	³	2,739,360		
Requirement is Higher than the Supportable Percentage		(\$17,360)		
V. <u>Supportable In-Lieu Fee</u>				
Value Enhancement Funds Available for Inclusionary Housing		\$2,722,000		
Gross Saleable Area	⁴	120,000	Square Feet	
Supportable In-Lieu Fee		\$23	/Sf of GSA	

¹ See ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 2.

² See ATTACHMENT 5: APPENDIX B.

³ The Total Affordability Gap / Impact of The Inclusionary Requirement is equal to the sum of the Affordability Gap exhibited by each bedroom type.

⁴ See ATTACHMENT 5: APPENDIX C - EXHIBIT I - TABLE 1

ATTACHMENT 5: APPENDIX D

PRO FORMA ANALYSES

**R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA**

ATTACHMENT 5: APPENDIX D - EXHIBIT I

**PRO FORMA ANALYSIS
R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA**

ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 1

ESTIMATED CONSTRUCTIONS COSTS

R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS

OWNERSHIP HOUSING DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I	<u>Direct Costs</u>	¹				
	On-Site Improvements/Landscaping		26,136	Sf of Land	\$30 /Sf of Land	\$784,000
	Parking	²				
	Attached Garage		0	Spaces	\$0 /Space	0
	At-Grade Parking Spaces		0	Spaces	\$5,000 /Space	0
	Podium Spaces		60	Spaces	\$20,000 /Space	1,200,000
	Building Costs		39,000	Sf of GSA	\$235 /Sf of GSA	9,165,000
	Contractor/DC Contingency Allow	³	20%	Other Direct Costs		2,230,000
	Total Direct Costs					\$13,379,000
II.	<u>Indirect Costs</u>					
	Architecture, Engineering & Consulting		6.0%	Direct Costs		\$803,000
	Public Permits & Fees	⁴	24	Units	\$27,050 /Unit	649,000
	Taxes, Insurance, Legal & Accounting		1.5%	Direct Costs		201,000
	Marketing		24	Units	\$5,000 /Unit	120,000
	Developer Fee		3.0%	Gross Sales Revenue		853,000
	Soft Cost Contingency Allowance		5.0%	Other Indirect Costs		131,000
	Total Indirect Costs					\$2,757,000
III.	<u>Financing Costs</u>					
	Interest During Construction	⁵				\$1,779,000
	Loan Origination Fees		60.0%	Loan to Cost	1.5 Points	200,000
	Total Financing Costs					\$1,979,000
IV.	Total Construction Cost		24	Units	\$755,000 /Unit	\$18,115,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; 2.0 spaces per Four-Bedroom Unit; and 0.50 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Assumes a 7.0% interest cost for debt; an 18 month construction period after receipt of entitlements; an 5 month absorption period; 10% of the units are presold and close during first month after completion; and 1.5 points for loan origination fees.

ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 2

PROJECTED NET SALES REVENUE

R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS

OWNERSHIP HOUSING DEVELOPMENT

INCLUSIONARY HOUSING: FINANCIAL EVALUATION

ARCADIA, CALIFORNIA

I. <u>Gross Sales Revenue</u>				¹
Two-Bedroom Units	4 Units @	\$836,000 /Unit	\$3,344,000	
Three-Bedroom Units	14 Units @	\$1,199,000 /Unit	16,786,000	
Four-Bedroom Units	6 Units @	\$1,384,000 /Unit	8,304,000	
Total Gross Sales Revenue			\$28,434,000	
II. <u>Cost of Sales</u>				
Commissions	3.0% Gross Sales Revenue		\$853,000	
Closing	2.0% Gross Sales Revenue		569,000	
Warranty	0.5% Gross Sales Revenue		142,000	
Total Cost of Sales			(\$1,564,000)	
III. <u>Net Revenue</u>			\$26,870,000	

¹ Based in part on a survey of homes in Arcadia that were constructed after 2000 and resold between September 2022 and September 2023. See ATTACHMENT 5: APPENDIX A. The weighted average sales price equates to \$729 per square foot of saleable area.

ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 3

ESTIMATED RESIDUAL LAND VALUE
R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I.	Net Revenue	See ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 2		\$26,870,000
II.	Project Costs			
	Total Construction Cost	See ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 1	\$18,115,000	
	Threshold Developer Profit	10% Net Revenue	2,687,000	
	Total Project Costs			\$20,802,000
III.	Estimated Residual Land Value	26,136 Sf of Land	\$232 /Sf of Land	\$6,068,000

ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 4

VALUE ENHANCEMENT ANALYSIS
R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Estimated Land Value					
R-3 Upzone Site		See ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 3			\$6,068,000
Improved Apartment Site	¹	26,136	Sf of Land	\$175 /Sf of Land	4,574,000
Estimated Value Enhancement					\$1,494,000
II. Value Enhancement Funds Available for Inclusionary Housing					
Estimated Value Enhancement					\$1,494,000
Share Allocated to Inclusionary Housing					65%
Value Enhancement Funds Available for Inclusionary Housing					\$971,000

¹ See ATTACHMENT 2: PROPERTY SALES SURVEYS.

ATTACHMENT 5: APPENDIX D - EXHIBIT II

SUPPORTABLE INCLUSIONARY HOUSING REQUIREMENTS
R-3 UPZONE SITE: 40 UNITS/ACRE TOWNHOMES & FLATS
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

		Two-Bedroom Units	Three- Bedroom Units	Four-Bedroom Units
I. <u>Affordability Gap Calculation</u>				
Market Rate Sales Price	¹	\$836,000	\$1,199,000	\$1,384,000
Affordable Sales Price	²	313,200	345,300	366,600
Affordability Gap Per Inclusionary Unit		\$522,800	\$853,700	\$1,017,400
II. <u>Number of Inclusionary Units</u>				
Unit Allocation	¹	4	14	6
Supportable Inclusionary Housing Percentage		4.8%	4.8%	4.8%
Total Number of Inclusionary Units		0.2	0.7	0.3
III. <u>Total Affordability Gap by Bedroom Type</u>				
		\$100,800	\$576,080	\$294,230
IV. <u>Crosscheck</u>				
Value Enhancement Funds Available for Inclusionary Housing		\$971,000		
Total Affordability Gap / Impact of The Inclusionary Requirement	³	971,110		
Requirement is Higher than the Supportable Percentage		(\$110)		
V. <u>Supportable In-Lieu Fee</u>				
Value Enhancement Funds Available for Inclusionary Housing		\$971,000		
Gross Saleable Area	⁴	39,000	Square Feet	
Supportable In-Lieu Fee		\$25	/Sf of GSA	

¹ See ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 2.

² See ATTACHMENT 5: APPENDIX B.

³ The Total Affordability Gap / Impact of The Inclusionary Requirement is equal to the sum of the Affordability Gap exhibited by each bedroom type.

⁴ See ATTACHMENT 5: APPENDIX D - EXHIBIT I - TABLE 1

ATTACHMENT 5: APPENDIX E

PRO FORMA ANALYSES

C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES OWNERSHIP HOUSING DEVELOPMENT INCLUSIONARY HOUSING: FINANCIAL EVALUATION ARCADIA, CALIFORNIA

ATTACHMENT 5: APPENDIX E - EXHIBIT I

**PRO FORMA ANALYSIS
C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA**

ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 1

ESTIMATED CONSTRUCTIONS COSTS
C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Direct Costs					
On-Site Improvements/Landscaping	1	76,230	Sf of Land	\$30 /Sf of Land	\$2,287,000
Parking	2				
Attached Garage		88	Spaces	\$0 /Space	0
At-Grade Parking Spaces		22	Spaces	\$5,000 /Space	110,000
Podium Spaces		0	Spaces	\$20,000 /Space	0
Building Costs		81,400	Sf of GSA	\$230 /Sf of GSA	18,722,000
Contractor/DC Contingency Allow	3	20%	Other Direct Costs		4,224,000
Total Direct Costs					\$25,343,000
II. Indirect Costs					
Architecture, Engineering & Consulting		6.0%	Direct Costs		\$1,521,000
Public Permits & Fees	4	44	Units	\$26,470 /Unit	1,165,000
Taxes, Insurance, Legal & Accounting		1.5%	Direct Costs		380,000
Marketing		44	Units	\$5,000 /Unit	220,000
Developer Fee		3.0%	Gross Sales Revenue		1,802,000
Soft Cost Contingency Allowance		5.0%	Other Indirect Costs		254,000
Total Indirect Costs					\$5,342,000
III. Financing Costs					
Interest During Construction	5				\$4,198,000
Loan Origination Fees		60.0%	Loan to Cost	1.5 Points	418,000
Total Financing Costs					\$4,616,000
IV. Total Construction Cost					
		44	Units	\$802,000 /Unit	\$35,301,000

¹ Direct costs assume that prevailing wage requirements will NOT be imposed on the Project.

² Section 9103.07.050 imposes the following parking requirements on sites with R-3 Zoning: 2.0 spaces per Two-Bedroom Unit; 2.0 spaces per Three-Bedroom Unit; 2.0 spaces per Four-Bedroom Unit; and 0.50 guest spaces per unit.

³ Includes contractors' fees, general requirements, builder's risk insurance and a direct cost contingency allowance.

⁴ Based on information provided to KMA by the City and a review of the Sixth Cycle Housing Element.

⁵ Assumes a 7.0% interest cost for debt; an 18 month construction period after receipt of entitlements; an 8 month absorption period; 10% of the units are presold and close during first month after completion; and 1.5 points for loan origination fees.

ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 2

PROJECTED NET SALES REVENUE
C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. Gross Sales Revenue				¹
Two-Bedroom Units	0 Units @	\$0 /Unit		\$0
Three-Bedroom Units	22 Units @	\$1,274,000 /Unit		28,028,000
Four-Bedroom Units	22 Units @	\$1,457,000 /Unit		32,054,000
Total Gross Sales Revenue				\$60,082,000
II. Cost of Sales				
Commissions	3.0% Gross Sales Revenue			\$1,802,000
Closing	2.0% Gross Sales Revenue			1,202,000
Warranty	0.5% Gross Sales Revenue			300,000
Total Cost of Sales				(\$3,304,000)
III. Net Revenue				\$56,778,000

¹ Based in part on a survey of homes in Arcadia that were constructed after 2000 and resold between September 2022 and September 2023. See ATTACHMENT 5: APPENDIX A. The weighted average sales price equates to \$738 per square foot of saleable area.

ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 3

ESTIMATED RESIDUAL LAND VALUE
C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I.	Net Revenue	See ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 2		\$56,778,000
II.	Project Costs			
	Total Construction Cost	See ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 1	\$35,301,000	
	Threshold Developer Profit	10% Net Revenue	5,678,000	
	Total Project Costs			\$40,979,000
III.	Estimated Residual Land Value	76,230 Sf of Land	\$207 /Sf of Land	\$15,799,000

ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 4

VALUE ENHANCEMENT ANALYSIS
C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA

I. <u>Estimated Land Value</u>					
C-G Residential Flex		See ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 3			\$15,799,000
Vacant C-G Land	¹	76,230	Sf of Land	\$120 /Sf of Land	9,148,000
Estimated Value Enhancement					\$6,651,000
II. <u>Value Enhancement Funds Available for Inclusionary Housing</u>					
Estimated Value Enhancement					\$6,651,000
Share Allocated to Inclusionary Housing					65%
Value Enhancement Funds Available for Inclusionary Housing					\$4,323,000

¹ See ATTACHMENT 2: PROPERTY SALES SURVEYS.

ATTACHMENT 5: APPENDIX E - EXHIBIT II

**SUPPORTABLE INCLUSIONARY HOUSING REQUIREMENTS
C-G RESIDENTIAL FLEX: 25 UNITS/ACRE TOWNHOMES
OWNERSHIP HOUSING DEVELOPMENT
INCLUSIONARY HOUSING: FINANCIAL EVALUATION
ARCADIA, CALIFORNIA**

		Two-Bedroom Units	Three- Bedroom Units	Four-Bedroom Units
I. <u>Affordability Gap Calculation</u>				
Market Rate Sales Price	¹	\$0	\$1,274,000	\$1,457,000
Affordable Sales Price	²	0	345,300	366,600
Affordability Gap Per Inclusionary Unit		\$0	\$928,700	\$1,090,400
II. <u>Number of Inclusionary Units</u>				
Unit Allocation	¹	0	22	22
Supportable Inclusionary Housing Percentage		9.7%	9.7%	9.7%
Total Number of Inclusionary Units		0.0	2.1	2.1
III. Total Affordability Gap by Bedroom Type		\$0	\$1,987,980	\$2,334,110
IV. <u>Crosscheck</u>				
Value Enhancement Funds Available for Inclusionary Housing		\$4,323,000		
Total Affordability Gap / Impact of The Inclusionary Requirement	³	4,322,090		
Requirement is Lower than the Supportable Percentage		\$910		
V. <u>Supportable In-Lieu Fee</u>				
Value Enhancement Funds Available for Inclusionary Housing		\$4,323,000		
Gross Saleable Area	⁴	81,400	Square Feet	
Supportable In-Lieu Fee		\$53	/Sf of GSA	

¹ See ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 2.

² See ATTACHMENT 5: APPENDIX B.

³ The Total Affordability Gap / Impact of The Inclusionary Requirement is equal to the sum of the Affordability Gap exhibited by each bedroom type.

⁴ See ATTACHMENT 5: APPENDIX E - EXHIBIT I - TABLE 1

Attachment No. 4

Inclusionary Housing In-Lieu Fee Analysis,
dated February 18, 2025



KEYSER MARSTON ASSOCIATES

**INCLUSIONARY HOUSING:
IN-LIEU FEE ANALYSIS**

Prepared for:

City of Arcadia

Prepared by:

Keyser Marston Associates, Inc.

February 18, 2025

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ATTACHMENTS

Attachment 1: Affordable Housing Cost Calculation Methodologies

Appendix A: Affordable Rent Calculation Methodology

Appendix B: Affordable Sales Price Calculation Methodology

Attachment 2: Apartment Development

Appendix A: Rent Survey: 4+ Star Properties

Appendix B: Affordable Rent Calculations

Appendix C: In-Lieu Fee Calculations – DMU Site: 80 Unit Per Acre Density Prototype

Appendix D: In-Lieu Fee Calculations – DMU Site: 64 Unit per Acre Density Prototype

Appendix E: In-Lieu Fee Calculations - Las Tunas / Live Oak Corridor

Attachment 3: Ownership Housing Development

Appendix A: Resale Home Sales Survey

Appendix B: Affordable Sales Price Calculations

Appendix C: In-Lieu Fee Calculations

Attachment 4: Inclusionary Housing Program Surveys

Appendix A: California – Statewide

Appendix B: Los Angeles, Orange, San Diego, Ventura & Santa Barbara Counties

I. EXECUTIVE SUMMARY

A. Background

The City of Arcadia (City) received California Department of Housing and Community Development (HCD) approval of its Sixth Cycle Housing Element (Housing Element) on February 9, 2024.¹ This approval was based in part on the fact that the City completed rezoning activities that make adequate sites available pursuant to California Government Code Section 65583.2 (h) and (i).

As part of the Housing Element adoption process the City began evaluating the potential for creating an Inclusionary Housing program to assist in fulfilling a portion of the established Regional Housing Needs Assessment (RHNA) goals. To that end the City engaged Keyser Marston Associates, Inc. (KMA) to prepare an Inclusionary Housing: Financial Evaluation (Financial Evaluation) to assess the viability of an Inclusionary Housing program. KMA is submitting the Financial Evaluation concurrently with this Inclusionary Housing In-Lieu Fee Analysis (In-Lieu Fee Analysis).

The Financial Evaluation recommendations that are pertinent to the In-Lieu Fee Analysis can be summarized as follows:

1. Projects that consist of 10 or more units should be subject to the Inclusionary Housing program requirements.
2. The income and affordability requirements imposed by the Inclusionary Housing program should be set as follows:
 - a. Developers should be allowed to select from one of the following standards for apartment developments:
 - i. 14% low income units; or
 - ii. 9% very low income units; or

¹ The Housing Element covers the period between 2021 and 2029.

- iii. 6% low Income plus 5% very low income units; or
 - iv. 20% moderate income units.
 - b. A 5% moderate income requirement should be imposed on ownership housing developments.
- 3. Developers should be allowed to pay a fee in lieu of producing affordable units under the following circumstances:
 - a. An in-lieu fee should be allowed to be paid for any fraction of an Inclusionary Unit that results from the production calculations.
 - b. Inclusionary Housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. KMA recommends that an in-lieu fee payment be allowed by right for apartment developments that consist of between 10 and 20 units.
 - c. Ownership housing developments of any size should be provided with the option to pay a fee in lieu of producing affordable units.
 - d. An in-lieu fee option should be provided to any project where the developer can prove that the imposition of the Inclusionary Housing requirements creates an extreme financial hardship.

The City engaged KMA to quantify the in-lieu fee amounts that correspond with the Affordability Gaps exhibited by the recommended income and affordability standards. The Affordability Gap can generally be defined as difference between the achievable market rate rent or sales price and the allowable rent or sales price for each “Inclusionary Unit”.

This In-Lieu Fee Analysis is based on the development prototypes that are included in the Financial Evaluation. The following assumptions were updated for use in this report:

- 1. The following surveys were undertaken in January 2025:

- a. A CoStar search for 4+ star apartment developments within five miles of Arcadia City Hall; and
 - b. Resales of townhomes and condominiums that were constructed after 2000 and sold within the past year.
2. The Affordable Housing Cost calculations are based on the following information:
 - a. The household incomes published by HCD on May 9, 2024.
 - b. The utilities allowances published by the Los Angeles County Development Authority (LACDA) on July 1, 2024.

B. Findings

The results of the KMA In-Lieu Fee Analysis are summarized in the following text and tables.

BASE IN-LIEU PAYMENT AMOUNTS

Based on the recommended Inclusionary Housing requirements, KMA estimated the associated in-lieu fee payment amounts as follows:²

Recommended Base In-Lieu Fee Payment Amounts Residential Developments with 20 or More Units Affordability Gap Analyses	
Apartment Development	
Per Inclusionary Unit	\$403,000
Per Square Foot of Total Leasable Area in the Development	\$43.80
Ownership Housing Development	
Per Inclusionary Unit	\$701,300
Per Square Foot of Total Saleable Area in the Development	\$23.30

² The in-lieu fee payment amounts identified throughout this report are presented in 2025 dollars.

KMA recommends that the City base the in-lieu fee payment obligations on the leasable area for apartment developments and the saleable area for ownership housing developments. This methodology accounts for the fact that the Affordability Gaps tend to vary based on the unit sizes included in the development.

DISCOUNTED IN-LIEU FEE SCHEDULES

Inclusionary housing requirements have a disproportionate impact on smaller projects, because there are fewer market rate units available to spread the impact created by the income and affordability standards. To reflect this, KMA recommends that City impose the in-lieu fee on a sliding scale basis for residential projects that consist of between 10 and 20 units.

KMA recommends that the in-lieu payment schedules presented in the following table be applied.

Recommended Discounted In-Lieu Fee Schedules Measured Per Square Foot of Leasable or Saleable Area in the Residential Development		
Number of Units	Apartment Development	Ownership Housing Development
10	\$3.98	\$2.12
11	\$7.96	\$4.24
12	\$11.95	\$6.35
13	\$15.93	\$8.47
14	\$19.91	\$10.59
15	\$23.89	\$12.71
16	\$27.87	\$14.83
17	\$31.85	\$16.95
18	\$35.84	\$19.06
19	\$39.82	\$21.18
20+	\$43.80	\$23.30

FRACTIONAL IN-LIEU FEE SCHEDULES

When the Inclusionary Housing calculation results in a fractional unit obligation, the developer should be allowed to pay a fee in-lieu of producing an additional Inclusionary Unit. The fractional in-lieu fee payment amounts that correlate to the identified Affordability Gaps are presented in the following tables:

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Leasable Area of One Unit in an Apartment Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Apartment Development
0.10	\$50.00	\$40,310
0.20	\$100.00	\$80,620
0.30	\$150.00	\$120,930
0.40	\$200.00	\$161,230
0.50	\$250.00	\$201,540
0.60	\$299.90	\$241,770
0.70	\$349.90	\$282,080
0.80	\$399.90	\$322,390
0.90	\$449.90	\$362,700
1.00	\$499.90	\$403,000

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Saleable Area of One Unit in an Ownership Housing Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Ownership Housing Development
0.10	\$47.80	\$70,100
0.20	\$95.70	\$140,300
0.30	\$143.50	\$210,400
0.40	\$191.40	\$280,600
0.50	\$239.20	\$350,600
0.60	\$287.00	\$420,700
0.70	\$334.90	\$490,900
0.80	\$382.70	\$561,000
0.90	\$430.60	\$631,200
1.00	\$478.40	\$701,300

IN-LIEU FEE PAYMENT UPDATES

The in-lieu fee payment amounts should be re-evaluated at least every five years. To allow in-lieu fees to keep pace with changes in the marketplace during the intervening periods, the in-lieu fees should continue to be adjusted each year based on an index such as the year-to-year percentage change in new home prices in Los Angeles County.

II. APPROACH

The purpose of this analysis is to estimate the in-lieu fee payment amounts that can be supported by apartment and ownership housing development projects. The KMA analysis is based on the Inclusionary Housing requirements were recommended in the Financial Evaluation.

A. Affordability Gaps

The foundational premise of this analysis is that an in-lieu fee will correlate to the Affordability Gap associated with producing the Inclusionary Units required by the Inclusionary Housing program. The Affordability Gap can generally be defined as the difference between the achievable market rate rents or sales prices and the allowable rents or sales prices for the designated Inclusionary Units.

B. Development Prototypes

The financial analyses that KMA prepared are based on the prototype apartment and ownership housing developments that were analyzed in the Financial Evaluation. The prototypes represent composites of recently proposed or developed projects that were identified as part of the analysis process.

C. Analysis Organization

The KMA analysis is supported by the following Attachments, Appendices, and Exhibits:

ATTACHMENT 1: AFFORDABLE HOUSING COST CALCULATION METHODOLOGIES

Appendix A:	Affordable Rent Calculation Methodology
Appendix B:	Affordable Sales Price Calculation Methodology

ATTACHMENT 2: APARTMENT DEVELOPMENT

Appendix A:	Rent Survey: 4+ Star Properties
Appendix B:	Affordable Rent Calculations
Appendix C:	In-Lieu Fee Calculations – DMU Site: 80 Unit Per Acre Density Prototype
Appendix D:	In-Lieu Fee Calculations – DMU Site: 64 Unit Per Acre Density Prototype
Appendix E:	In-Lieu Fee Calculations - Las Tunas / Live Oak Corridor

Each of the preceding appendices include the following Exhibits:

Exhibit I	9% Very Low Income Units
Exhibit II	14% Low Income Units
Exhibit III	6% Low Income Units + 5% Very Low Income Units
Exhibit IV	20% Moderate Income Units

ATTACHMENT 3: OWNERSHIP HOUSING DEVELOPMENT

Appendix A:	Resale Home Sales Survey
Appendix B:	Affordable Sales Price Calculations
Appendix C:	In-Lieu Fee Calculations

ATTACHMENT 4: INCLUSIONARY HOUSING PROGRAM SURVEYS

Appendix A:	California – Statewide
Appendix B:	Orange, Los Angeles, San Diego, Ventura and Santa Barbara Counties

III. APARTMENT DEVELOPMENT ANALYSIS

A. Apartment Development Prototypes

The apartment development prototypes embody the following characteristics:

Prototype Characteristics - Apartment Development			
	DMU Site: 80 Unit/Acre Density Prototype	DMU Site: 64 Unit/Acre Density Prototype	Las Tunas/Live Oak Corridor: 60 Unit/Acre Density Prototype
Site Area (Acres)	2.5	0.8	1.0
Total Units	200	48	60
Bedroom Mix			
Studio Units	25%		20%
One-Bedroom Units	50%	50%	50%
Two-Bedroom Units	25%	50%	30%
Total Number of Units	100%	100%	100%
Unit Sizes (Square Feet)			
Studio Units	500		600
One-Bedroom Units	750	800	750
Two-Bedroom Units	1,100	1,100	1,000
Weighted Averages	775	950	795

The information KMA used in the in-lieu fee analysis for apartment development follows:

1. KMA undertook a survey of apartment developments in the Arcadia market area that were constructed within the past 10 years. The survey results are presented in Attachment 2 – Appendix A.
2. KMA prepared “Affordable Rent” calculations for the prototype apartment projects. The calculation methodology is described in Attachment 1 – Appendix A.

Based on the preceding information, KMA prepared Affordability Gap analyses to estimate the in-lieu fee amounts that are equivalent to the financial impact associated with fulfilling the Inclusionary Housing program requirements on site within market rate apartment developments.

B. Rent Estimates

MARKET RATE RENTS

In January 2025, KMA surveyed apartment projects that received 4+ stars in the CoStar quality ranking system. Based in part on this survey, the projected market rate apartment rents are presented in the following table:

Projected Market Rate Rents - Apartment Development			
	DMU Site: 80 Unit/Acre Density Prototype	DMU Site: 64 Unit/Acre Density Prototype	Las Tunas/Live Oak Corridor: 60 Unit/Acre Density Prototype
Number of Bedrooms	Monthly Rents		
Studio Units	\$2,440		\$2,660
One-Bedroom Units	\$2,960	\$3,010	\$2,960
Two-Bedroom Units	\$3,900	\$3,900	\$3,540
Weighted Average Rent Per Square Foot of Leasable Area	\$3.95	\$3.64	\$3.87

AFFORDABLE RENTS

The Affordable Rent calculations are presented in Attachment 2 – Appendix A. The results are summarized in the following table:

Affordable Rents - Apartment Development			
Number of Bedrooms	Very Low Income Units	Low Income Units	Moderate Income Units
Studio Units	\$768	\$1,284	\$1,800
One-Bedroom Units	\$861	\$1,450	\$2,039
Two-Bedroom Units	\$952	\$1,615	\$2,278

C. Estimated Affordability Gaps – Apartment Development

KMA estimated the Affordability Gaps associated with the prototype apartment developments using the following calculation methodology:

1. The differences between the estimated achievable market rate rents and the defined Affordable Rents were calculated for studio, one-bedroom, and two-bedroom apartment units.
2. KMA assumed that the property taxes for projects that include designated Inclusionary Units would be based on a lower assessed value due to the reduction in net operating income that would be generated by the project. KMA deducted this lower property tax expense from the estimated rent difference.
3. The estimated “Net Annual Rent Difference Per Inclusionary Unit” represents the annual rent difference minus the estimated property tax savings.
4. The “Affordability Gap Per Inclusionary Unit” is estimated by capitalizing the Net Annual Difference Per Inclusionary Unit at a market rate stabilized return on total investment.

The Affordability Gap calculations are provided in Attachment 2 – Appendices C, D and E. The results are summarized in the following table:

Estimated Affordability Gaps Per Inclusionary Unit Apartment Development			
	DMU Site: 80 Unit/Acre Density Prototype	DMU Site: 64 Unit/Acre Density Prototype	Las Tunas/Live Oak Corridor: 60 Unit/Acre Density Prototype
Very Low Income Units	\$393,900	\$455,300	\$393,800
Low Income Units	\$288,700	\$343,400	\$287,200
Moderate Income Units	\$183,200	\$231,500	\$180,700

D. In-Lieu Fee Calculations – Apartment Development

The Affordability Gaps Per Inclusionary Unit were converted into the in-lieu fee payments that would be required to fulfill the Inclusionary Housing requirements on site within a proposed market rate apartment development. The methodology used to convert the Affordability Gaps into in-lieu fee payment amounts can be described as follows:

1. Affordability Gap analyses were prepared for each of the following affordability requirements:
 - a. 9% very low income units;
 - b. 14% low income units;
 - c. 6% low income units plus 5% very low income units; and
 - d. 20% moderate income units.
2. As proposed, developers would have the option to select among the four affordability mixes. For the purposes of this analysis, KMA assumed that developers would choose the alternative that generates the smallest reduction in net operating income.
3. In each development prototype the 9% very low income unit requirement generated the smallest impact on the net operating income (See Attachment 2 – Appendices C, D, and E: Exhibits I, II and III).

The resulting in-lieu fee payment amounts for the three development prototypes are presented in the following table:

In-Lieu Fee Payment Supported Based on the Affordability Gap Analysis Inclusionary Housing Percentage: 9.0% Very Low Income Units Apartment Development		
	Affordability Gap Per Inclusionary Unit	In-Lieu Fee Per Square Foot of Total Leasable Area
DMU Site: 80 Unit/Acre Density Prototype	\$393,900	\$45.70
DMU Site: 64 Unit/Acre Density Prototype	\$455,300	\$39.90
Las Tunas/Live Oak Corridor: 60 Unit/Acre Density Prototype	\$393,800	\$41.30
Weighted Average In-Lieu Fee Per Square Foot of Total Leasable Area		\$43.80

As discussed previously, KMA is recommending that the City provide a discounted in-lieu fee schedule for projects that consist of between 10 and 20 units. The recommended in-lieu fee schedule is presented in the following table:

Recommended In-Lieu Fee Schedule Measured Per Square Foot of Leasable Area in the Apartment Development	
Number of Units	In-Lieu Fee
10	\$3.98
11	\$7.96
12	\$11.95
13	\$15.93
14	\$19.91
15	\$23.89
16	\$27.87
17	\$31.85
18	\$35.84
19	\$39.82
20+	\$43.80

Some developers may choose to pay a fee in lieu of fulfilling an obligation to produce a fraction of an Inclusionary Unit. The following table provides a recommended schedule of fractional in-lieu fee payments for apartment developments:

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Leasable Area of One Unit in an Apartment Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Apartment Development
0.10	\$50.00	\$40,310
0.20	\$100.00	\$80,620
0.30	\$150.00	\$120,930
0.40	\$200.00	\$161,230
0.50	\$250.00	\$201,540
0.60	\$299.90	\$241,770
0.70	\$349.90	\$282,080
0.80	\$399.90	\$322,390
0.90	\$449.90	\$362,700
1.00	\$499.90	\$403,000

IV. OWNERSHIP HOUSING DEVELOPMENT ANALYSIS

A. Ownership Housing Development Prototypes

The ownership housing development prototypes embody the following characteristics:

Prototype Characteristics - Ownership Housing Development			
	DMU Site: 64 Unit/Acre Density THs & Flats Prototype	R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype
Site Area (Acres)	1.5	0.6	1.8
Total Units	96	24	44
Bedroom Mix			
Two-Bedroom Units	50%	15%	
Three-Bedroom Units	50%	60%	50%
Four-Bedroom Units		25%	50%
Total Number of Units	100%	100%	100%
Unit Sizes (Square Feet)			
Two-Bedroom Units	1,100	1,300	
Three-Bedroom Units	1,400	1,600	1,700
Four-Bedroom Units		1,900	2,000
Weighted Averages	1,250	1,625	1,850

The information KMA used in the ownership housing development analysis can be described as follows:

1. KMA undertook a survey to identify the sales prices being achieved by market rate townhomes and condominiums constructed in Arcadia since 2000. The survey results are presented in Attachment 3 – Appendix A.
2. KMA prepared “Affordable Sales Price” calculations for the two-bedroom, three-bedroom, and four-bedroom ownership housing units. The calculation methodology is described in Attachment 1 – Appendix B.

Based on the preceding information, KMA prepared Affordability Gap analyses to estimate the in-lieu fee amounts that are equivalent to the financial impact associated with fulfilling the Inclusionary Housing program requirements on site within market rate ownership housing development projects.

B. Sales Price Estimates

MARKET RATE SALES PRICES

In January 2025, KMA compiled a survey of townhomes and condominiums in Arcadia that were sold during the past year. The purpose of this survey was to assist in estimating the currently achievable market rate sales prices for the ownership housing development prototypes being analyzed. Based in part on this survey, the projected market rate sales prices are presented in the following table:

Projected Market Rate Sales Prices - Ownership Housing Development			
	DMU Site: 64 Unit/Acre Density THs & Flats Prototype	R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype
Number of Bedrooms	Sales Prices		
Two-Bedroom Units	\$707,000	\$836,000	
Three-Bedroom Units	\$1,049,000	\$1,199,000	\$1,274,000
Four-Bedroom Units		\$1,384,000	\$1,457,000
Weighted Average Sales Price Per Square Foot of Saleable Area	\$702	\$729	\$738

AFFORDABLE SALES PRICE CALCULATIONS

The Affordable Sales Price calculations are presented in Attachment 3 – Appendix B. The results are summarized in the following table:

Affordable Sales Prices: Moderate Income Units Ownership Housing Development			
Number of Bedrooms	DMU Site: 64 Unit/Acre Density THs & Flats Prototype	R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype
Two-Bedroom Units	\$313,200	\$313,200	
Three-Bedroom Units	\$345,300	\$345,300	\$345,300
Four-Bedroom Units		\$366,600	\$366,600

C. Estimated Affordability Gaps – Ownership Housing Development

The Affordability Gaps that were derived from the KMA analysis of the ownership housing development prototypes are presented in the following table:

Affordability Gaps: Moderate Income Units Ownership Housing Development			
Weighted Averages	DMU Site: 64 Unit/Acre Density THs & Flats Prototype	R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype
Market Price	\$878,000	\$1,191,000	\$1,366,000
Moderate Income Price	<u>329,000</u>	<u>346,000</u>	<u>356,000</u>
Affordability Gap	\$549,000	\$845,000	\$1,010,000

D. In-Lieu Fee Calculations – Ownership Housing Development

As can be seen in the preceding table, the gaps between the average market rate price and the designated Affordable Sales Prices range from \$549,000 to \$1.01 million per moderate income unit. The weighted average Affordability Gap among the three development prototypes is estimated at \$701,300 per moderate income unit.

As shown in Attachment 3 – Appendix C, the Affordability Gaps are translated into the in-lieu fee payments that would be required to fulfill the Inclusionary Housing requirements on site within a proposed market rate ownership housing development. The resulting in-lieu fee payment amounts for the three development prototypes are presented in the following table:

In-Lieu Fee Payment Based on the Affordability Gap Analysis Inclusionary Housing Percentage: 5% Moderate Income Ownership Housing Development		
	Affordability Gap Per Inclusionary Unit	In-Lieu Fee Per Square Foot of Saleable Area
DMU Site: 64 Unit/Acre Density THs & Flats Prototype	\$549,000	\$22.90
R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	\$845,000	\$21.70
Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype	\$1,010,000	\$24.80
Weighted Average In-Lieu Fee Per Square Foot of Saleable Area		\$23.30

KMA is recommending that the City provide a discounted in-lieu fee schedule for projects that consist of between 10 and 20 units. The recommended in-lieu fee schedule is presented in the following table:

Recommended In-Lieu Fee Schedule Measured Per Square Foot of Saleable Area in the Ownership Housing Development	
Number of Units	In-Lieu Fee
10	\$2.12
11	\$4.24
12	\$6.35
13	\$8.47
14	\$10.59
15	\$12.71
16	\$14.83
17	\$16.95
18	\$19.06
19	\$21.18
20+	\$23.30

The following table provides an in-lieu fee payment schedule for developers that choose this option for fulfilling an obligation to produce a fraction of an Inclusionary Unit:

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Saleable Area of One Unit in an Ownership Housing Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Ownership Housing Development
0.10	\$47.80	\$70,100
0.20	\$95.70	\$140,300
0.30	\$143.50	\$210,400
0.40	\$191.40	\$280,600
0.50	\$239.20	\$350,600
0.60	\$287.00	\$420,700
0.70	\$334.90	\$490,900
0.80	\$382.70	\$561,000
0.90	\$430.60	\$631,200
1.00	\$478.40	\$701,300

V. INCLUSIONARY HOUSING PROGRAM SURVEYS

As a crosscheck to the preceding financial analysis, KMA undertook a survey of California jurisdictions that impose Inclusionary Housing requirements on residential development. KMA also narrowed the survey to illustrate the in-lieu fees being assessed by Southern California jurisdictions. The surveys are presented in Attachment 4.

As can be seen in the survey, the Southern California jurisdictions apply a variety of different methodologies to the establishment of in-lieu fee payment amounts. These variances can be attributed to a number of different considerations such as:

1. The program goals;
2. Project size thresholds;
3. Varying treatments of apartment versus ownership housing development;
4. The community's view on density; and
5. The level of responsibility the jurisdiction wishes to take in implementing affordable housing developments.

The responses to these considerations guide the use of one of the following approaches to setting in-lieu fee payment amounts:

1. An Affordability Gap methodology, which sets the in-lieu fee payments at amounts that are sufficient to fulfill the Inclusionary Housing requirements on site within the market rate development that triggered the obligation;
2. A discounted payment amount to encourage payment of the in-lieu fee; and/or
3. A schedule that provides reduced in-lieu fees for small projects.

KMA recommends that the City permit developers of the following project types to pay a fee in lieu of producing some or all of the affordable housing units required by the Inclusionary Housing program:

1. Apartment developments that include between 10 and 20 units; and
2. All ownership housing developments that are subject to the Inclusionary Housing program requirements.

The KMA analysis is based on in-lieu fee payment amounts that are equivalent to the cost that would be incurred to provide the Inclusionary Units on site with the market rate project that triggered the affordable housing obligations. This is the Affordability Gap calculation methodology.

Twenty-six (26) out of the 44 Southern California surveyed jurisdictions use some form of an Affordability Gap calculation in setting the in-lieu fee payment amounts. This represents approximately 60% of the surveyed jurisdictions.

It is KMA's opinion that using an Affordability Gap methodology for setting the in-lieu fees in Arcadia is consistent with common practice. However, several jurisdictions wish to encourage in-lieu fee payment and so they set the in-lieu fees at discounted amounts as an incentive.

VI. CONCLUSIONS / RECOMMENDATIONS

A. In-Lieu Fee Payment Amounts

BASE IN-LIEU FEE PAYMENT AMOUNTS

The in-lieu fees presented in this analysis represent the amounts that would need to be charged to provide the City with sufficient funds to produce the same number of affordable units in similar locations and product types as the market rate residential projects that would be subject to the proposed Inclusionary Housing program requirements. Based on this assumption, KMA recommends that the base in-lieu fees be set as follows:

Recommended Base In-Lieu Fee Payment Amounts Per Square Foot of Leasable or Saleable Area in Residential Developments with 20 or More Units Affordability Gap Analyses	
Apartment Development	\$43.80
Ownership Housing Development	\$23.30

It is KMA's opinion that an in-lieu fee measured against the square footages of the units corresponds more closely to the Affordability Gap than an in-lieu fee that is measured by the number of units in the development. As such, KMA recommends that the in-lieu fee be based on the leasable area for apartment developments and the saleable area for ownership housing developments.

DISCOUNTED IN-LIEU FEE SCHEDULES

Recognizing that Inclusionary housing requirements have a disproportionate impact on smaller projects, KMA recommends that City provide a discounted in-lieu fee schedules for residential projects that consist of between 10 and 20 units. KMA recommends that the following schedules be applied.

Recommended Discounted In-Lieu Fee Schedules Measured Per Square Foot of Leasable or Saleable Area in the Residential Development		
Number of Units	Apartment Development	Ownership Housing Development
10	\$3.98	\$2.12
11	\$7.96	\$4.24
12	\$11.95	\$6.35
13	\$15.93	\$8.47
14	\$19.91	\$10.59
15	\$23.89	\$12.71
16	\$27.87	\$14.83
17	\$31.85	\$16.95
18	\$35.84	\$19.06
19	\$39.82	\$21.18
20+	\$43.80	\$23.30

FRACTIONAL IN-LIEU FEE SCHEDULES

When the Inclusionary Housing calculation results in a fractional unit obligation, KMA recommends that the developer be allowed to pay a fee in-lieu of producing an additional Inclusionary Unit. The fractional in-lieu fee payment amounts that correlate to the Affordability Gaps identified in this analysis are presented in the following tables:

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Leasable Area of One Unit in an Apartment Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Apartment Development
0.10	\$50.00	\$40,310
0.20	\$100.00	\$80,620
0.30	\$150.00	\$120,930
0.40	\$200.00	\$161,230
0.50	\$250.00	\$201,540
0.60	\$299.90	\$241,770
0.70	\$349.90	\$282,080
0.80	\$399.90	\$322,390
0.90	\$449.90	\$362,700
1.00	\$499.90	\$403,000

Recommended Fractional In-Lieu Fee Payment Calculations Measured Per Square Foot of the Saleable Area of One Unit in an Ownership Housing Development		
Fraction	Fractional In-Lieu Fee: Per Square Foot of One Unit	Total Fractional In-Lieu Fee: Ownership Housing Development
0.10	\$47.80	\$70,100
0.20	\$95.70	\$140,300
0.30	\$143.50	\$210,400
0.40	\$191.40	\$280,600
0.50	\$239.20	\$350,600
0.60	\$287.00	\$420,700
0.70	\$334.90	\$490,900
0.80	\$382.70	\$561,000
0.90	\$430.60	\$631,200
1.00	\$478.40	\$701,300

B. In-Lieu Fee Payment Updates

The in-lieu fee payment amounts should be updated at regular intervals:

1. A full evaluation should be undertaken at least every five years.
2. To allow in-lieu fees to keep pace with changes in the market place during the intervening periods, the in-lieu fees should continue to be adjusted each year based on the following process:
 - a. Median sales value information for “All New Residential Development” in Los Angeles County should be compiled annually. The Redfin Corporation currently produces and publishes this information.
 - b. The increase or decrease in the in-lieu fee should be based on the year-to-year percentage change in the median new home sales price.

ATTACHMENT 1
AFFORDABLE HOUSING COST CALCULATION METHODOLOGIES
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

APPENDIX A

AFFORDABLE RENT CALCULATION METHODOLOGY

ASSUMPTIONS

The Affordable Rent calculations are presented in Attachment 4 – Appendix B. The calculations are based on the following assumptions:

1. The household income information used in the calculations is based on 2024 income statistics for Los Angeles County as a whole:
 - a. The household incomes for very low and low income households are produced by United States Department of Housing and Urban Development (HUD) and distributed by the California Department of Housing and Community Development (HCD).
 - b. The household incomes for moderate income households are produced and distributed annually by HCD.
2. The household size appropriate for the unit is based on the California Health and Safety Code (H&SC) Section 50052.5 standard of the number of bedrooms in the home plus one.¹ H&SC Section 50052.5 refers to this as “the family size appropriate for the unit.” This is a benchmark that is used for calculation purposes only. It is neither an occupancy minimum nor a maximum.
3. The benchmark household incomes used in the Affordable Rent analyses are based on the following standards:
 - a. The very low income rents are based on 50% of area median income (AMI). This percentage of AMI is based on the standard imposed in H&SC Section 50053.
 - b. The low income rents are based on 80% of AMI. This percentage of AMI is based on the standard imposed by Assembly Bill 1505.
 - c. The moderate income rents are based on 110% of AMI, which is the standard imposed by H&SC Section 50053.

¹ For example, the imputed household size for a one-bedroom unit is two persons.

4. Thirty percent (30%) of defined household income is allocated to housing-related expenses.
5. The following monthly utilities allowances were applied in this analysis.²

Utility Allowances Apartment Development Prototypes	
Number of Bedrooms	Monthly Utilities Allowances
Studio	\$91
1	\$121
2	\$153

AFFORDABLE RENTS

The resulting affordable rents are presented in the following table:

Affordable Rents Apartment Development Prototypes			
Number of Bedrooms	Very Low Income	Low Income	Moderate Income
Studio	\$768	\$1,284	\$1,800
1	\$861	\$1,450	\$2,039
2	\$952	\$1,615	\$2,278

² Utilities allowances are based on utilities costs comprised of electric heating, cooking and water heating; and basic electric, and air conditioning. The allowances are based on the Los Angeles County Development Authority Multifamily All Electric Schedule effective as of July 1, 2024.

APPENDIX B

AFFORDABLE SALES PRICE CALCULATION METHODOLOGY

ASSUMPTIONS

The Affordable Sales Price calculations are presented in Attachment 5 – Appendix B. The calculations are based on the following assumptions:

1. The household income information used in the calculations is based on 2024 income statistics for Los Angeles County as a whole:
 - a. The household incomes for low income households are produced by HUD and distributed by HCD.
 - b. The household incomes for moderate income households are produced and distributed annually by HCD.
2. The Affordable Sales Price estimates are based on the calculation methodology imposed by H&SC Section 50052.5.

The elements included in the Affordable Sales Price calculations are described in the following sections of this Attachment.

Household Size

For the sole purposes of calculating Affordable Sales Prices, H&SC Section 50052.5 sets household sizes based on the number of bedrooms in the home plus one. As discussed previously, this is not an occupancy minimum or maximum. Rather, it is a benchmark that creates a consistent Affordable Sales Price calculation methodology.

Household Income

For calculation purposes only, H&SC Section 50052.5 applies benchmark household incomes as the standard for determining the Affordable Sales Prices. These benchmarks are based on the following percentages of the Los Angeles County AMI:

Income Category	% of AMI
Moderate	110%
Low	70%

The identified benchmark percentages of AMI are not income caps. The household income qualification standards are set at the upper limits presented in the HCD and are based on the actual size of the homebuyer's household.

Income Allocated to Housing-Related Expenses

H&SC Section 50052.5 allocates the following percentages of the benchmark household incomes to the payment of housing-related expenses:

Income Category	% of Benchmark Income
Moderate	35%
Low	30%

Housing-Related Expenses

Based on research undertaken by KMA, the variable housing related expense assumptions used in this analysis are presented in the following table:

Variable Housing Related Expenses		
Ownership Housing Development Prototypes		
Number of Bedrooms	Monthly Utilities Allowances ³	Monthly HOA, Insurance & Maintenance
2	\$260	\$300
3	\$317	\$325
4	\$389	\$350

³Utilities allowances are based on utilities costs comprised of electric heating, cooking and water heating; basic electric; and water, sewer and trash services. The allowances are based on the Los Angeles County Development Authority Single-Family Schedule effective as of July 1, 2024.

The property tax expense estimates are based on 1.15% of the defined Affordable Sales Prices. This assumes that the City will require the homes to be resold on an Affordable Sales Price throughout one cumulative 45-year covenant period.

Supportable Mortgage Amount

The mortgage amounts used in the Affordable Sales Price calculations are estimated using the income available after the other housing-related expenses are paid. The mortgage terms used in this Financial Evaluation were based on a 30-year fully amortizing loan at a 6.98% interest rate. ⁴

Benchmark Down Payment

KMA set the benchmark down payment at 5% of the estimated Affordable Sales Price. A down payment of this magnitude is commonly allowed by affordable housing programs.

AFFORDABLE SALES PRICES

The resulting Affordable Sales Prices are estimated as follows:

Affordable Sales Prices		
Ownership Housing Development Prototypes		
Number of Bedrooms	Moderate Income	Low Income
2	\$313,200	\$136,800
3	\$345,300	\$148,100
4	\$366,600	\$153,700

⁴ Based on a 25 basis points premium applied to the Freddie Mac monthly average, between February 2024 and January 2025, for a fixed-interest rate loan with a 30-year amortization period.

ATTACHMENT 2

APARTMENT DEVELOPMENT INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS ARCADIA, CALIFORNIA

ATTACHMENT 2: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES APARTMENT DEVELOPMENT INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS ARCADIA, CALIFORNIA

ATTACHMENT 2: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES ¹
 APARTMENT DEVELOPMENT
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
 ARCADIA, CALIFORNIA

						Average Effective Rent	
Name	Address			# of Units	Unit Size (SF)	Total	Per SF
I.	Studio Units						
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	21	491	\$2,363	\$4.81
Luxe	1769 E Walnut St	Pasadena	91106	20	514	\$2,514	\$4.89
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	45	531	\$2,340	\$4.41
Areum Apts	1110 S 5th Ave	Monrovia	91016	7	574	\$2,344	\$4.08
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	61	585	\$2,543	\$4.35
The RinRose	3768 E Colorado Blvd	Pasadena	91107	14	590	\$2,850	\$4.83
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	4	602	\$2,608	\$4.33
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	2	620	\$2,054	\$3.31
The Huntington	1413 Huntington Dr	Duarte	91010	24	640	\$2,509	\$3.92
	Minimum				491	\$2,054	\$3.31
	Maximum				640	\$2,850	\$4.89
	Weighted Average				563	\$2,482	\$4.43

ATTACHMENT 2: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES
 APARTMENT DEVELOPMENT
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
 ARCADIA, CALIFORNIA

						Average Effective Rent	
Name	Address			# of Units	Unit Size (SF)	Total	Per SF
II. One-Bedroom Units							
Luxe	1769 E Walnut St	Pasadena	91106	71	637	\$2,740	\$4.30
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	89	684	\$2,905	\$4.25
Begonia Place	5570 Rosemead Blvd	Temple City	91780	2	696	\$3,928	\$5.64
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	183	707	\$2,838	\$4.01
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	161	724	\$2,535	\$3.50
The RinRose	3768 E Colorado Blvd	Pasadena	91107	62	728	\$3,417	\$4.69
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	274	738	\$2,726	\$3.69
Areum Apts	1110 S 5th Ave	Monrovia	91016	91	747	\$2,537	\$3.40
Avalon Monrovia	825 S Myrtle Ave	Monrovia	91016	46	771	\$2,903	\$3.77
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	165	792	\$2,741	\$3.46
The Huntington	1413 Huntington Dr	Duarte	91010	88	797	\$2,722	\$3.42
57 Wheeler	57 Wheeler Ave	Arcadia	91006	15	1,056	\$2,728	\$2.58
	Minimum				637	\$2,535	\$2.58
	Maximum				1,056	\$3,928	\$5.64
	Weighted Average				738	\$2,762	\$3.76

ATTACHMENT 2: APPENDIX A

RENT SURVEY: 4+ STAR PROPERTIES ¹
 APARTMENT DEVELOPMENT
 INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
 ARCADIA, CALIFORNIA

Name	Address	# of Units	Unit Size (SF)	Average Effective Rent			
				Total	Per SF		
III.	Two-Bedroom Units						
Luxe	1769 E Walnut St	Pasadena	91106	40	934	\$3,513	\$3.76
Begonia Place	5570 Rosemead Blvd	Temple City	91780	68	952	\$4,233	\$4.45
Aston at Gateway	10568 Gateway Promenade	El Monte	91731	74	956	\$3,362	\$3.52
The RinRose	3768 E Colorado Blvd	Pasadena	91107	24	1,011	\$4,120	\$4.08
Esperanza at Duarte Station	1700 Fasana Rd	Duarte	91010	79	1,038	\$3,678	\$3.54
Avalon Monrovia	825 S Myrtle Ave	Monrovia	91016	69	1,042	\$3,664	\$3.52
MODA at Monrovia Station	228 W Pomona Ave	Monrovia	91016	98	1,059	\$2,960	\$2.80
Areum Apts	1110 S 5th Ave	Monrovia	91016	56	1,081	\$3,226	\$2.98
Alexan Marmont	1625 S Magnolia Ave	Monrovia	91016	134	1,109	\$3,714	\$3.35
The Huntington	1413 Huntington Dr	Duarte	91010	49	1,131	\$3,241	\$2.87
Bell Pasadena	3330 E Foothill Blvd	Pasadena	91107	43	1,168	\$3,618	\$3.10
57 Wheeler	57 Wheeler Ave	Arcadia	91006	23	1,332	\$3,409	\$2.56
The Residence at Mission View	109 S Alanmay Ave	San Gabriel	91776	6	1,345	\$4,331	\$3.22
	Minimum				934	\$2,960	\$2.56
	Maximum				1,345	\$4,331	\$4.45
	Weighted Average				1,059	\$3,547	\$3.37

¹ Source: CoStar, January 2025. Projects built in the past 10 years within 5 miles of Arcadia City Hall. The survey excludes affordable projects, three extraordinarily large studio units in the Avalon Monrovia, and five extraordinarily large one-bedroom unit in the Residences.

ATTACHMENT 2: APPENDIX B

AFFORDABLE RENT CALCULATIONS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

ATTACHMENT 2: APPENDIX B

AFFORDABLE RENT CALCULATIONS
2024 INCOME STANDARDS
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

		Studio Units	One-Bedroom Units	Two-Bedroom Units
General Assumptions				
Benchmark Household Size	¹	1	2	3
Area Median Income	²	\$68,750	\$78,550	\$88,400
Monthly Utilities Allowance	³	\$91	\$121	\$153
II. Affordable Rent Calculations				
A. Very Low Income - Rent Based on 50% AMI				
Benchmark Annual Household Income	⁴	\$34,375	\$39,275	\$44,200
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$10,313	\$11,783	\$13,260
Monthly Income Available for Housing Expenses		\$859	\$982	\$1,105
(Less) Monthly Utilities Allowance		(\$91)	(\$121)	(\$153)
Maximum Allowable Rent		\$768	\$861	\$952
B. Low Income - Rent Based on 80% AMI				
Benchmark Annual Household Income	⁵	\$55,000	\$62,840	\$70,720
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$16,500	\$18,852	\$21,216
Monthly Income Available for Housing Expenses		\$1,375	\$1,571	\$1,768
(Less) Monthly Utilities Allowance		(\$91)	(\$121)	(\$153)
Maximum Allowable Rent		\$1,284	\$1,450	\$1,615
C. Moderate Income - Rent Based on 110% AMI				
Benchmark Annual Household Income	⁶	\$75,625	\$86,405	\$97,240
Percentage of Income Allotted to Housing Expenses		30%	30%	30%
Annual Income Available for Housing Expenses		\$22,688	\$25,922	\$29,172
Monthly Income Available for Housing Expenses		\$1,891	\$2,160	\$2,431
(Less) Monthly Utilities Allowance		(\$91)	(\$121)	(\$153)
Maximum Allowable Rent		\$1,800	\$2,039	\$2,278

¹ For the purposes of calculating the Affordable Rents, Health & Safety Code Section 50052.5 sets the benchmark household sizes at the number of bedrooms in the unit plus one. This is neither an occupancy cap nor a floor.

² Based on the 2024 Los Angeles County household incomes published by the California Department of Housing & Community Development (HCD).

³ Based on the Los Angeles County Development Authority (LACDA) Multifamily All Electric Schedule effective as of July 1, 2024. Assumes: Electric Heating, Electric Cooking, and Electric Water Heater; Basic Electric; and Air Conditioning.

⁴ Based on 50% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053.

⁵ Based on 80% of AMI. This percentage of AMI is based on the standard identified in AB 1505.

⁶ Based on 110% of AMI. This percentage of AMI is based on the standard identified in Health & Safety Code Section 50053.

ATTACHMENT 2: APPENDIX C

IN-LIEU FEE CALCULATIONS DMU SITE: 80 UNIT/ACRE DENSITY PROTOTYPE APARTMENT DEVELOPMENT INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS ARCADIA, CALIFORNIA

ATTACHMENT 2: APPENDIX C - EXHIBIT I

IN-LIEU FEE CALCULATIONS

DMU SITE: 80 UNIT/ACRE DENSITY PROTOTYPE - 9% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

I. **Rent Difference**

A. **Studio Units**

Market Rents	1	\$2,440
Affordable Rent	2	768
Difference		\$1,672

B. **One-Bedroom Units**

Market Rents	1	\$2,960
Affordable Rent	2	861
Difference		\$2,099

C. **Two-Bedroom Units**

Market Rents	1	\$3,900
Affordable Rent	2	952
Difference		\$2,948

II. **Distribution of Total Units**

Studio Units	3	25%
One-Bedroom Units		50%
Two-Bedroom Units		25%

III. **Annual Rent Difference Per Inclusionary Unit**

Less: Property Tax Difference	4	(6,760)
Net Annual Rent Difference Per Inclusionary Unit		\$19,694

IV. **Assumptions**

Total Units	200
Total Leasable Area	155,000
Weighted Avg Unit Size (Sf)	775
Inclusionary Housing Percentage	9%
Inclusionary Units	18
Affordability Gap Per Inclusionary Unit	5
	\$393,900

V. **In-Lieu Fee**

Total In-Lieu Fee	\$7,090,200
Per Total Unit in the Project	\$35,450
Per Square Foot of Total Leasable Area	\$45.70

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX C - EXHIBIT II

IN-LIEU FEE CALCULATIONS

DMU SITE: 80 UNIT/ACRE DENSITY PROTOTYPE - 14% LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

I. Rent Difference

A. Studio Units

Market Rents	1	\$2,440
Affordable Rent	2	1,284
Difference		\$1,156

B. One-Bedroom Units

Market Rents	1	\$2,960
Affordable Rent	2	1,450
Difference		\$1,510

C. Two-Bedroom Units

Market Rents	1	\$3,900
Affordable Rent	2	1,615
Difference		\$2,285

II. Distribution of Total Units

Studio Units	3	25%
One-Bedroom Units		50%
Two-Bedroom Units		25%

III. Annual Rent Difference Per Inclusionary Unit

Less: Property Tax Difference	4	(4,950)
Net Annual Rent Difference Per Inclusionary Unit		\$14,433

IV. Assumptions

Total Units	200
Total Leasable Area	155,000
Weighted Avg Unit Size (Sf)	775
Inclusionary Housing Percentage	14%
Inclusionary Units	28
Affordability Gap Per Inclusionary Unit	5
	\$288,700

V. In-Lieu Fee

Total In-Lieu Fee	\$8,083,600
Per Total Unit in the Project	\$40,420
Per Square Foot of Total Leasable Area	\$52.20

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX C - EXHIBIT III

IN-LIEU FEE CALCULATIONS

DMU SITE: 80 UNIT/ACRE DENSITY PROTOTYPE - 6% LOW INCOME + 5% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

		Low Income	Very Low Income
I. Rent Difference			
A. Studio Units			
Market Rents	1	\$2,440	\$2,440
Affordable Rent	2	1,284	768
Difference		\$1,156	\$1,672
B. One-Bedroom Units			
Market Rents	1	\$2,960	\$2,960
Affordable Rent	2	1,450	861
Difference		\$1,510	\$2,099
C. Two-Bedroom Units			
Market Rents	1	\$3,900	\$3,900
Affordable Rent	2	1,615	952
Difference		\$2,285	\$2,948
II. Distribution of Total Units			
Studio Units	3	25%	25%
One-Bedroom Units		50%	50%
Two-Bedroom Units		25%	25%
III. Annual Rent Difference Per Inclusionary Unit			
Less: Property Tax Difference	4	(4,950)	(6,760)
Net Annual Rent Difference Per Inclusionary Unit		\$14,433	\$19,694
IV. Assumptions			
Total Units		200	200
Total Leasable Area		155,000	155,000
Weighted Avg Unit Size (Sf)		775	775
Inclusionary Housing Percentage		6%	5%
Inclusionary Units		12	10
Affordability Gap Per Inclusionary Unit	5	\$288,700	\$393,900
V. In-Lieu Fee			
			Totals
Total In-Lieu Fee		\$3,464,400	\$3,939,000
Per Total Unit in the Project		\$17,320	\$19,700
Per Square Foot of Total Leasable Area		\$22.40	\$25.40

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX C - EXHIBIT IV

IN-LIEU FEE CALCULATIONS

DMU SITE: 80 UNIT/ACRE DENSITY PROTOTYPE - 20% MODERATE INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

I. Rent Difference

A. Studio Units

Market Rents	1	\$2,440
Affordable Rent	2	1,800
Difference		\$640

B. One-Bedroom Units

Market Rents	1	\$2,960
Affordable Rent	2	2,039
Difference		\$921

C. Two-Bedroom Units

Market Rents	1	\$3,900
Affordable Rent	2	2,278
Difference		\$1,622

II. Distribution of Total Units

Studio Units	3	25%
One-Bedroom Units		50%
Two-Bedroom Units		25%

III. Annual Rent Difference Per Inclusionary Unit

Less: Property Tax Difference	4	\$12,312
		(3,150)
Net Annual Rent Difference Per Inclusionary Unit		\$9,162

IV. Assumptions

Total Units	200
Total Leasable Area	155,000
Weighted Avg Unit Size (Sf)	775
Inclusionary Housing Percentage	20%
Inclusionary Units	40
Affordability Gap Per Inclusionary Unit	5
	\$183,200

V. In-Lieu Fee

Total In-Lieu Fee	\$7,328,000
Per Total Unit in the Project	\$36,640
Per Square Foot of Total Leasable Area	\$47.30

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX D

IN-LIEU FEE CALCULATIONS DMU SITE: 64 UNIT/ACRE DENSITY PROTOTYPE APARTMENT DEVELOPMENT INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS ARCADIA, CALIFORNIA

ATTACHMENT 2: APPENDIX D - EXHIBIT I

IN-LIEU FEE CALCULATIONS

DMU SITE: 64 UNIT/ACRE DENSITY PROTOTYPE - 9% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

I. Rent Difference

A. Studio Units

Market Rents
Affordable Rent

Difference

B. One-Bedroom Units

Market Rents	1	\$3,010
Affordable Rent	2	861

Difference		\$2,149

C. Two-Bedroom Units

Market Rents	1	\$3,900
Affordable Rent	2	952

Difference		\$2,948

II. Distribution of Total Units

Studio Units	0%
One-Bedroom Units	50%
Two-Bedroom Units	50%

III. Annual Rent Difference Per Inclusionary Unit	\$30,583
Less: Property Tax Difference ⁴	(7,820)

Net Annual Rent Difference Per Inclusionary Unit	\$22,763

IV. Assumptions

Total Units	48
Total Leasable Area	45,600
Weighted Avg Unit Size (Sf)	950
Inclusionary Housing Percentage	9%
Inclusionary Units	4
Affordability Gap Per Inclusionary Unit ⁵	\$455,300

V. In-Lieu Fee

Total In-Lieu Fee	\$1,821,200
Per Total Unit in the Project	\$37,940
Per Square Foot of Total Leasable Area	\$39.90

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX D - EXHIBIT II

IN-LIEU FEE CALCULATIONS

DMU SITE: 64 UNIT/ACRE DENSITY PROTOTYPE - 14% LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

I. Rent Difference

A. Studio Units

Market Rents
Affordable Rent

Difference

B. One-Bedroom Units

Market Rents	1	\$3,010
Affordable Rent	2	1,450

Difference		\$1,560

C. Two-Bedroom Units

Market Rents	1	\$3,900
Affordable Rent	2	1,615

Difference		\$2,285

II. Distribution of Total Units

Studio Units	0%
One-Bedroom Units	50%
Two-Bedroom Units	50%

III. Annual Rent Difference Per Inclusionary Unit	\$23,070
Less: Property Tax Difference 4	(5,900)
Net Annual Rent Difference Per Inclusionary Unit	\$17,170

IV. Assumptions

Total Units	48
Total Leasable Area	45,600
Weighted Avg Unit Size (Sf)	950
Inclusionary Housing Percentage	14%
Inclusionary Units	7
Affordability Gap Per Inclusionary Unit	5 \$343,400

V. In-Lieu Fee

Total In-Lieu Fee	\$2,403,800
Per Total Unit in the Project	\$50,080
Per Square Foot of Total Leasable Area	\$52.70

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX D - EXHIBIT III

IN-LIEU FEE CALCULATIONS

DMU SITE: 64 UNIT/ACRE DENSITY PROTOTYPE - 6% LOW INCOME + 5% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

		Low Income	Very Low Income	
I.	<u>Rent Difference</u>			
A.	Studio Units			
	Market Rents			
	Affordable Rent			
	Difference			
B.	<u>One-Bedroom Units</u>			
	Market Rents	1	\$3,010	\$3,010
	Affordable Rent	2	1,450	861
	Difference		\$1,560	\$2,149
C.	<u>Two-Bedroom Units</u>			
	Market Rents	1	\$3,900	\$3,900
	Affordable Rent	2	1,615	952
	Difference		\$2,285	\$2,948
II.	<u>Distribution of Total Units</u>	3		
	Studio Units		0%	0%
	One-Bedroom Units		50%	50%
	Two-Bedroom Units		50%	50%
III.	Annual Rent Difference Per Inclusionary Unit		\$23,070	\$30,583
	Less: Property Tax Difference	4	(5,900)	(7,820)
	Net Annual Rent Difference Per Inclusionary Unit		\$17,170	\$22,763
IV.	<u>Assumptions</u>			
	Total Units		48	48
	Total Leasable Area		45,600	45,600
	Weighted Avg Unit Size (Sf)		950	950
	Inclusionary Housing Percentage		6%	5%
	Inclusionary Units		3	2
	Affordability Gap Per Inclusionary Unit	5	\$343,400	\$455,300
V.	<u>In-Lieu Fee</u>			
	Total In-Lieu Fee		\$1,030,200	\$910,600
	Per Total Unit in the Project		\$21,460	\$18,970
	Per Square Foot of Total Leasable Area		\$22.60	\$20.00

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX D - EXHIBIT IV

IN-LIEU FEE CALCULATIONS

DMU SITE: 64 UNIT/ACRE DENSITY PROTOTYPE - 20% MODERATE INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

I. Rent Difference

A. Studio Units

Market Rents
Affordable Rent

Difference

B. One-Bedroom Units

Market Rents	1	\$3,010
Affordable Rent	2	2,039

Difference		\$971

C. Two-Bedroom Units

Market Rents	1	\$3,900
Affordable Rent	2	2,278

Difference		\$1,622

II. Distribution of Total Units

Studio Units	3	0%
One-Bedroom Units		50%
Two-Bedroom Units		50%

III. Annual Rent Difference Per Inclusionary Unit		\$15,557
Less: Property Tax Difference	4	(3,980)
Net Annual Rent Difference Per Inclusionary Unit		\$11,577

IV. Assumptions

Total Units	48
Total Leasable Area	45,600
Weighted Avg Unit Size (Sf)	950
Inclusionary Housing Percentage	20%
Inclusionary Units	10
Affordability Gap Per Inclusionary Unit	5 \$231,500

V. In-Lieu Fee

Total In-Lieu Fee	\$2,315,000
Per Total Unit in the Project	\$48,230
Per Square Foot of Total Leasable Area	\$50.80

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX E

IN-LIEU FEE CALCULATIONS

**LAS TUNAS/LIVE OAK CORRIDOR: 60 UNIT/ACRE DENSITY PROTOTYPE
APARTMENT DEVELOPMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA**

ATTACHMENT 2: APPENDIX E - EXHIBIT I

IN-LIEU FEE CALCULATIONS

LAS TUNAS/LIVE OAK CORRIDOR: 60 UNIT/ACRE DENSITY PROTOTYPE - 9% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

I. Rent Difference

A. Studio Units

Market Rents	1	\$2,660
Affordable Rent	2	768
Difference		\$1,892

B. One-Bedroom Units

Market Rents	1	\$2,960
Affordable Rent	2	861
Difference		\$2,099

C. Two-Bedroom Units

Market Rents	1	\$3,540
Affordable Rent	2	952
Difference		\$2,588

II. Distribution of Total Units

Studio Units	3	20%
One-Bedroom Units		50%
Two-Bedroom Units		30%

III. Annual Rent Difference Per Inclusionary Unit

Annual Rent Difference Per Inclusionary Unit		\$26,451
Less: Property Tax Difference	4	(6,760)
Net Annual Rent Difference Per Inclusionary Unit		\$19,691

IV. Assumptions

Total Units		60
Total Leasable Area		47,700
Weighted Avg Unit Size (Sf)		795
Inclusionary Housing Percentage		9%
Inclusionary Units		5
Affordability Gap Per Inclusionary Unit	5	\$393,800

V. In-Lieu Fee

Total In-Lieu Fee	\$1,969,000
Per Total Unit in the Project	\$32,820
Per Square Foot of Total Leasable Area	\$41.30

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX E - EXHIBIT II

IN-LIEU FEE CALCULATIONS

LAS TUNAS/LIVE OAK CORRIDOR: 60 UNIT/ACRE DENSITY PROTOTYPE - 14% LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

I. **Rent Difference**

A. **Studio Units**

Market Rents	1	\$2,660
Affordable Rent	2	1,284
Difference		\$1,376

B. **One-Bedroom Units**

Market Rents	1	\$2,960
Affordable Rent	2	1,450
Difference		\$1,510

C. **Two-Bedroom Units**

Market Rents	1	\$3,540
Affordable Rent	2	1,615
Difference		\$1,925

II. **Distribution of Total Units**

Studio Units	3	20%
One-Bedroom Units		50%
Two-Bedroom Units		30%

III. **Annual Rent Difference Per Inclusionary Unit**

Less: Property Tax Difference	4	(4,930)
Net Annual Rent Difference Per Inclusionary Unit		\$14,362

IV. **Assumptions**

Total Units	60
Total Leasable Area	47,700
Weighted Avg Unit Size (Sf)	795
Inclusionary Housing Percentage	14%
Inclusionary Units	8
Affordability Gap Per Inclusionary Unit	5
	\$287,200

V. **In-Lieu Fee**

Total In-Lieu Fee	\$2,297,600
Per Total Unit in the Project	\$38,290
Per Square Foot of Total Leasable Area	\$48.20

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX E - EXHIBIT III

IN-LIEU FEE CALCULATIONS

LAS TUNAS/LIVE OAK CORRIDOR: 60 UNIT/ACRE DENSITY PROTOTYPE - 6% LOW INCOME + 5% VERY LOW INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

		Low Income	Very Low Income
I. Rent Difference			
A. Studio Units			
Market Rents	1	\$2,660	\$2,660
Affordable Rent	2	1,284	768
Difference		\$1,376	\$1,892
B. One-Bedroom Units			
Market Rents	1	\$2,960	\$2,960
Affordable Rent	2	1,450	861
Difference		\$1,510	\$2,099
C. Two-Bedroom Units			
Market Rents	1	\$3,540	\$3,540
Affordable Rent	2	1,615	952
Difference		\$1,925	\$2,588
II. Distribution of Total Units			
Studio Units	3	20%	20%
One-Bedroom Units		50%	50%
Two-Bedroom Units		30%	30%
III. Annual Rent Difference Per Inclusionary Unit			
Less: Property Tax Difference	4	(4,930)	(6,760)
Net Annual Rent Difference Per Inclusionary Unit		\$14,362	\$19,691
IV. Assumptions			
Total Units		60	60
Total Leasable Area		47,700	47,700
Weighted Avg Unit Size (Sf)		795	795
Inclusionary Housing Percentage		6%	5%
Inclusionary Units		4	3
Affordability Gap Per Inclusionary Unit	5	\$287,200	\$393,800
V. In-Lieu Fee			
			Totals
Total In-Lieu Fee		\$1,148,800	\$1,181,400
Per Total Unit in the Project		\$19,150	\$19,690
Per Square Foot of Total Leasable Area		\$24.10	\$24.80

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 2: APPENDIX E - EXHIBIT II

IN-LIEU FEE CALCULATIONS

LAS TUNAS/LIVE OAK CORRIDOR: 60 UNIT/ACRE DENSITY PROTOTYPE - 20% MODERATE INCOME UNITS

APARTMENT DEVELOPMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

I. **Rent Difference**

A. **Studio Units**

Market Rents	1	\$2,660
Affordable Rent	2	1,800
Difference		\$860

B. **One-Bedroom Units**

Market Rents	1	\$2,960
Affordable Rent	2	2,039
Difference		\$921

C. **Two-Bedroom Units**

Market Rents	1	\$3,540
Affordable Rent	2	2,278
Difference		\$1,262

II. **Distribution of Total Units**

Studio Units	3	20%
One-Bedroom Units		50%
Two-Bedroom Units		30%

III. **Annual Rent Difference Per Inclusionary Unit**

		\$12,133
Less: Property Tax Difference	4	(3,100)
Net Annual Rent Difference Per Inclusionary Unit		\$9,033

IV. **Assumptions**

Total Units	60
Total Leasable Area	47,700
Weighted Avg Unit Size (Sf)	795
Inclusionary Housing Percentage	20%
Inclusionary Units	12
Affordability Gap Per Inclusionary Unit	5
	\$180,700

V. **In-Lieu Fee**

Total In-Lieu Fee	\$2,168,400
Per Total Unit in the Project	\$36,140
Per Square Foot of Total Leasable Area	\$45.50

¹ The market rate rents are estimated in part based on the survey presented in ATTACHMENT 2: APPENDIX A.

² See ATTACHMENT 2: APPENDIX B.

³ The unit mix distribution is based on the prototype included in the February 2024 Financial Evaluation.

⁴ Based on the rent differential capitalized at a 4.50% rate to establish the value, and a 1.15% property tax rate.

⁵ Based on the Net Annual Rent Difference Per Inclusionary Unit capitalized at the Market Rate Stabilized Return on Investment generated by the prototype apartment development.

ATTACHMENT 3

OWNERSHIP HOUSING DEVELOPMENT 5% MODERATE INCOME UNIT REQUIREMENT INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS ARCADIA, CALIFORNIA

ATTACHMENT 3: APPENDIX A

RESALE HOME SALES SURVEY

OWNERSHIP HOUSING DEVELOPMENT

5% MODERATE INCOME UNIT REQUIREMENT

INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS

ARCADIA, CALIFORNIA

ATTACHMENT 3: APPENDIX A

RESALE HOME SALES SURVEY
OWNERSHIP HOUSING DEVELOPMENT
5% MODERATE INCOME UNIT REQUIREMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Address			Unit Size (SF)	Sales Price		Year Built
				Total	Per SF	
Two-Bedroom Units						
1128 W Duarte Rd Unit F	Arcadia	91007	1,300	\$710,000	\$546	2006
2966 Grand Oak Way	Arcadia	91006	1,312	\$775,055	\$591	2024
2955 Grand Oak Way	Arcadia	91006	1,312	\$779,990	\$595	2024
2959 Grand Oak Way	Arcadia	91006	1,312	\$793,983	\$605	2024
56 E Duarte Rd #410	Arcadia	91006	1,460	\$938,960	\$643	2019
Minimum			1,300	\$710,000	\$546	2006
Maximum			1,460	\$938,960	\$643	2024
Average			1,339	\$799,600	\$597	2019
Three-Bedroom Units						
138 Alice St Unit B	Arcadia	91006	1,208	\$840,000	\$695	2006
2607 Winston Ct	Arcadia	91007	1,490	\$1,048,800	\$704	2021
138 El Dorado St Unit A	Arcadia	91006	1,501	\$1,000,000	\$666	2006
413 California St Unit D	Arcadia	91006	1,561	\$1,050,000	\$673	2019
411 california St Unit D	Arcadia	91006	1,561	\$1,075,000	\$689	2019
415 California St Unit B	Arcadia	91006	1,561	\$1,060,000	\$679	2019
409 California St Unit C	Arcadia	91006	1,565	\$1,066,000	\$681	2019
129 El Dorado St Unit A	Arcadia	91006	1,579	\$1,210,000	\$766	2018
511 N Santa Anita Ave Unit A	Arcadia	91006	1,600	\$1,060,000	\$663	2020
1058 Sunset Blvd Unit A	Arcadia	91007	1,620	\$1,098,000	\$678	2014
409 California St Unit B	Arcadia	91006	1,625	\$1,060,000	\$652	2019
923 Fairview Ave Unit B	Arcadia	91007	1,630	\$1,100,000	\$675	2014
22 E Colorado Blvd Unit C	Arcadia	91006	1,640	\$1,133,000	\$691	2020
921 Fairview Ave Unit C	Arcadia	91007	1,660	\$1,140,000	\$687	2014
1022 La Cadena Ave Unit I	Arcadia	91007	1,664	\$1,298,000	\$780	2024
1068 Sunset Blvd Unit A	Arcadia	91007	1,670	\$1,103,000	\$660	2014
39 Fano St Unit A	Arcadia	91006	1,731	\$1,120,000	\$647	2002
129 El Dorado St Unit B	Arcadia	91006	1,737	\$1,250,000	\$720	2018
656 W Huntington Dr Unit A-2	Arcadia	91007	1,770	\$1,141,000	\$645	2013
656 W Huntington Dr Unit B2	Arcadia	91007	1,770	\$1,280,000	\$723	2013
656 W Huntington Dr Unit N1	Arcadia	91007	1,770	\$1,210,000	\$684	2013
1116 W Huntington Dr Unit C	Arcadia	91007	1,876	\$937,400	\$500	2002
1112 Fairview Ave	Arcadia	91007	1,880	\$1,170,000	\$622	2000
507 Santa Anita N Unit B	Arcadia	91006	1,887	\$1,280,000	\$678	2020
901 W Duarte Rd Unit B	Arcadia	91007	1,903	\$1,550,000	\$815	2024
1343 JACARANDA Cir	Arcadia	91006	1,908	\$998,000	\$523	2002
418 W Fairview Ave Unit B	Arcadia	91007	1,913	\$1,268,000	\$663	2022
721 S Arcadia Ave Unit A	Arcadia	91007	1,918	\$1,090,000	\$568	2003
623 Fairview Ave Unit C	Arcadia	91007	1,987	\$1,285,000	\$647	2019
618 Arcadia Ave Unit A	Arcadia	91007	1,990	\$1,138,000	\$572	2000
503 N Santa Anita Ave Unit F	Arcadia	91006	2,009	\$1,335,000	\$665	2020
462 W Duarte Rd Unit C	Arcadia	91007	2,013	\$1,080,000	\$537	2005

ATTACHMENT 3: APPENDIX A

RESALE HOME SALES SURVEY OWNERSHIP HOUSING DEVELOPMENT 5% MODERATE INCOME UNIT REQUIREMENT INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS ARCADIA, CALIFORNIA

Address			Unit Size (SF)	Sales Price		Year Built
				Total	Per SF	
721 S 3rd Ave Unit A	Arcadia	91006	2,048	\$1,399,000	\$683	2007
721 S 3rd Ave Unit B	Arcadia	91006	2,052	\$1,399,000	\$682	2007
800 W Huntington Dr Unit A	Arcadia	91007	2,085	\$1,180,000	\$566	2006
1122 Arcadia Ave Unit C	Arcadia	91007	2,101	\$1,060,888	\$505	2000
455 Fairview Ave	Arcadia	91007	2,118	\$1,102,000	\$520	2003
829 La Cadena Ave Unit A	Arcadia	91007	2,147	\$1,100,000	\$512	2004
1112 S Golden West Ave #104	Arcadia	91007	2,269	\$1,010,000	\$445	2003
425 El Dorado St Unit A	Arcadia	91006	2,473	\$1,488,000	\$602	2003
414 S 2nd Ave Unit E	Arcadia	91006	2,739	\$1,900,000	\$694	2023
Minimum			1,208	\$840,000	\$445	2000
Maximum			2,739	\$1,900,000	\$815	2024
Average			1,835	\$1,173,500	\$640	2012

Four-Bedroom Units						
36 Bedford Ct	Arcadia	91007	1,570	\$1,180,000	\$752	2021
16 Bedford Ct	Arcadia	91007	1,580	\$1,105,000	\$699	2021
1022 La Cadena Ave Unit H	Arcadia	91007	1,614	\$1,150,000	\$713	2024
1027 Arcadia Ave Unit F	Arcadia	91007	1,761	\$1,350,000	\$767	2023
1022 La Cadena Ave Unit D	Arcadia	91007	1,771	\$1,310,000	\$740	2024
1027 Arcadia Ave Unit D	Arcadia	91007	1,773	\$1,225,000	\$691	2023
1022 La Cadena Ave Unit G	Arcadia	91007	1,797	\$1,338,000	\$745	2024
1510 S Baldwin Ave Unit E	Arcadia	91007	1,803	\$1,060,000	\$588	2005
1027 Arcadia Ave Unit E	Arcadia	91007	1,824	\$1,250,000	\$685	2023
1022 La Cadena Ave Unit C	Arcadia	91007	1,824	\$1,338,000	\$734	2024
509 N Santa Anita Ave	Arcadia	91006	1,871	\$1,350,000	\$722	2020
4372 Alamo Ln	Arcadia	91006	1,970	\$980,071	\$497	2023
656 W Huntington Dr Unit N2	Arcadia	91007	2,040	\$1,272,600	\$624	2013
151 Alicec St Unit C	Arcadia	91006	2,100	\$1,600,000	\$762	2023
151 Alice St Unit B	Arcadia	91006	2,200	\$1,580,000	\$718	2023
2950 Sycamore Ln	Arcadia	91006	2,268	\$1,100,000	\$485	2002
925 Duarte Rd W Unit A	Arcadia	91007	2,302	\$1,320,000	\$573	2002
418 Genoa	Arcadia	91006	2,343	\$1,650,000	\$704	2023
516 S 2nd Ave	Arcadia	91006	2,470	\$1,580,000	\$640	2015
Minimum			1,570	\$980,071	\$485	2002
Maximum			2,470	\$1,650,000	\$767	2024
Average			1,941	\$1,302,000	\$671	2019

¹ Source: Redfin, January 2025. The survey includes sales that occurred between January 2024 and January 2025. The survey is limited to home constructed since 2000.

ATTACHMENT 3: APPENDIX B

AFFORDABLE SALES PRICE CALCULATIONS OWNERSHIP HOUSING DEVELOPMENT 5% MODERATE INCOME UNIT REQUIREMENT INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS ARCADIA, CALIFORNIA

ATTACHMENT 3: APPENDIX B

AFFORDABLE SALES PRICE CALCULATIONS 2024 INCOME STANDARDS OWNERSHIP HOUSING DEVELOPMENT INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS ARCADIA, CALIFORNIA

		Two-Bedroom Units	Three-Bedroom Units	Four-Bedroom Units
General Assumptions				
Benchmark Household Size	²	3	4	5
Area Median Income		\$88,400	\$98,200	\$106,050
Annual Utilities Allowance	³	\$3,120	\$3,804	\$4,668
HOA, Maintenance & Insurance	⁴	\$3,600	\$3,900	\$4,200
I. Affordable Sales Price Based on 110% AMI				
Benchmark Annual Household Income		\$97,240	\$108,020	\$116,655
Income Allotted to Housing @ 35% of Income		\$34,030	\$37,810	\$40,830
II. Property Taxes @ 1.15% of Affordable Sales Price				
		\$3,600	\$3,970	\$4,210
III. Income Available for Mortgage				
	⁵	\$23,710	\$26,136	\$27,752
IV. Affordable Sales Price				
Supportable Mtg @ 6.98% Interest	⁶	\$297,500	\$328,000	\$348,300
Home Buyer Down Payment @ 5% of ASP		15,700	17,300	18,300
Affordable Sales Price		\$313,200	\$345,300	\$366,600

¹ Based on Los Angeles County household incomes published by the California Housing & Community Development Department (HCD).

The Affordable Sales Price calculations are based on the California Health and Safety Code Section 50052.5 methodology.

² Under the California Health & Safety Code Section 50052.5 calculation methodology, the benchmark household size is set at the number of bedrooms in the unit plus one. This benchmark is used solely for the purposes of calculating the Affordable Sales Price. It is neither an occupancy cap nor a floor.

³ Utilities allowances are based on the Los Angeles County Development Authority (LACDA) Single-Family utility allowance schedule effective as of July 1, 2024. Assumes: Electric Heating, Electric Cooking, Electric Water Heater, Basic Electric, Air Conditioning, Water and Trash.

⁴ Based in part on information derived from the home resales survey presented in ATTACHMENT 3: APPENDIX A.

⁵ Based on the Income Allotted to Housing minus the following: Annual Utilities Allowance; HOA, Maintenance & Insurance; and Property Taxes @ 1.15% of Affordable Sales Price.

⁶ Based on a 25 basis points premium applied to the Freddie Mac monthly average, between February 2024 and January 2025, for a fixed-interest rate loan with a 30-year amortization period.

ATTACHMENT 3: APPENDIX C

IN-LIEU FEE CALCULATIONS OWNERSHIP HOUSING DEVELOPMENT 5% MODERATE INCOME UNIT REQUIREMENT INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS ARCADIA, CALIFORNIA

ATTACHMENT 3: APPENDIX C

IN-LIEU FEE CALCULATIONS
OWNERSHIP HOUSING DEVELOPMENT
5% MODERATE INCOME UNIT REQUIREMENT
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

		DMU Site: 64 Unit/Acre Density THs & Flats Prototype	R-3 Upzone Site: 40 Unit/Acre Density THs & Flats Prototype	Las Tunas / Live Oak Corridor: 25 Unit/Acre Density TH Prototype
I.	<u>Sales Price Difference</u>			
	A. Two-Bedroom Units			
	Market Price	¹ \$707,000	\$836,000	
	Affordable Sales Price	² 313,200	313,200	
	Difference	\$393,800	\$522,800	
	B. Three-Bedroom Units			
	Market Price	¹ \$1,049,000	\$1,199,000	\$1,274,000
	Affordable Sales Price	² 345,300	345,300	345,300
	Difference	\$703,700	\$853,700	\$928,700
	C. Four-Bedroom Units			
	Market Price	¹	\$1,384,000	\$1,457,000
	Affordable Sales Price	²	366,600	366,600
	Difference		\$1,017,400	\$1,090,400
II.	<u>Distribution of Total Units</u>	¹		
	Two-Bedroom Units	50%	15%	0%
	Three-Bedroom Units	50%	60%	50%
	Four-Bedroom Units	0%	25%	50%
III.	<u>Assumptions</u>			
	Total Units	96	24	44
	Total Saleable Area	120,000	39,000	81,400
	Weighted Avg Unit Size (Sf)	1,250	1,630	1,850
	Inclusionary Housing Percentage	5%	5%	5%
	Inclusionary Units	5	1	2
	Affordability Gap Per Inclusionary Unit ³	\$549,000	\$845,000	\$1,010,000
IV.	<u>In-Lieu Fee</u>			
	Total In-Lieu Fee	\$2,745,000	\$845,000	\$2,020,000
	Per Total Unit in the Project	\$28,600	\$35,200	\$45,900
	Per Square Foot of Saleable Area	\$22.90	\$21.70	\$24.80

¹ Based in part on a sales survey undertaken by KMA in January 2025. See ATTACHMENT 3: APPENDIX A.

² See ATTACHMENT 3: APPENDIX B.

³ Based on the weighted average difference between the market rate prices and the Affordable Sales Prices.

ATTACHMENT 4

INCLUSIONARY HOUSING PROGRAM SURVEYS INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS ARCADIA, CALIFORNIA

APPENDIX A

INCLUSIONARY HOUSING PROGRAM SURVEYS - CALIFORNIA
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
I. <u>Inclusionary Requirements: Both Rental and Ownership Projects</u>									
Agoura Hills	Create on-site units; pay an in-lieu fee for the required Low and/or Moderate Income Units. In-lieu fee cannot be paid to fulfill the very low income requirement.	15%	No	10	7% @ VL + 4% @ Low + 4% @ mod	55	10	7% @ VL + 4% @ Low + 4% @ mod	45
Alameda	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	5	4% @ VL + 4% @ Low + 7% @ Mod	59	5	4% @ VL + 4% @ Low + 7% @ Mod	59
Albany	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	Yes	5		Perpetual	5		Perpetual
Alhambra	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	6% at 120% AMI+ 9% at 80% AMI		5	6% at 120% AMI+ 9% at 80% AMI	
Avalon	Create on-site units; create off-site units; pay in-lieu fee. Full sch	20%	No	4	Decided per project	55	4	Decided per project	55
Berkeley	Create on-site units; pay in-lieu fee.	20%	No	5	80% unless subsidies are available	Life of the Building	5	80%	Life of the Building
Brea	On-site units; pay in-lieu fee; land dedication; acquisition and conversion of other units within city. City provides incentives to mitigate the impact of the requirement.	10%	Yes	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	55	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	45
Burbank	Create on-site units; create off-site units through new construction, substantial rehabilitation, or adaptive reuse; donate land; pay in-lieu fee.	15%	No	5	5% @ Very Low + 10% @ Low	> of 55 years or as long as resid use	5	Mod	> of 55 years or as long as resid use
Calabasas	Create on-site units; create off-site units; convert market rate units; preserve or rehab existing housing; pay in-lieu fee.	20%	No	5	20% @ 110%; 15% @ 90%; 10% @ 75%; or 5% at 50%		5	20% @ 110%; 15% @ 90%; 10% @ 75%; or 5% at 50% of AMI	
Campbell	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	No	10	6% @ VL + 9% @ Low	55	10	120%	45
Capitola	Create on-site units; pay in-lieu fee.	15%	Yes				7	120%	Life of Bldg
Carlsbad	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	15%	No	1	Low	55	1	Low	30

APPENDIX A

INCLUSIONARY HOUSING PROGRAM SURVEYS - CALIFORNIA
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Chula Vista	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	20	5% @ Low + 5% @ Mod	Life of Bldg	20	5% @ Low + 5% @ Mod	Life of Bldg
Colma	Create on-site units; pay in-lieu fee.	20%	No	5	5% @ VL + 5% @ Low + 10% @ Mod	55	5	5% @ VL + 5% @ Low + 10% @ Mod	45
Concord	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee.	10%	Yes	5		55	5		45
Contra Costa County	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	3% @ VL + 12% @ Lower		5		3
Coronado	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	20%	No	2	Low		2	Mod	
Cupertino	1-7 units pays in-lieu fee. Create on-site units; create off-site units; pay impact/linkage fee; donate land.	15%	No	7	50% / 80%	99	7	50% / 120%	99
Davis	Create on-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10% - 25%	No	5-19 , 20+	5-19: 15% @ 80% or 10% @ 50%. 20+: 25% @ 80% or 10% @ 50%	Perpetual	5	120%	Perpetual
Del Mar	Create on-site units. In-lieu fee option provided for subdivisions that create new lots.	15% - 20%	No	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55
Downey	Create on-site units; create off-site units; pay in-lieu fee in the case of extreme hardship for apartments.	11%/10%	No		Mod	> of 55 years or as long as resid use		Mod	45
Dublin	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	12.5%	No	20	50% @ 120% + 20% @ 80% + 30% @ 50%	55	20	5% @ 80% + 7.5% @ 120%	55
Emeryville	Create on-site units; pay impact/linkage fee.	12%/20%	No		4% @ VL + 8% @ Low	55	10		55
Encinitas	Create on-site units; create off-site units; create ADU's; preserve at-risk units; pay in-lieu fee; donate land.	15%/20%	No	7	15% @ VL or 20% @ Low	Perpetual	7	15% VL or 20% @ Low	Perpetual

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Fillmore	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	55	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	45
Fremont	Has a production option, but the in-lieu fee option is more cost effective.	15%	No	2	10% @ Low		2	5% @ Mod + 10% @ Low	
Fort Bragg	Create on-site units	10% to 20%		5	80% / 120%		5	100% /120%	15
Goleta	Create on-site units; create off-site units; donate land; pay in-lieu fee; acquisition/rehabilitation. Income/Affordability trade off of extremley low and very low income units to low and moderate income units in demonstrated extreme hardship.	20% - reduced to 15% with public benefit	No	5	2.5% @ ELI + 2.5% @ VL+ 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	5	2.5% @ ELI + 2.5% @ VL+ 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years
Hayward	Create on-site units; create off-site units; pay in-lieu fee; pay impact/linkage fee; donate land.	6% / 7.5% - 10%	No	2	3% @ 50% + 3% @ 60%	55	2	Mod	45
Huntington Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	3	Low	55	3	Mod	45
Irvine	Projects with fewer than 50 units can create on-site units; convert market rate housing to affordable housing; extend the term of an existing affordable project; pay in-lieu fee; transfer units to a nonpfot housing agency; create off-site units; donate land. Projects with 50+ units must produce the affordable units on site.	15%	No	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	50	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30
Jurupa Valley	Create on-site units; create off-site units; pay in-lieu fee; convert market rate units to affordable units; preserve at-risk housing; donate land.	7%	No	1	25% Mod + 25% Low + 50% VL	55	1	25% Mod + 25% Low + 50% VL	45
Laguna Beach	Create on-site units; pay in-lieu fee.	25%	No	2-subdivision 3-other	Low and Moderate		2-subdivision 3-other	Low and Moderate	
Laguna Woods	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	5	7.5% @ VL + 7.5% @ Low	45	5	10% @ Low + 5% @ Mod	45

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
La Habra	Create on-site units; create off-site units; pay in-lieu fee; acquisition/rehabilitation.	Rental: 9% or 6% / Own: 15%	No	10	9% @ Mod or 6% @ VL & Low	55	10	110%	45
Long Beach	Create on-site units; pay in-lieu fee; donate land.	11%/10%	No	10	50%	> of 55 years or as long as resid use	10	110%	> of 55 years or as long as resid use
Los Altos	Create on-site units; create off-site units. Program requirements are only imposed in designated areas.	Rental: 5-9 @ 15% & 10+ @ 30%. Ownership @ 15%	No	5	5-9: 15% @ Mod, 10+: 5% @ Low + 15% @ Mod	30	10	7.5% @ Mod, 7.5% @ Low	30
Los Angeles County	Create on-site units; create off-site units. Program requirements vary by subarea.	5%-20% depending on project size & income standard	No	5	Averages: <40% AMI: 10% or 5% - sm proj <65% AMI: 15% or 7% - sm proj <80% AMI: 20% or 10% sm proj	55 or Perpetual	5	Mod/Middle Inc: Avg 135% AMI: Coastal SLA, SLA (exc condos), & ELA: 20% or 10% - sm proj SG Valley: 15% or 7% - sm proj Santa Clarita & Antelope Valleys (exc condos): 5%	Equity share on first sale
Menlo Park	Create on-site units; create off-site units; pay in-lieu fee. Full sch	10%	Yes	5	80% /120%		5	80% /120%	
Mill Valley	Create on-site units.	25%	Yes	4	120%	Perpetual	4	120%	Perpetual
Mission Viejo	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	1 / Projects with 9 or fewer units produce 1 ADU	7.5% VL + 7.5% Low	55	1 / Projects with 9 or fewer units produce 1 ADU	10% Mod + 5% Low	45
Nevada County	Create on-site units; create off-site units Program requirements are only applied in designated areas.		No	20		30	20		30
Norco	Create on-site units; create off-site units; pay in-lieu fee for projects with 20 or fewer units; donate land.	15%	No	5	6% Mod+9% Low Credits for deeper affordability	Perpetual	5	6% Mod+9% Low Credits for deeper affordability	45%

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Oceanside	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land; purchase credits from another project.	15%	No	10	Low	55	10	Low or Mod	55
Oxnard	Create on-site units; create off-site units; pay in-lieu fee in limited circumstances.	10%	No	10	5% @ VL + 5% Low	55	10	Low	20
Pacifica	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	No	8	6% @ VL + 4.5% @ Low + 4.5% @ Mod	55	8		45
Pasadena	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	20%	No	10	5% @ 50% + 5% @ 80% + 10% @ 120%	Perpetual	10	110%	45
Petaluma	Create on-site units; pay in-lieu fee; donate land	15%	No	5	7.5% @ VL; 7.5% @ Low	45	5	7.5% @ Low + 7.5% @ Mod	55
Pleasanton	Create on-site units; create off-site units; pay in-lieu fee; donate land; credit transfers; other alternate methods of compliance	15%	Yes	15	50% to 80%		15	50% to 120%	Perpetual
Pomona	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	13% / 7%- 11%	Yes	3	120%	> of 55 years or as long as resid use	3	120%	45
Poway	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	15% / 15%- 20%	No	1	Very Low	55	1	15% @ Low or 20% @ Mod	45
Redwood City	Create on-site units; create off-site units; preserve or rehab units; pay impact/linkage fee; donate land	20% / 15%	No	20	10% @ Mod + 5% @ Low + 5% @ VL	30	5	Moderate	30
Sacramento County	Has a production option, but the in-lieu fee option is more cost effective.	10%	No	1	80%		1	80%	
San Bruno	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area	15%	No	10	6% VL + 4.5% Low + 4.5% Mod	55	10	6% Low + 9% Mod	45
San Buenaventura	Create on-site units; create off-site units; pay in-lieu fee; preserve or rehab existing housing; donate land.	15% / 10%	No	7	Low	55	7	Mod	45
San Clemente	Create on-site units; create off-site units, pay in-lieu fee; donate land.	4%	No	6	Very Low	30	6	Very Low	30

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
San Diego	Create on-site units; create off-site units; rehabilitate existing units, SRO hotel rooms, or conversion of guest rooms; pay in-lieu fee; donate land.	5% to 20% depending on location	No	10	Outside FUA: 10% @ 60% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	55	10	Outside FUA: 10% @ 100% or 15% @120% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	15
San Francisco	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	15% to 20% / 15% to 26%	Yes	10	55% to 110%		10	80% to 130%	
San Jose	Create on-site units; create off-site units; preserve or rehab units; in-lieu fee; donate land; credit transfers; reduction for deeper affordability.	15%	Yes	10	5% @50% + 5% @ 60% + 5% @ 100%	99	10	120%	99
San Juan Capistrano	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	2		55	2	120%	55
San Luis Obspo (City)	Create on-site units; pay an in-lieu fee to fulfill the entire obligation and pay an in-lieu fee for fractional unit obligations.	6% / 10%	No	1	5% Very Low + 5% Low	55	1	5% Low + 5% Moderate	45
San Marcos	Create on-site, create off-site units for ownership housing projects; pay an in-lieu fee for six or fewer rental unit projects and for all ownership housing projects.	15%	No	1	Hhld income set by the City. <=25% of the affordable units may be Mod.	55	1	Requirement is set by the City on a project by project basis	55
San Mateo County	Create on-site units, pay in-lieu fee.	20%	Yes	5	10% @ ELI + 10% @ Low	Life of Bldg	11	10% @ Low + 10% @ Mod	45
San Rafael	Create on-site units; pay in-lieu fee. City provides incentives to mitigate the impact of the requirement.	10%	No	2			2	120%	

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Santa Ana	Only applies to changes in land use and zoning designations. Create on-site units; off-site units; substantially rehab existing units; pay in-lieu fee.	Rental: 5% - 15% & Own: 5%	No	5	15% @ Low or 10% @ VL or 5% @ ELI or 5% Low + 3% VL +2% ELI	55	5	120%	55
Santa Barbara (City)	Create on-site units; create off-site units; pay in-lieu fee for 1 to 9 & fractional units; donate land.	10% / 15%	No	5	Mod	90	1	120% to 200%	90 / restarts on each resale
Santa Clara (City)	Create on-site units; create off-site units; dedicate land; pay an in-lieu fee for fractional unit obligations.	15%	No	10	Mix of ELI, VL, Low & Mod. Must average less than 100% of AMI	55	10	Mix of ELI, VL, Low & Mod. Must average less than 100% of AMI	20
Santa Clara County (Excludes Unincorp Areas and Stanford Community Plan Area)	Create on-site units; create off-site units; in-lieu fee payments for projects with six or fewer units and for fractional unit obligations; conversion of existing market rate units.	16%	No	4	Lower	55	4	Moderate	55
Santa Cruz	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	20%	Yes	2	50% for SRO's 80% all other	Perpetual	2	120%	Perpetual
Santa Monica	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	15%	Yes	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55
Santa Paula	Create on-site units; create off-site units; pay in-lieu fee. Full schedule goes into effect in 2023 for rental and 2025 for ownership.	10% to 17%	Yes	10	15% Low or 10% VL	55	10	15% Low or 10% VL	45
Santa Rosa	Has a production option, but the in-lieu fee option is more cost effective.	5% to 8% / 10%	No	1	5% @ 50% or 8% @ 60%		2	110%	
Solana Beach	Create on-site units; create off-site units; create rental units to fulfill an ownership housing development requirement; preservation or conversion of existing units; payment of the Affordable Housing Impact Fee.	15%	No	5	VL or Low	99	5	VL or Low	99
Sonoma	Create on-site units.	20%	Yes	5	120%	55	5	120%	55

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
Sonoma County	Create on-site units; create off-site units; pay in-lieu fee; donate land. Program requirements are only applied in designated areas.	10% or 15% / 20%	Yes	1	7.5% @ VL + 7.5% @ Low, or 5% @ ELI + 5% @ VL	55	1	10% @ Low + 10% @ Mod	30
South San Francisco	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee	20%	No	4		55	4		55
South Pasadena	Create on-site units; create off-site units; pay in-lieu fee for 3 or 4 rental unit projects, ownership for any size project, & fractional units; rehab existing market rate units; donate land.	20%	No	3	10 or fewer units: multiple options 11 or more units: 10% ELI or VL + 10% Low	55	3	Moderate	55
Sunnyvale	Create on-site units; create off-site units; pay in-lieu fee; donate land, unit conversion, other proposals.	15.0%	No	7	5% @ 50% + 10% @ 60%	55	7	100%	30
Thousand Oaks	Create on-site units; rental units to fulfill ownership requirement; in-lieu fee; donate land.	10% / 5% to 10%	Yes	10	Low	> of 55 years or as long as resid use	10	SFH: 5% Mod Condo: 10% Mod	45
Tiburon	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	3	5% @ Low + 10% @ Mod	Perpetual	3	5% @ Low + 10% @ Mod	Perpetual
Union City	Create on-site units; create off-site units; pay in-lieu fee. Full sch	15%	No	7	4.5% @ VL + 10.5% @ Low		7	1.5% @ Low + 4.5% @ 100% + 9% @ 120%	
Vista	Create on-site units; pay in-lieu fee	9%	No	20	5% Low or lower + 4% Mod or lower			5% Low or lower + 4% Mod or lower	
West Sacramento	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	5	5% @ 50% + 5% @ 60%	55	5	70%	45
West Hollywood	Create on-site units; create off-site units; pay in-lieu fee for 2-10 unit projects.	20%	No	2	Low / Mod	> of 55 years or as long as resid use	2	Low / Mod	> of 55 years or as long as resid use

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
II. Inclusionary Requirements: Ownership Projects Only									
Carpinteria	Create on-site units; pay in-lieu fee in limited circumstances.	12%	No				5	200%	30
Danville	Create on-site units; pay in-lieu fee.	10%	Yes				7	110%	20
Folsom	Create on-site units; create off-site units; pay in-lieu fee; donate land; acq/rehab; other proposals.	10%	No				10	3% @ VL + 7% @ Low	
Lafayette	Create on-site units; create off-site units.	15%	No				2	9% @ Mod + 6% @ VL	45
Monterey	Create on-site units; donate land.	20%	No				6		Perpetual
Mountain View	Create on-site units; pay in-lieu fee.	15%	No				3	100%	55
Rohnert Park	Create on-site units; create off-site units; pay in-lieu fee.	15%	No				50		55
San Leandro	Create on-site units; pay in-lieu fee.	15%	Yes				2	9% @ Mod + 6% @ Low	55
San Mateo County	Create on-site units; create off-site units; pay in-lieu fee; donate land.	20%	No				5	10% @ Low + 10% @ Mod	55
Santa Barbara County	Create on-site units; create off-site units in the coastal zone; pay in-lieu fee for certain unit types.	5% - 15%	Yes				5	5-19: 1 Mod. 20+: South Coast: 2.5% VL + 2.5% Low + 5% Mod + 5% Workforce Santa Ynez: No Workforce Santa Maria & Lompoc: 2.5% VL + 2.5 Low	45 - restarts up to 90

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
III. <u>Inclusionary for Ownership Projects & Impact Fee for Rental Projects</u>									
Fontana	Create on-site units; pay in-lieu fee; develop a reduced percentage at deeper affordability.	10%	No				5	4% @ VL + 4% @ Low + 2% @ Mod	55
Palo Alto	Create on-site units; create off-site units; in-lieu for fractional unit; convert market rate units to affordable units; preserve at-risk housing; donate land.	15% < 5 / 20% 5 acres +	Yes		\$22.69/sf Impact Fee		1	67% @ 80-100% 33% @ 100-120%	99
San Carlos	Create on-site units; create off-site units; pay impact/linkage fee.	15%	Yes			55	2	10% @ Mod + 5% @ Low	45
Truckee	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; pay impact/linkage fee; donate land. Requirements vary by zones, neighborhoods or districts.	15%	No	7		Perpetual	7		Perpetual
IV. <u>Mandatory Inclusionary for Ownership Projects & Voluntary Inclusionary for Rental Projects</u>									
Pittsburg	Create on-site units; pay in-lieu fee.	15%/20%	Yes				5	9% @ Mod + 6% @ Low, or 20% @ Mod	
Salinas	Create on-site units; create off-site units; donate land.	20%	No				10		30
San Juan Bautista	Create on-site units; pay impact/linkage fee.	6%					6	80%	
San Luis Obispo	Create on-site units; pay in-lieu fee; donate land.	3% or 5%	Yes			55	5	3% low or 5% Moderate	45
San Marcos	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	15%	No			55		120%	55
Solana Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay impact/linkage fee.	15%	No	5		55	5		45

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Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development		
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period
V. Rental Projects Only									
Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% Low Properties at less than 60 units per acre: 4% VL or 6% Low	55			
Fullerton	Applies only to the Transportation Specific Plan area. Create on-site units.	15%	No		5% @ VL + 5% @ Low + 5% @ Mod	55			
Glendale	Create on-site units; create off-site units; pay in-lieu fee; donate land; acquisition/rehabilitation.	15%	No	8	60%	55			

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
I. Inclusionary Requirements: Both Rental and Ownership Projects										
Agoura Hills	Create on-site units; pay an in-lieu fee for the required Low and/or Moderate Income Units. In-lieu fee cannot be paid to fulfill the very low income requirement.	15%	N/A	10	7% @ VL + 4% @ Low + 4% @ mod	55	10	7% @ VL + 4% @ Low + 4% @ mod	45	Set in 2018 to be consistent with the Affordability gap. \$285,336 per VL apartment unit, \$262,541 per low income condominium unit, and \$427,002 per moderate income single family home.
Alhambra	On-site or pay in-lieu fee.	15%	No	5	6% at 120% AMI+ 9% at 80% AMI		5	6% at 120% AMI+ 9% at 80% AMI		Fee Schedule: 5 -20 units. Rental: \$0.89 - \$14.30/SF; Ownership: \$1.88 - \$30.00/SF
Brea	On-site units; pay in-lieu fee; land dedication; acquisition and conversion of other units within city. City provides incentives to mitigate the impact of the requirement.	10%	No	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	55	10	5% ELI; or 7% VLI + 3% up to 140% AMI; or 10% LI +5% up to 140% AMI; or 20% 120% AMI; or 30% 140% AMI	45	Calculated per project. Based on the Affordability Gap.
Burbank	Create on-site units; create off-site units through new construction, substantial rehabilitation, or adaptive reuse; donate land; pay in-lieu fee.	15%	No	5	5% @ 50% + 10% @ 80%	> of 55 years or as long as resid use	5	Mod	> of 55 years or as long as resid use	Sliding scale by project size: Rental: \$5.75 - \$10.27/SF Ownership: \$11.24 - \$20.07/SF.
Carlsbad	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	15%	No	1	Low		1	Low		Available up to 6 units.\$18.00/SF for 2-6 unit projects.
Chula Vista	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	20	5% @ Low + 5% @ Mod	Life of Bldg	20	5% @ Low + 5% @ Mod	Life of Bldg	In-lieu fee is based on the median home price minus the affordable home price.

APPENDIX B

INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Coronado	Create units; pay in-lieu fee. Reduced requirement is provided if the affordable units are set at very low or extremely low income.	20%	No	2	Low		2	Mod		In-lieu fee paid by right. \$7,000 per market rate unit.
Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% L Properties at less than 60 units per acre: 4% VL or 6% L	55	NA	NA	NA	In-Lieu fee paid by right. \$10 per square foot of leasable area in the market rate project.
Del Mar	Create on-site units. In-lieu fee option provided for subdivisions that create new lots.	15% - 20%	No	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	2	2-30: 15% @ ELI, VL, or Low 30-49: 20% @ ELI, VL, or Low 50+: 20% @ ELI, VL, or Low - At least 20% ELI	55	Available to subdivisions that create new lots. \$27,500 per lot created.
Downey	Create on-site units; create off-site units; pay in-lieu fee.	11%/10%	No	10	Mod	>55 or as long as resid	10	Mod	45	Rental: \$23.50/SF - only allowed under extreme hardship. Ownership: \$15.90/SF payable based on City Council criteria.
Encinitas	Create on-site units; create off-site units; create ADU's; preserve at-risk units; pay in-lieu fee; donate land.	15%/20%	No	7	15% VL or 20% Low	Perpetual	7	15% VL or 20% Low	45	One to 6 unit projects and fractional units. \$24.08/SF.
Fillmore	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	55	5	20+: 5% ELI or VL & 10% Low 17-19: 2 Low + one ELI or VL; 10-16: 2 Low; 5-9: 1 Low	45	

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INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Goleta	Create on-site units; create off-site units; donate land, pay in-lieu fee; acquisition/rehabilitation. Income/Affordability trade off of extremely low and very low income units to low and moderate income units in demonstrated extreme hardship.	20% - reduced to 15% with public benefit	No	5	2.5% @ ELI + 2.5% @ VL+ 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	5	2.5% @ ELI + 2.5% @ VL+ 5% @ Low + 5% @ Mod + 5% at Above Mod	Generally 55 years, but not less than 30 years	Equal to the Affordability Gap associated with providing the requisite number of affordable units on site within the market rate project.
Huntington Beach	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	10%	No	3	Low	55	3	Moderate	45	Sliding Scale: 3 to 30 units. In-Lieu Fee allowed for projects up to 100 units. Rental: \$3.58 to \$35.80/SF Ownership: \$2.54 to \$25.36/SF. The per SF measurement caps at 2,000 SF.
Irvine	Projects with fewer than 50 units can create on-site units; convert market rate housing to affordable housing; extend the term of an existing affordable project; pay in-lieu fee; transfer units to a nonprofit housing agency; create off-site units; donate land. Projects with 50+ units must produce the affordable units on site.	15%	No	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	Ordinance applies to all housing projects. 50 unit threshold for the production requirement	5% @ 50% + 5% @ 80% + 5% @ 120%. Defined credits for deeper affordability & # of bedrooms.	30	Calculated per project. The calculation methodology is based on the average land value in Irvine, the average density of housing in Irvine, and a defined predevelopment cost allowance. Formula: $[(\text{Land Value} \div \text{Density}) + \text{Predevelopment Allowance}] \times \text{Percentage Share of Cost related to affordable units not being produced.}$
Jurupa Valley	Create on-site units; create off-site units; pay in-lieu fee; convert market rate units to affordable units; preserve at-risk housing; donate land.	7%	No	1	25% Mod + 25% Low + 50% VL	55	1	25% Mod + 25% Low + 50% VL	45	\$2.50 per net square foot of living area including garages.
Laguna Beach	Create on-site; pay in-lieu fee.	25%	No	2-subdivision 3-other	Low and Moderate		2-subdivision 3-other	Low and Moderate		\$247,317 per affordable rental unit. \$348,197 per affordable ownership unit or lot.

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INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Laguna Woods	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	5	7.5% @ VL + 7.5% @ Low	45	5	10% @ Low + 5% @ Mod	45	In-lieu fee is allowed for ownership housing developments that can prove to the City Council's satisfaction that including affordable units is financially infeasible. The fee is calculated based on: the median price of homes sold in Laguna Woods during the last quarter of the previous calendar year minus the affordable price for a 2-bedroom unit.
La Habra	Create on-site units; create off-site units; pay in-lieu fee; acquisition/rehabilitation.	Rental: 9% or 6% / Own: 15%	No	10	9% Mod or 6% VL & Low	55	10	110%	45	\$6.50 per square foot of total building area.
Long Beach	Create on-site units; pay in-lieu fee; donate land.	11%/10%	No	10	50%	> of 55 yrs or as long as resid	10	120%	> of 55 yrs or as long as resid	Rental @ \$38.00/SF; Ownership @ \$29.10/SF
Mission Viejo	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	No	1 / Projects with 9 or fewer units produce 1 ADU	7.5% VL + 7.5% Low	55	1 / Projects with 9 or fewer units produce 1 ADU	10% Mod + 5% Low	45	In-lieu fee is allowed for rental developments with fewer than 20 units, and for all ownership housing developments. Rental: \$41.90/SF Ownership \$58.20/SF
Norco	Create on-site units; create off-site units; pay in-lieu fee for projects with 20 or fewer units; donate land.	15%	No	5	6% Mod+9% Low Credits for deeper affordability	Perpetual	5	6% Mod+9% Low Credits for deeper affordability	45%	Sliding scale based on square feet of leasable/saleable area: Rental: \$1.34 - \$21.50 Ownership: \$2.91 - \$46.50
Oceanside	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land; purchase credits from another project.	15%	No	10	Low	55	10	Mod	55	In-lieu fee paid by right. \$20/SF in 2024. Administratively adjusted annually based on change to the ENR CCI index.
Oxnard	Create on-site units; create off-site units; pay in-lieu fee in limited circumstances.	10%	No	10	5% @ VL + 5% Low	55	10	Low	20	Fee charged per total unit in the project. In 2022: SFH \$36,000; MF Ownership \$35,000; Rental \$28,000.

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INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Pasadena	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land.	20%	No	10	5% @50% + 5% @ 80% + 10% @ 120%	Perpetual	10	110%	45	Sliding scale by sub-area & project size: Rental: \$1.23 - \$34.98/SF Ownership: \$17.47 - \$66.20/SF.
Pomona	Create on-site units; create off-site units; pay in-lieu fee; donate land	13% / 7%-11%	Yes	3	120%	Perpetual	3	120%	45	Rental @ \$9.30/SF; SFH @ \$11.40/SF Condominiums @ \$9.30/SF
Poway	Create on-site units; create off-site units; pay in-lieu fee.	15% / 15%-20%	No	1	Very Low	55	1	15% @ Low or 20% @ Mod	45	In-lieu fee is payable by right and is set at maximum of \$500 per unit for both rental and ownership housing.
San Buenaventura	Create on-site units; create off-site units; pay in-lieu fee; preserve or rehab existing housing; donate land.	15% / 10%	No	7	Low	55	7	Mod	45	Ownership @ \$29.80 - \$66.30/SF; Apartments @ \$20.30 - \$48.90/SF
San Clemente	Create on-site units; create off-site units, pay in-lieu fee; donate land.	4%	No	6	Very Low	30	6	Very Low	30	Based on the greater of 1% of construction costs as determined by the Building Division or 2% of the affordability gap determined by the formula in the Housing Element.
San Diego	Create on-site units; create off-site units; rehabilitate existing units, SRO hotel rooms, or conversion of guest rooms; pay in-lieu fee; donate land.	5% to 20% depending on location	No	10	Outside FUA: 10% @ 60% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	55		Outside FUA: 10% @ 100% or 15% @120% Inside FUA: 20% @ 65% Barrio Logan: 15% VL and Low University Community Plan: 10% @ 60% or 5% @ 80% + Fee or 10% @ 120% +Fee	15	In-lieu fee paid by right in each area except inside FIA. Base in-lieu fee a \$25/SF. Alternative compliance in-lieu fee at \$50/SF.

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INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
San Juan Capistrano	Create on-site units; create off-site units; preserve or rehab existing housing; pay in-lieu fee; donate land. Excludes area west of I-805 identified as "Area of Low/Moderate Income Concentration".	10%	No	2		55	2		55	Based on 90% of the Affordability Gap, which is updated monthly based on benchmark market prices.
San Marcos	Create on-site, create off-site units for ownership housing projects; pay an in-lieu fee for six or fewer rental unit projects and for all ownership housing projects.	15%	No	1	Target hhld income set by the City. No more than 25% of the affordable units may be Mod.	55	1	Requirement is set by the City on a project by project basis	55	In-lieu fee paid by right for apartment projects with six or fewer units and for all ownership housing developments. In-Lieu Fee @ \$15/SF.
Santa Ana	Only applies to changes in land use and zoning designations. Create on-site units; off-site units; pay in-lieu fee.	Rental: 5% / 15% & Own: 5%	No	5	15% @ Low or 10% @ VL or 5% @ ELI or 5% Low + 3% VL +2% ELI	55	5	120%	55	Fee charged per sf of habitable area: 5-9: \$6.00; 10-14: \$9.00; 15-19: \$12; 20+: \$15. Discounts for use of skilled and trained labor force.
Santa Barbara (City)	Create on-site units; create off-site units; pay in-lieu fee for 1 to 9 & fractional units; donate land.	10% / 15%	No	5	Mod	90	1	120% to 200%	90 / restarts on each resale	In 2020 the in-lieu fee for rental projects was set at \$25 per SF. Adjusted annually by the Engineering News Record (ENR) Building Cost Index for Los Angeles. In-lieu fee for ownership units is calculated based on the median price for 2-bedroom condos, a low income standard, and the estimated production cost (sales price - 15% profit). A discount schedule is provided from small units.
Santa Monica	Create on-site units; create off-site units; pay in-lieu fee; donate land.	15%	Yes	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	2	20+ units: 15% equally divided among 50%, 80%, 110% <20 units: 15% at 80% AMI	55	Rental @ \$41.39/SF Ownership @ \$48.35/SF
Santa Paula	Create on-site units; create off-site units; pay in-lieu fee.	10% to 17%	Yes	10	15% Low or 10% VL	55	10		45	In-Lieu Fee is set on a project-by-project basis.

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INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
Solana Beach	Create on-site units; create off-site units; create rental units to fulfill an ownership housing development requirement; preservation or conversion of existing units; payment of the Affordable Housing Impact Fee.	15%	No	5	VL or Low	99	5	VL or Low	99	Affordable Housing Impact Fee @ \$25.91.
South Pasadena	Create on-site units; create off-site units; pay in-lieu fee for 3 or 4 rental unit projects, ownership for any size project, & fractional units; rehab existing market rate units; donate land.	20%	No	3	10 or fewer units: multiple options 11 or more units: 10% ELI or VL + 10% Low	55	3	Mod	55	The in-lieu fee will be set by the City Council. Until that occurs, the fee will be calculated on a project-by-project basis.
Thousand Oaks	Create on-site units; rental units to fulfill ownership requirement; in-lieu fee; donate land.	10% / 5% to 10%	No	10	Low	> of 55 yrs or as long as resid	10	SFH: 5% Mod Condo: 10% Mod	45	In-lieu fee is allowed for rental developments with fewer than 20 units, and for all ownership housing developments. Rental: \$25.70/SF Ownership \$14.60 - \$16.80/SF
Vista	Create on-site units; pay in-lieu fee	9%	No	20	5% Low or lower + 4% Mod or lower		20	5% Low or lower + 4% Mod or lower		In-lieu fee paid by right and is set at \$17.56/SF
West Hollywood	Create on-site units; create off-site units; pay in-lieu fee for 2-10 units projects.	20%	No	2	Low / Mod	> of 55 yrs or as long as resid	2	Low / Mod	> of 55 yrs or as long as resid	Sliding scale: 2 Units @ \$13.63/SF - 10 Units @ \$29.23/SF

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INCLUSIONARY HOUSING PROGRAM SURVEYS - ORANGE, LOS ANGELES, SAN DIEGO, VENTURA & SANTA BARBARA COUNTIES
INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	

II. Inclusionary Requirements: Ownership Projects Only

Carpinteria	Create on-site units; pay in-lieu fee in limited circumstances.	12%	No				5	200%	30	In-lieu fee allowed if infeasibility can be proved. The fee is based on the difference between the median sales price of condominiums and/or single family homes and the affordable price at 121% of AMI with 30% of income dedicated to housing expenses.
Santa Barbara County	Create on-site units; create off-site units in the coastal zone; pay in-lieu fee for certain unit types.	5% - 15%	Yes				5	5-19: 1 Mod. 20+: South Coast: 2.5% VL + 2.5% Low + 5% Mod + 5% Workforce	45 - restarts up to 90	In-Lieu fee is measured per affordable unit. Varies by HMA & income / affordability level. Fee: Very Low & Low are based on the estimated cost for the County to subsidize very low & low income units. Cost of Construction Fee: Moderate & Workforce are based on the median condo sales prices minus 15% of the median price of condos.
								Santa Ynez: No Workforce		2020 Very Low & Low Fees: South Coast \$176,000; Santa Maria \$96,600; Santa Ynez \$146,200; Lompoc \$99,500
								Santa Maria & Lompoc: 2.5% VL + 2.5 Low		2020 Mod & Workforce Fees: South Coast \$658,000; Santa Maria \$248,000; Santa Ynez \$431,600; Lompoc \$227,600

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INCLUSIONARY HOUSING: IN-LIEU FEE ANALYSIS
ARCADIA, CALIFORNIA

Jurisdiction	Compliance Options	Set Aside %	On-site % Varies	Rental Development			Ownership Development			In-Lieu Fee
				Threshold Project Size	Affordability	Covenant Period	Threshold Project Size	Affordability	Covenant Period	
III. <u>Inclusionary Requirements: Rental Projects Only</u>										
Costa Mesa	Applies only to: properties located in areas for which the City has completed a Zone Change and/or General Plan Amendment that allows for residential development; and properties that receive City approval of a General Plan Amendment, Zone Change, or other discretionary approval. Create on-site units; create off-site units; pay in-lieu fee; donate land.	5% or 10% & 4% or 6%	No	50	Projects at 60+ units per acre: 5% VL or 10% L Properties at less than 60 units per acre: 4% VL or 6% L	55				In-Lieu fee paid by right. \$10 per square foot of leasable area in the market rate project.
Glendale	Create on-site units; create off-site units; pay in-lieu fee; donate land; acquisition / rehabilitation.	15%	No	8	60%	55				Sliding scale: 8 Units @ \$28.71/SF - 21 Units @ \$55/SF

Attachment No. 5

CEQA Notice of Exemption



CITY OF
ARCADIA

PRELIMINARY EXEMPTION ASSESSMENT

1. Name or description of project:	Text Amendment No. 25-01 - Adding Section 9103.16 to Article IX, Chapter 1 (Development Code) of the Arcadia Municipal Code pertaining to a new Inclusionary Housing Ordinance and associated In-Lieu Development Fee.	
2. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	City of Arcadia - Citywide	
3. Entity or person undertaking project:	A. City of Arcadia – Development Services Department	
	B. Other (Private)	
	(1) Name	
	(2) Address	
4. Staff Determination: The Lead Agency's Staff, having undertaken and completed a preliminary review of this project in accordance with the Lead Agency's "Local Guidelines for Implementing the California Environmental Quality Act (CEQA)" has concluded that this project does not require further environmental assessment because:		
a. ☐	The proposed action does not constitute a project under CEQA.	
b. ☐	The project is a Ministerial Project.	
c. ☐	The project is an Emergency Project.	
d. ☐	The project constitutes a feasibility or planning study.	
e. ☐	The project is categorically exempt.	
	Applicable Exemption Class:	
f. ☒	The project is statutorily exempt.	
	Applicable Exemption:	
g. ☒	The project is otherwise exempt on the following basis:	The proposed addition of an Inclusionary Housing Ordinance is exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that the Ordinance itself would not have a significant effect on the environment and, thus, is not subject to review. The establishment of the in-lieu fee is statutorily exempt.
h. ☐	The project involves another public agency which constitutes the Lead Agency.	
	Name of Lead Agency:	

Date: February 27, 2025

Staff: Jason Kruckeberg, Asst. City Manager/DSD



STAFF REPORT

Public Works Services Department

DATE: April 1, 2025

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: Tiffany Lee, Interim Principal Civil Engineer

SUBJECT: RESOLUTION NO. 7623 ADOPTING THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION FOR THE GOLDRING WELL AND PER-AND POLYFLUOROALKYL SUBSTANCES TREATMENT PLANT PROJECT IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA"), APPROVING THE MITIGATION MONITORING AND REPORTING PROGRAM, AND AUTHORIZING THE EXECUTION OF THE NOTICE OF DETERMINATION

CEQA: Adopt the Initial Study/Mitigated Negative Declaration

Recommendation: Adopt

SUMMARY

The City of Arcadia provides water service to over 57,000 residents. To enhance the existing water supply infrastructure, the City is partnering with the City of Sierra Madre to construct a new water supply well. Pursuant to the provisions of the California Environmental Quality Act ("CEQA"), an Initial Study ("IS")/Mitigated Negative Declaration ("MND") was prepared for this project to evaluate the potential environmental effects associated with the implementation of the proposed project.

On February 10, 2025, the Draft IS/ MND for the City of Arcadia Goldring Well and Per-And Polyfluoroalkyl Substances ("PFAS") Treatment Plant Project was circulated for public review and comments for 30 days, which concluded on March 11, 2025. During this time period, public agencies, organizations, and the public in general were afforded the opportunity to review the draft IS/MND and submit written comments regarding the documents and the Project. The draft IS/MND has been updated to reflect the one comment that was received.

The IS/MND found that there would be either no impact or less than significant impact on all resources with the exception of Air Quality, Hazards and Hazardous Materials, Noise, and Tribal Cultural Resources. These four resource categories were found to have "Less Than Significant Impact with Mitigation Incorporated."

It is recommended that the City Council adopt Resolution No. 7623, adopting the Initial Study/Mitigated Negative Declaration in accordance with the California Environmental Quality Act (“CEQA”) for the Goldring Well and Per-And Polyfluoroalkyl Substances (“PFAS”) Treatment Plant Project, approving the Mitigation Monitoring and Reporting Program, and authorizing the execution of the Notice of Determination.

BACKGROUND

The City serves water to over 57,000 residents, primarily with water pumped from the Main San Gabriel Basin, West Raymond Basin, and the East Raymond Basin. To enhance the existing water supply infrastructure, Arcadia is partnering with the City of Sierra Madre to construct a new water supply well (Goldring Well) in the Main San Gabriel Basin.

On November 17, 2020, the Arcadia City Council approved a New Joint Groundwater Production Well Agreement between the Cities of Arcadia and Sierra Madre to jointly design, construct, operate, and maintain a groundwater production well in the Main San Gabriel Basin. Per the terms of the Joint Agreement, Arcadia and Sierra Madre are each responsible for 50% of the cost of all matters related to the new well.

In March 2023, in response to increased concern over PFAS, the Environmental Protection Agency (“EPA”) published new proposed regulations that would set Maximum Contaminant Levels (“MCL”) for select PFAS contaminants. PFAS can be found in products such as food packaging and commercial and household products, which often end up in groundwater and are toxic at relatively low concentrations, thus presenting a danger to both human health and the environment. On June 20, 2023, City Council approved an amendment to include treatment for the new well to address PFAS that had been detected in other groundwater sources within the vicinity of the Goldring Well.

DISCUSSION

The proposed project consists of the construction and operation of a groundwater production well; the construction and operation of a Granular Activated Carbon (“GAC”) or Ion Exchange (“IX”) treatment system with pre-filters, consisting of 2 pairs of vessels for the removal of PFAS from the extracted groundwater; the construction and operation of a new 30,000 gallon backwash tank with a new 4-inch diameter sewer pipeline; and the construction and operation of a new 30-inch diameter Reinforced Concrete Pipe (“RCP”) storm drain pipeline, approximately 1,400 feet in length, connecting from the cul-de-sac at Kardashian Avenue and Goldring Road, going westerly on Randolph Street and connecting to the existing 57-inch RCP on Peck Road. The City’s Goldring Well will be located approximately 200 feet south of the intersection of Kardashian Avenue and Goldring Road, within the existing Arcadia Public Works Services Department Yard.

The proposed project is located in an open, paved, and graded property of approximately 5 acres, owned by the City. The project construction site for the well, pipeline, and PFAS treatment plant is constrained to a designated area covering roughly 5,000 square feet, equivalent to 0.15 acres in total.

ENVIRONMENTAL ANALYSIS

Pursuant to the provisions of CEQA, an IS/MND was prepared by Stetson Engineers, Inc. to evaluate the potential environmental effects associated with the implementation of the proposed project. The IS assessed the proposed project's potential to result in significant environmental impacts for each environmental category listed in the CEQA Guidelines' Appendix G, Environmental Checklist Form. The IS found that there would be either no impact or less than significant impact on all resource categories, with the exceptions of Air Quality, Hazards and Hazardous Materials, Noise, and Tribal Cultural Resources. These four resource categories were found to have "Less Than Significant Impact with Mitigation Incorporated." A detailed review is included in the IS/MND, contained in Exhibit "A" of Resolution No. 7623. Mitigation measures have been added for the project to ensure that any potential impacts are mitigated. Stetson Engineers, Inc. has prepared a Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program ("MMRP"), as shown in Exhibit "C" of Resolution No. 7623.

In accordance with Section 21091 of the California Environmental Quality Act ("CEQA") and Section 15073 of the CEQA Guidelines, the Draft IS/MND for the Goldring Well and PFAS Treatment Plant Project was circulated for public review and comments for 30 days, from February 10, 2025, to March 11, 2025. The document was filed with the State Clearinghouse and Los Angeles County Clerk; notices were sent to the residents/businesses within a 500-foot radius, posted on the City's website, and published in the Arcadia Weekly. Hard copies of the IS/MND were provided for public review at Office of the City Clerk and Public Works Services Department. During this time period, interested parties were afforded the opportunity to review the Draft IS/MND and submit written comments regarding the documents and the proposed project.

During the comment period, one comment letter was received from the following agency:

- State Water Resources Control Board, Division of Drinking Water ("State Water Board, DDW"), dated March 11, 2025. State Water Board, DDW requests that the City provide plans on handling the disposal of PFAS waste residuals and brine waste from treatment, and the distribution of water to Sierra Madre.

The City Council is required to consider the IS/MND together with any comments received during the public review process. Responses to the comments received during the public review process are attached in Exhibit "B" of Resolution No. 7623.

Additionally, in conformance with CEQA, a Notice of Determination (“NOD”) has been prepared. If approved by the City Council, the NOD will be filed with the Los Angeles County Clerk and submitted to the State Clearinghouse, completing the CEQA process.

PUBLIC NOTICE/COMMENTS

The public hearing notices for this City Council meeting were mailed to the owners of those properties that were located within 500 feet of project location and published in the Arcadia Weekly on February 10 and February 17, 2025. As of March 14, 2025, the City has not received any additional comments from the public.

FISCAL IMPACT

Approval of the IS/MND meets the requirements under CEQA for the evaluation of the potential environmental impacts associated with the project. There is no financial impact or budget action necessary as a result of the recommended action.

RECOMMENDATIONS

It is recommended that the City Council adopt Resolution No. 7623 adopting the Initial Study/Mitigated Negative Declaration for the Goldring Well and Per-And Polyfluoroalkyl Substances Treatment Plant Project in accordance with the California Environmental Quality Act (“CEQA”), approving the Mitigation Monitoring and Reporting Program, and authorizing the execution of the Notice of Determination.

Approved:


Dominic Lazzaretto
City Manager

Attachment: Resolution No. 7623

RESOLUTION NO. 7623

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, ADOPTING THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION FOR THE GOLDRING WELL AND PER-AND POLYFLUOROALKYL SUBSTANCES TREATMENT PLANT PROJECT IN ACCORDANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA"), APPROVING THE MITIGATION MONITORING AND REPORTING PROGRAM, AND AUTHORIZING THE EXECUTION OF THE NOTICE OF DETERMINATION

WHEREAS, To enhance the existing water supply infrastructure, the City is partnering with the City of Sierra Madre to construct a new water supply well.

WHEREAS, On November 17, 2020, the Arcadia City Council approved a New Joint Groundwater Production Well Agreement between the Cities of Arcadia and Sierra Madre to jointly design, construct, operate, and maintain a groundwater production well in the Main San Gabriel Basin.

WHEREAS, Pursuant to the provisions of the California Environmental Quality Act ("CEQA"), an Initial Study ("IS")/ Mitigated Negative Declaration ("MND") was prepared for the Arcadia Goldring Well and Per-and Polyfluoroalkyl Substances ("PFAS") Treatment Plant Project to evaluate the potential environmental effects associated with the implementation of the proposed project attached hereto as Exhibit "A".

WHEREAS, the City evaluated potential environmental effects of the Project through the preparation and circulation of a proposed Mitigated Negative Declaration (State Clearinghouse No. 2025020361, the MND) and consideration of all comments and responses as attached hereto as Exhibit "B", and incorporated herein by this reference; and

WHEREAS, the process included a 30-day review period for the proposed Mitigated Negative Declaration which was initiated on February 10, 2025, with the submittal of the proposed Mitigated Negative Declaration to the State Clearinghouse for public review and

distribution to responsible, trustee, and public agencies with jurisdiction over the resources affected by the Project; and

WHEREAS, the Notice of Intent ("NOI") to adopt the Mitigated Negative Declaration was also filed with the Los Angeles County Clerk on February 10, 2025; and

WHEREAS, the NOI was posted on the City's website and published in the Arcadia weekly; and

WHEREAS, notices were sent to the residents/business within 500-foot radius; and

WHEREAS, Hard copies of the Initial Study/Mitigated Negative Declaration were provided for public review at Office of the City Clerk and Public Works Services Department; and

WHEREAS, during this time period, public agencies, organizations, the residents/business within 500-foot radius, and the public in general were afforded the opportunity to review the Draft Initial Study/Mitigated Negative Declaration and submit written comments regarding the documents and the proposed project; and

WHEREAS, one comment letter on the NOI was received by the City before the end of the 30-day public review period on March 11, 2025, attached hereto as Exhibit "B"; and

WHEREAS, all actions required to be taken by applicable law related to the preparation, circulation, and review of the proposed NOI have been taken; and

WHEREAS, A final Mitigated Negative Declaration has been prepared consisting of the proposed Mitigated Negative Declaration, all comments received during the public review period, and responses to all significant environmental points raised during the public review period. The final Mitigated Negative Declaration was posted on the City of

Arcadia's website at <https://www.arcadiaca.gov/> on or about March 27, 2025.

WHEREAS, the City Council has considered the Mitigated Negative Declaration, and the Project at an open and public meeting on April 1, 2025. The City Council, after staff analysis, independently reviewed and analyzed reports and declarations which became part of the record of this decision; and

WHEREAS, This project should not have a potentially significant effect on the environment with mitigation measures incorporated. This finding is based upon the criteria of the Guidelines of the State Secretary for Resources, Sections 15064 (Determining Significant Effect), 15065 (Mandatory Findings of Significance), and 15070 (Decision to prepare a Mitigated Negative Declaration), and the following reasons as documented in the Mitigated Negative Declaration for the project, attached hereto as Exhibit "A"; and

WHEREAS, The Initial Study assessed the proposed project's potential to result in significant environmental impacts for each environmental category listed in the CEQA Guidelines' Appendix G Environmental Checklist Form. The Initial Study found that there would be either no impact or less than significant impact on all resource categories with the exceptions of Air Quality, Hazards and Hazardous Materials, Noise, and Tribal Cultural Resources; and

WHEREAS, these four resource categories were found to have "Less than significant Impact with Mitigation Incorporated". A detailed review is included in the IS/MND; and

WHEREAS, the City's Consultant's Stetson Engineers, Inc. has prepared a Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program ("MMRP") as shown in Exhibit "C" of Resolution No. 7623.

WHEREAS, no new significant information, as defined by CEQA Guidelines

Section 15073.5, was received by the City after circulation of the Draft MND such that recirculation is required. The information contained the Final MND supports the Draft MND's analysis and conclusions and clarifies certain items in the Draft MND based on the inquire from the one comment received. Therefore, no recirculation is required.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA,
CALIFORNIA, DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. CEQA FINDINGS. The City Council incorporates the findings set forth in the paragraphs above as if restated herein in their entirety.

SECTION 2. CITY COUNCIL INDEPENDENT JUDGEMENT AND REVIEW. The City Council further certifies that the Mitigated Negative Declaration was presented to the City Council, which reviewed and considered the information contained in said Mitigated Negative Declaration prior to deciding whether to approve the proposed Project. The Mitigated Negative Declaration has been thoroughly reviewed and analyzed by the City's staff, and the City Council. The draft documents circulated for public review reflect the City's own independent judgement and the Mitigated Negative Declaration as certified by this Resolution also reflects the independent judgement of the City Council.

SECTION 3. CEQA – MITIGATED NEGATIVE DECLARATION ADOPTION. Based on the finding set forth above, and on the record of the meeting, the City Council hereby approved the Mitigated Negative Declaration for the Project, as presented to Council and set forth in the staff report and certifies that the Mitigated Negative Declaration is an adequate and complete document prepared in compliance with the California Environmental Quality Act, as amended, and the State and local Guidelines promulgated there under.

SECTION 4. MITIGATION MONITORING AND REPORTING PROGRAM

ADOPTED. The City Council hereby adopts the Mitigation Monitoring and Reporting Program set forth and incorporated herein by this reference, as the mitigation monitoring and reporting program for the project (Exhibit "C"). The City Council finds that the Mitigation Monitoring and Reporting Program has been prepared in accordance with CEQA and the CEQA Guidelines and directs the authorization of the City Manager or his authorized representative to oversee the implementation of the program.

SECTION 5. APPROVAL OF THE PROJECT. The City Council has reviewed and considered the Project and approves the Project. The City Manager or his authorized designee is authorized to implement the Project.

SECTION 6, FILING OF NOTICE OF DETERMINATION. The City Council hereby directs the City Manager or his authorized designee to file a Notice of Determination within five (5) working days after approval of the Project.

SECTION 7. The City Clerk shall certify to the adoption of this Resolution.

[SIGNATURES ON THE NEXT PAGE]

Passed, approved, and adopted this 1st day of April, 2025.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

EXHIBIT "A"

Initial Environmental Study

- 1. Project Title:** City of Arcadia
Goldring Well and PFAS Treatment Plant
- 2. Lead Agency Name and Address:**
City of Arcadia
240 West Huntington Dr.
Arcadia, CA 91066
- 3. Contact Person and Phone Number:**
Tiffany Lee, Senior Civil Engineer
(626) 254-2721
- 4. Project Location:** Within the City of Arcadia, Intersection of Kardashian Avenue and Goldring Road
- 5. Project Sponsor's Name and Address:**
City of Arcadia
240 West Huntington Dr.
Arcadia, CA 91066

City of Sierra Madre
232 West Sierra Madre Blvd.
Sierra Madre, CA 91024
- 6. General Plan Designation:**
The Project site is located within the City of Arcadia and the site is designated as Government Use in the City of Arcadia General Plan.
- 7. Zoning:** The Project site is zoned as a Public Facility (PF) within the City of Arcadia. The area is zoned as Industrial (M-1) on the west side of Kardashian and on the north side of Goldring Road.
- 8. Description of the Project:** (Describe the whole action involved, including but not limited to later phases of the Project, and any secondary, support, or off-site features necessary for its implementation. Attach additional sheets if necessary).

The proposed project consists of the construction and operation of a groundwater production well, the construction and operation of a Granular Activated Carbon (GAC) or Ion Exchange (IX) treatment system with pre-filters consisting of 2 pairs of vessels for the removal of Per and Polyfluoroalkyl substances (PFAS) from the extracted groundwater, the construction and operation of a new 30,000 gallons backwash tank with a new 4-inch diameter sewer pipeline, and the construction and operation of a new 30-inch diameter Reinforced Concrete Pipe (RCP) storm drain pipeline approximately 1,400 feet in

length connecting from the cul-de-sac at Kardashian Avenue and Goldring Road, going westerly on Randolph Street and connecting to the existing 57-inch RCP on Peck Road (Project). The City of Arcadia's (City) Goldring Well will be located approximately 200 feet south of the intersection of Kardashian Avenue and Goldring Road, within the existing City's Public Works Yard. The proposed Project is located in an open, paved and graded property with a total size of approximately 5 acres owned by the City. The project construction site for the well, pipeline, and PFAS treatment plant is constrained to a designated area covering roughly 5,000 square feet, equivalent to 0.15 acres in total.

The Project will be located in the Main San Gabriel Basin (Main Basin) and the groundwater supply will be shared between the City of Arcadia and the City of Sierra Madre and will serve to enhance the Cities' existing water supply infrastructure and provide system redundancy.

The Project would include well drilling, well development, well testing, pipeline construction, treatment plant construction and startup testing, and site upgrades. Site upgrades would include the construction of a small well enclosure to house the well pump and discharge piping, and installation of disinfection equipment and electrical equipment in an adjacent existing building. In addition, a new underground pipeline would be installed to connect the new well to an existing water distribution pipeline and a new underground pipeline will be installed to connect to an existing storm drain.

9. Surrounding Land Uses and Setting (briefly describe the project's surroundings):

The proposed Project is located in the City of Arcadia. The surrounding neighborhood includes industrial and light manufacturing properties. Surrounding areas of the proposed Project are shown in photos below.



Industrial property along Kardashian Avenue



Industrial property adjacent to Project area

10. Other agencies whose approval is required (e.g., permits, financing approval, or participation agreement):

- State Water Resources Control Board Division of Drinking Water
- Main San Gabriel Basin Watermaster
- County Sanitation Districts of Los Angeles County
- City of Arcadia
- City of Sierra Madre
- Regional Water Quality Control Board
- Los Angeles County Flood Control District
- Los Angeles County Department of Public Health

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below could be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

☐ Aesthetics	☐ Agriculture and Forestry
☐ Air Quality	☐ Biological Resources
☐ Cultural Resources	☐ Energy
☐ Geology/Soils	☐ Greenhouse Gas Emissions
☐ Hazards and Hazardous Materials	☐ Hydrology/Water Quality
☐ Land Use/Planning	☐ Mineral Resources
☐ Noise	☐ Population/Housing
☐ Public Services	☐ Recreation
☐ Transportation	☐ Tribal Cultural Resources
☐ Utilities/Service Systems	☐ Wildfire
☐ Mandatory Findings of Significance	

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- ☐ I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☒ I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

- ☐ I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- ☐ I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Tiffany Lee
Signature

02/10/2025
Date

Tiffany Lee
Print Name

	Significant Impact	Less Than Significant or Less than Significant with Mitigation Incorporation	No Impact	Analyzed in the Prior EIR	Substantially Mitigated by Uniformly Applicable Development Policies
I. AESTHETICS -- Except as provided in Public Resources Code Section 21099, would the project:					
a) Have a substantial adverse effect on a scenic vista?	☐	☐	☒	☐	☐
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	☐	☐	☒	☐	☐
c) In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from a publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	☐	☐	☒	☐	☐
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	☐	☐	☒	☐	☐
II. AGRICULTURE AND FOREST RESOURCES: In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including Forest and Range Assessment Project and the Forest Legacy Assessment Project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:					
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	☐	☐	☒	☐	☐

b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	☐	☐	☒	☐	☐
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	☐	☐	☒	☐	☐
d) Result in the loss of forest land or conversion of forest land to non-forest use?	☐	☐	☒	☐	☐
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?	☐	☐	☒	☐	☐
III. AIR QUALITY -- Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations. Would the project:					
a) Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☒	☐	☐
b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard ?	☐	☒	☐	☐	☐
c) Expose sensitive receptors to substantial pollutant concentrations?	☐	☒	☐	☐	☐
d) Result in other emissions (such as those leading to odors) adversely affecting a substantial number of people?	☐	☐	☒	☐	☐
IV. BIOLOGICAL RESOURCES -- Would the project:					
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	☐	☐	☒	☐	☐
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?	☐	☐	☒	☐	☐

c) Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?

☐ ☐ ☒ ☐ ☐

d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?

☐ ☐ ☒ ☐ ☐

e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?

☐ ☐ ☒ ☐ ☐

f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?

☐ ☐ ☒ ☐ ☐

V. CULTURAL RESOURCES -- Would the project:

a) Cause a substantial adverse change in the significance of a historical resource pursuant to in '15064.5?

☐ ☐ ☒ ☐ ☐

b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to '15064.5?

☐ ☐ ☒ ☐ ☐

c) Disturb any human remains, including those interred outside of formal cemeteries?

☐ ☐ ☒ ☐ ☐

VI. ENERGY -- Would the project:

a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?

☐ ☒ ☐ ☐ ☐

b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?

☐ ☐ ☒ ☐ ☐

VII. GEOLOGY AND SOILS -- Would the project:

a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:

i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State

☐ ☐ ☒ ☐ ☐

Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.

ii) Strong seismic ground shaking?	☐	☒	☐	☐	☐
iii) Seismic-related ground failure, including liquefaction?	☐	☐	☒	☐	☐
iv) Landslides?	☐	☐	☒	☐	☐
b) Result in substantial soil erosion or the loss of topsoil?	☐	☐	☒	☐	☐
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	☐	☐	☒	☐	☐
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?	☐	☐	☒	☐	☐
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	☐	☐	☒	☐	☐
f) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☐	☒	☐	☐

VIII. GREENHOUSE GAS EMISSIONS

Would the project:

a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	☐	☒	☐	☐	☐
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☐	☒	☐	☐

IX. HAZARDS AND HAZARDOUS MATERIALS

Would the project:

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☒	☐	☐	☐
b) Create a significant hazard to the public or the					

environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☒	☐	☐
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☒	☐	☐
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	☐	☐	☒	☐	☐
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?	☐	☒	☐	☐	☐
f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☒	☐	☐
g) Expose people or structures, either directly or indirectly to a significant risk of loss, injury or death involving wildland fires?	☐	☐	☒	☐	☐

X. HYDROLOGY AND WATER QUALITY --
Would the project:

a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?	☐	☒	☐	☐	☐
b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	☐	☐	☒	☐	☐
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:	☐	☐	☒	☐	☐
(i) result in substantial erosion or siltation on- or off-site;	☐	☐	☒	☐	☐
(ii) substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite;	☐	☐	☒	☐	☐
(iii) create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or	☐	☐	☒	☐	☐

(iv) impede or redirect flood flows?

☐	☐	☒	☐	☐

d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?

☐	☐	☒	☐	☐

e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?

☐	☐	☒	☐	☐

XI. LAND USE AND PLANNING - Would the project:

a) Physically divide an established community?

☐	☐	☒	☐	☐

b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?

☐	☐	☒	☐	☐

XII. MINERAL RESOURCES -- Would the project:

a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?

☐	☐	☒	☐	☐

b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

☐	☐	☒	☐	☐

XIII. NOISE -- Would the project result in:

a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?

☐	☒	☐	☐	☐

b) Generation of excessive groundborne vibration or groundborne noise levels?

☐	☒	☐	☐	☐

c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?

☐	☒	☐	☐	☐

XIV. POPULATION AND HOUSING -- Would the project:

a) Induce substantial unplanned population

growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	☒	☐	☐

b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	☐	☐	☒	☐	☐

XV. PUBLIC SERVICES

a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

Fire protection?	☐	☐	☒	☐	☐
Police protection?	☐	☐	☒	☐	☐
Schools?	☐	☐	☒	☐	☐
Parks?	☐	☐	☒	☐	☐
Other public facilities?	☐	☐	☒	☐	☐

XVI. RECREATION --

a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☒	☐	☐

b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	☐	☐	☒	☐	☐

XVII. TRANSPORTATION -- Would the project:

a) Conflict with a program plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?	☐	☒	☐	☐	☐

b) Would the project conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b)?	☐	☐	☒	☐	☐

c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	☒	☐	☐

d) Result in inadequate emergency access?	☐	☐	☒	☐	☐

XVIII. TRIBAL CULTURAL RESOURCES --
Would the project:

a) Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:

i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k), or	☐	☒	☐	☐	☐

ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	☐	☒	☐	☐	☐

XIX. UTILITIES AND SERVICE SYSTEMS --
Would the project:

a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	☐	☐	☒	☐	☐

b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?	☐	☐	☒	☐	☐

c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☒	☐	☐

d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	☐	☐	☒	☐	☐

e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	☐	☐	☒	☐	☐

XX. WILDFIRE -- If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:

a) Substantially impair an adopted emergency response plan or emergency evacuation plan?	☐	☐	☒	☐	☐

b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?	☐	☐	☒	☐	☐

c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	☐	☐	☒	☐	☐

d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	☐	☐	☒	☐	☐

XXI. MANDATORY FINDINGS OF SIGNIFICANCE --

a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	☐	☐	☒	☐	☐

b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively Considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	☐	☐	☒	☐	☐

c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	☐	☐	☒	☐	☐

Discussion of Environmental Evaluation

This section provides an explanation of all answers noted on the Environmental Checklist.

I. AESTHETICS

Would the Project:

a) Have a substantial adverse effect on a scenic vista?

No impact. The proposed Project will consist of construction of an extraction well housed inside an enclosure and a groundwater treatment plant . The proposed Project is located within the City's existing Public Works Yards with block walls around the perimeter and the treatment plant will be partially screened from view by existing trees, therefore, the proposed Project will not have any impact on a scenic vista.

b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?

No impact. The proposed Project will not damage any scenic resources.

c) In non-urbanized area, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?

No Impact. The proposed Project will not substantially degrade the existing visual character or quality of the site and its surroundings. The proposed Project is consistent with existing zoning at that location and will not post any conflict to regulations governing scenic quality.

d) Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?

No impact. The proposed Project will not have any lighting that will have any impact on day or nighttime views in the area.

II. AGRICULTURAL RESOURCES

Would the Project:

a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?

No impact. The Project is located in a general light industrial zone. There is no farmland located within the vicinity of the Project and no conversion of farmland will occur.

b) Conflict with existing zoning for agricultural use, or a Williamson act contract?

No impact. The Project area is not zoned for agriculture.

c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?

No impact. The Project will not conflict with any existing zoning or cause rezoning of forest land.

d) Result in the loss of forest land or conversion of forest land to non-forest use?

No impact. No forest land is located within the vicinity of the Project and no conversion of forest land will occur.

e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?

No impact. The proposed Project will not result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use.

III. AIR QUALITY

To comply with the Proposed Rule (PR) 1407.1, the latest California Emissions Estimator Model (CalEEMod version 2020.4.0) was used to evaluate the potential impacts on air quality generated from the proposed Project. The focus of the air quality impact assessment was on the air emissions generated from construction activities. Operational emissions would be minimal and were not considered as part of the model analysis. The proposed Project activities and schedules are provided in Table 1 and results of the CalEEMod calculated exhaust emissions are summarized in Table 2. The CalEEMod generated annual air emissions reports and the associated assumptions are included in Attachment A. Details of the air quality impact assessment are discussed below.

Would the Project:

a) Conflict With or Obstruct Implementation of the Applicable Air Quality Plan?

No impact. The Project is located within the South Coast Air Basin, which is under the jurisdiction of the South Coast Air Quality Management District (SCAQMD). The Southern California Association of Governments (SCAG) is responsible for preparing the regional transportation strategy and control measures portion of an Air Quality Management Plan (AQMP), which addresses federal and state Clean Air Act requirements. SCAQMD is responsible for administering the AQMP, which essentially details goals, policies, and programs for improving air quality and establishes thresholds for daily operational emissions. Environmental review of individual projects within the region must demonstrate the daily construction and operational emissions thresholds as established by SCAQMD will not be exceeded, nor will the number or severity of existing air quality violations be increased.

The construction and operation of the Project will not exceed the AQMP's daily emissions thresholds (as discussed in items b below) and will therefore not conflict with or obstruct implementation of the AQMP. There are no Los Angeles County Metropolitan Transportation Authority (MTA) Congestion Management Plan (CMP) arterial corridors or intersections within or along the Project site.

Project operations will result in negligible additional vehicle miles traveled (VMT) associated with employee trips. Since the Project will be located inside the City's Public Works facility, employees will walk to the site to check the system operations without the need for a vehicle. The mobile source project related air pollutant emissions associated with this Project will be negligible. Consequently, the Project will not conflict with or obstruct implementation of AQMP.

The South Coast Air Basin has established federal de minimis levels and attainment status for pollutants. Ozone is classified as extreme with a threshold of 10 tons per year, PM_{2.5} is classified as moderate with a threshold of 100 tons per year, and PM₁₀ is classified as serious with a threshold of 70 tons per year. Ozone is created when NO_x and ROG reacts with sunlight and heat, so NO_x and ROG are considered precursors to Ozone. The construction and operation of the proposed Project will not exceed any of the attainment thresholds based on emission estimates shown on Tables 2, will conform with State Implementation Plan and therefore, there will be no significant impact.

b) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is nonattainment under an applicable federal or state ambient air quality standard?

Less than Significant Impact. The SCAQMD provides guidance for evaluating air quality impacts of projects. Activities for the construction of the pumping well, pipeline, and treatment plant were modeled based on a similar Project schedule and equipment used. Table 1 identifies the Project schedule and Project activity examined. The CalEEMod calculates the construction related exhaust emissions from the construction of an extraction well and are quantified in pounds per day (lb/day). These exhaust emissions include Reactive Organic Gases [ROGs; also known as Volatile Organic Compounds (VOCs)], Nitrogen Oxide (NOX), Carbon Monoxide (CO), Sulfur Dioxide (SO₂), Particulate Matter with a diameter of 10 microns or less (PM₁₀), and Particulate Matter with a diameter of microns of 2.5 microns or less (PM_{2.5}). The significance of air quality impacts is based on the thresholds of significance established by the SCAQMD during any of the well construction phases.

Table 2 below identifies significance thresholds for potential air quality impacts as indicated by the SCAQMD. The air quality and global climate change impacts associated with the proposed Project would not result in a significant impact on air quality as all of the analyzed air pollutant emissions are significantly less than the SCAQMD threshold significances. Air emissions generated from the operations of the new well would be much less than the air emissions generated during the well construction phases; that is, the air quality and global climate change impacts associated with the operations of the proposed Well would also be less than the SCAQMD threshold significances.

Operation of the well and treatment plant will include periodic visits to the site to collect groundwater samplings and water level measurements, and to conduct inspection of the operation of the facility and occasional maintenance. Since the Project will be located inside the City's Public Works facility, employees will walk to the site to check the system operations without the need for a vehicle. Air emissions generated from the operations of the new well would be much less than the air emissions generated during the well construction phases; that is, the air quality and global climate change impacts associated with the operations of the proposed Well would also be less than the SCAQMD threshold significances.

c) Expose sensitive receptors to substantial pollutant concentrations?

Less than Significant Impact. If a project has the potential to result in emissions of any toxic air contaminants (TACs) or hazardous air pollutants (HAPs) which result in a cancer risk of greater than one in one million or a health hazard index of one or more, the project would be deemed to have a potentially significant impact. Sensitive receptors are defined as schools (preschool – 12th grade), hospitals, residential care facilities, day care centers, or other facilities that may house individuals with health conditions who would be adversely impacted by changes in air quality. Any project which has the potential to directly impact a sensitive receptor located within one mile and results in a health risk greater than the risk significance thresholds would be deemed to have a potentially significant

impact. The following sensitive receptors were identified to be located within one mile of the Project site: Santa Fe Lodge, Cherrylee Elementary School, Rio Hondo Preparatory School, Rio Hondo Middle School and Arroyo High School.

The State of California considers diesel exhaust particulate matter to be carcinogenic compounds. Diesel exhaust particulate matter will be emitted during construction due to the operation of construction equipment at the site. Since diesel exhaust particulate matter is considered to be carcinogenic, long-term exposure to diesel exhaust emissions have the potential to result in adverse health impacts.

As described in item (b) above, daily construction emissions will be below significant thresholds. Mitigation measures such as misting water spray would be implemented to reduce dust and particulate matter during construction. Impacts to sensitive receptors from construction related air emissions will be less than significant.

d) Create objectionable odors affecting a substantial number of people?

No Impact. The proposed Project operation will not create any objectionable odors. Any odors generated by the construction equipment (vehicle emission) will be temporary and controlled in accordance with SCAQMD Rule 402 (Nuisance Emissions). No impact is anticipated.

IV. BIOLOGICAL RESOURCES

Would the Project:

a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?

No Impact. A previous Environmental Assessment was performed for the City's Water Supply Wells Project. The previous project also evaluated compliance with the Endangered Species Act. As indicated in the Environmental Assessment, the City of Arcadia is urbanized and plant life is limited to non-native, introduced and ornamental species that area used for landscaping. The project site is located within a property that is currently developed for industrial use. The animal species common to the site and the surrounding area are typical of those found in an urbanized setting. No areas of the City function as a wildlife movement corridor. No locally designated species are located within the City. In addition, no significant mature trees (Heritage Trees) will be impacted by the proposed project. The project site is not located within an area governed by a habitat conservation or community conservation plan. There will be no impact.

b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?

No impact. A previous Environmental Assessment was performed for the City of Arcadia's Water Supply Wells Project. The previous project also evaluated compliance with the Endangered Species Act. As indicated in the Environmental Assessment, the City of Arcadia is urbanized and plant life is limited to non-native, introduced and ornamental species that area used for landscaping. The project site is located within a property that is currently developed for industrial use. No locally designated species are located within the City. In addition, no significant mature trees (Heritage Trees) will be impacted by the proposed project. The project site is not located within an area governed by a habitat conservation or community conservation plan. There will be no impact.

c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?

No impact. There are no federally protected wetlands within the project vicinity.

d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?

No Impact. A previous Environmental Assessment was performed for the City of Arcadia's Water Supply Wells Project. The previous project also evaluated compliance with the Endangered Species Act. As indicated in the Environmental Assessment, the City of Arcadia is urbanized and plant life is limited to non-native, introduced and ornamental species that area used for landscaping. The project site is located within a property that is currently developed for industrial use. The animal species common to the site and the surrounding area are typical of those found in an urbanized setting. No areas of the City function as a wildlife movement corridor. The project site is not located within an area governed by a habitat conservation or community conservation plan. There will be no impact.

e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?

No impact. The proposed project will not have any conflict with any local policies or ordinances protecting biological resources.

f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approval local, regional, or state habitat conservation plan?

No impact. The proposed project will not have any conflict with the provisions of any adopted Habitat Conservation Plan.

V. CULTURAL RESOURCES

Would the Project:

a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?

No Impact. A previous Environmental Assessment was performed for the City of Arcadia's Water Supply Wells Project, which is located in the general vicinity of the proposed Project. As indicated in the Environmental Assessment, a review of the National Register Information System identified that no cultural resource impacts are anticipated to occur. The Project will not cause a substantial adverse change in the significance of a historical resource as defined in §15064.5.

b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?

No Impact. A previous Environmental Assessment was performed for the City of Arcadia's Water Supply Wells Project. As indicated in the Environmental Assessment, a review of the National Register Information System identified that no cultural resource impacts are anticipated to occur. The proposed Project will not affect this property or any other historically significant site. As a result, the Project will not cause a substantial adverse change in the significance of an archaeological resource as defined in §15064.5.

c) Disturb any human remains, including those interred outside of formal cemeteries?

No Impact. The Project site is not historically or culturally significant to any group or individual. There are no cemeteries located in the immediate area that will be affected by the proposed Project. The only cemetery in the area is the Live Oak Cemetery (located on E Duarte Rd). As a result, the proposed Project will not disturb any human remains, including those interred outside of formal cemeteries.

VI. ENERGY

Would the Project:

- a) Result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?

Less Than Significant Impact. The Project would not require any new construction that could involve wasteful, inefficient, or unnecessary consumption of energy resources. Construction equipment which requires electricity would be gas or diesel powered. Additional energy would be needed to pump groundwater. However, the Project will include highly efficient well pumps, as such the consumption of energy resources for the Project would be less than significant.

- b) Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?

No Impact. The Project site would not interfere with any state or local plans for renewable energy or energy efficiency.

VII. GEOLOGY AND SOILS

Would the Project:

- a) Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:

- i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.

No impact. The Project area is not located within an Alquist-Priolo Earthquake Fault Zone.

- ii) Strong seismic ground shaking?

Less than Significant Impact. All construction activities, including grading work, will be performed in accordance with approved construction standards and practices. There will be no significant impact.

- iii) Seismic-related ground failure, including liquefaction?

No impact. A geotechnical investigation was performed as part of the preliminary design to determine the stability of the soil conditions in the Project area. The geotechnical investigation did not identify any seismic-related ground failure issue including liquefaction in the Project area.

iv) Landslides?

No impact. The proposed Project is not located within a potential landslide area as the terrain in the area is relatively flat.

b) Result in substantial soil erosion or the loss of topsoil?

No impact. A geotechnical investigation was performed as part of the preliminary design to determine the stability of the soil conditions in the Project area. The proposed Project will not result in soil erosion or loss of topsoil.

c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the Project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?

No impact. A geotechnical investigation was performed as part of the preliminary design to determine the stability of the soil conditions. The proposed Project will not be located on soil that is unstable, or that will become unstable as a result of the Project.

d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property?

No impact. A geotechnical investigation was performed as part of the preliminary design to determine the stability of the soil conditions. The Project will create no risk to life or property.

e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?

No impact. The proposed Project will not require the use of septic tanks or alternative waste water disposal system; therefore, there will be no impacts.

f) Directly or indirectly destroy a unique paleontological resource or site or unique geological feature?

No Impact. There are no known paleontological features or unique geologic features known to exist on the Project site. If any paleontological resources are encountered during construction, a qualified paleontologist would be contacted to assess the significance of the paleontological resource.

VIII. GREENHOUSE GAS EMISSIONS

Would the Project:

- a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?

Less than Significant Impact. Greenhouse gas (GHG) emissions will result from the use of construction equipment, construction worker vehicles, and truck haul trips during construction of the proposed Project and potentially from the occasional operation of an emergency generator. A computer model (CalEEMod version 2020.4.0) published by the SCAQMD has been used for the potential greenhouse gas emissions associated with the construction of an extraction well.

The GHG emissions include biologically generated carbon dioxide (Bio-CO₂), Non-Biologically generated carbon dioxide (NBio-CO₂), Methane (CH₄), and Nitrous Oxide (N₂O). The total carbon dioxide (Total CO₂) is the sum of Bio-CO₂ and NBio-CO₂. In addition, GHG emissions are typically reported in carbon dioxide equivalents (CO₂e) and are quantified in metric tons per year (MT/yr). Currently, the SCAQMD has not quantified the significance threshold for the GHG emissions; however, the SCAQMD Governing Board adopted the staff proposal on December 5, 2008 for an interim GHG significance threshold for projects where the SCAQMD is lead agency. The annual interim GHG significance for CO₂e is 3,000 MT/yr based on the relative GHG emissions contribution between residential/commercial sectors and stationary source (industrial) sectors. Since the proposed Project is located within the jurisdiction of the SCAQMD, the interim GHG significance threshold of 3,000 MT/yr for CO₂e is adopted in this analysis as the significance threshold. The operation of the proposed Project will not directly or indirectly contribute significantly to GHG over existing conditions.

- b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

No impact. The proposed Project will include the emission of a small amount of greenhouse gas primarily from diesel fuel utilized by the construction machinery. However, this is consistent with normal construction activities and will post no conflict with any applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases.

IX. HAZARDS AND HAZARDOUS MATERIALS

Would the Project:

- a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

Less than Significant Impact. Experienced professional contractors at the proposed Project site will perform physical site inspections, which may include visual inspections, collection of soil samples, and soil testing, to verify the safety of the proposed Project site before construction will be allowed to commence. If during construction of the Project, soil contamination is suspected, construction in the area will stop, and appropriate health and safety procedures will be implemented consistent with California Occupational Safety and Health Administration (CalOSHA) health and safety requirements. If the contractor believes that hazardous materials, as defined in Section 25117 of the Health and Safety Code, is present in the construction area, the contractor will take the steps necessary to contain the contaminant, evacuate the area in its current condition, and notify Department of Toxic Substances Control (DTSC) in writing. DTSC will promptly investigate the conditions, and if it is determined that contaminated soils exist, the extent of the contamination will be determined by the means of a Phase I Environmental Assessment (EA). If the Phase I EA concludes that the site is contaminated, a Phase II EA may be conducted, which will include the development of a sampling plan to determine the extent of the contamination and to help identify the remedial measures suitable for safe completion of the Project. If the extent of the contamination is small, excavation and transport of the soil to an appropriate Class I, Class II, or Class III disposal site in accordance to the provision of existing law, may be performed. If the extend of the contamination is large, all proper steps and procedures will be taken in accordance to the remedial measures identified in the Phase II EA. The Environmental Protection Agency and DTSC will provide regulatory oversight of any investigation and remediation of the Project site. Any construction waste generated by the proposed Project will be properly disposed of at an appropriate facility.

b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?

No Impact. The Project would not involve any hazardous waste, so there would be no risk to the public or the environment involving the Project.

c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

No Impact. The Project would not involve any hazardous emissions or handling of hazardous materials, substances, or waste. In addition, there are no schools within one-quarter mile of the Project site. Therefore, it would not pose a risk to existing or proposed school.

d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?

No impact. The proposed Project area is not included on a list of hazardous materials sites.

e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area?

Less than Significant Impact. The San Gabriel Valley Airport is about 1.8 miles southwest of the proposed Project. Ambient noise levels may increase temporarily in the Project vicinity. Appropriate sound reduction measures will be provided to ensure the noise level from the extraction wells does not exceed allowable levels. Because the noise levels are temporary and consistent with normal operation activity, there is no significant impact.

f) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?

No impact. The proposed Project will result in more secure water supply for the City to meet existing and future normal and emergency water operation system needs. The proposed Project will be performed in accordance with city approved traffic control plans and will not impair the implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan.

g) Expose people or structures, either directly or indirectly to a significant risk of loss, injury or death involving wildland fires?

No impact. The proposed Project area is not located near any wildlands and there will be no impact associated with wildland fires.

X. HYDROLOGY AND WATER QUALITY

Would the Project:

a) Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?

Less than Significant Impact. A routine part of the construction of water extraction wells requires temporary discharge to waste of extracted groundwater. It is estimated that each well will discharge to waste for approximately 90 hours, for a total discharge volume of approximately 130 acre-feet during construction. It

is anticipated that the extracted water will meet the Regional Water Quality Control Board's applicable standards for discharge to surface waters. Discharge will be in compliance with terms to be agreed upon by RWQCB and EPA.

b) Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?

No impact. The proposed Project will operate in compliance with the Main Basin Judgement. The judgment establishes a safe annual yield from the aquifer and oversees utilization of water rights within the basin and as a result, there will be no impact associated with depletion of groundwater supplies or recharge.

c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the additional of impervious surfaces, in a manner which would:

i. result in substantial erosion or siltation on- or off-site

No impact. The proposed Project will not alter the existing drainage pattern of the site or area in a manner which would result in substantial erosion or siltation on- or off-site.

ii. Substantially increase the rate or amount of surface water runoff in manner which would result in flooding on- or offsite;

No impact. The proposed Project will not substantially increase the rate or amount of surface water runoff in a manner which would result in substantial erosion or siltation on- or off-site.

iii. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff; or

No impact. The proposed Project will not create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff.

iv. Impede or redirect flood flows?

No impact. The proposed Project will not alter the existing drainage pattern of the site in a manner which would impede or redirect flood flows.

d) In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?

No impact. The proposed Project is not located in flood hazard, tsunami, or seiche zones.

e) Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?

No impact. The proposed Project will not be in conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan.

XI. LAND USE AND PLANNING

Would the Project:

a) Physically divide an established community?

No impact. Construction of the proposed Project will not physically divide an established community as the proposed Project will be located within the existing City's Public Works site.

b) Cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?

No Impact. The proposed Project will be constructed in a developed site that currently houses other public service facilities and will not conflict with any applicable land use plan, policy or regulation of an agency with jurisdiction over the Project.

XII. MINERAL RESOURCES

Would the Project:

a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?

No impact. The proposed Project will not result in the loss of availability of a known mineral source.

b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

No impact. The proposed Project will not affect any locally important mineral resource recovery site.

XIII. NOISE

Would the Project Result in:

a) Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?

Less than Significant Impact. Operation of the proposed extraction wells may increase current noise levels. An enclosure will cover the well to reduce noise impacts.

b) Generation of excessive groundborne vibration or groundborne noise levels?

Less than Significant Impact. An increase in groundborne vibration or noise levels may occur during the construction of the proposed Project. However, the increased levels will be temporary and typical of construction activities. Construction will be limited to the allowable hours per City ordinance. Operation of the proposed Project will not result in an increase in groundborne vibration or noise levels. There will be no significant impact.

c) For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?

Less than Significant Impact. The San Gabriel Valley Airport is about 1.8 miles southwest of the proposed Project. Ambient noise levels may increase temporarily in the Project vicinity. Appropriate sound reduction measures will be provided to ensure the noise level from the extraction wells does not exceed allowable levels. Because the noise levels are temporary and consistent with normal operation activity, there is no significant impact.

XIV. POPULATION AND HOUSING

Would the Project:

a) Induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

No impact. The proposed Project will not have any population growth inducing impact.

b) Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?

No Impact. The proposed Project will not displace any existing housing.

XV. PUBLIC SERVICES

Would the Project:

a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

Fire Protection
Police Protection
Schools
Parks
Other Public Facilities

No impact. The proposed Project will not result in the need for new or physically altered governmental facilities including fire protection, police protection, schools, parks, or other public facilities.

XVI. RECREATION

Would the Project:

a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?

No impact. The proposed Project will not increase the use of existing neighborhood and regional parks or other recreational facilities.

b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

No impact. The proposed Project does not include the construction or expansion of any recreational facilities.

XVII. TRANSPORTATION

Would the Project:

a) Conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?

Less than Significant. The Project would affect traffic patterns in the Project area as a result of construction. Construction may require temporary lane closure tapers. In accordance with the City, a proper on-site traffic circulation and control will be designed into the development with implementation of City regulations, impacts would be less than significant.

b) Conflict or be inconsistent with CEQA Guidelines Section 15064.3, subdivision (b)?

No impact. The proposed Project will not result in any conflict or be inconsistent with CEQA Guidelines.

c) Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?

No impact. There will be no changes to current roadway design that will cause substantially increased hazards. The proposed Project will not substantially increase hazards due to a design feature or incompatible uses.

d) Result in inadequate emergency access?

No impact. The proposed Project will not result in inadequate emergency access.

XVIII. TRIBAL CULTURAL RESOURCES

a) Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:

- i) Listed or eligible for listing in the California Register of Historical Resources, or in the local register of historical resources as defined in Public Resources Code Section 5020.1(k), or

Less Than Significant Impact. The proposed Project will not result in any changes or adverse impacts to tribal cultural resources. The proposed Project area is located within urban/developed land. In addition, the City has completed consultation with the local tribe, Gabrieleño Band of Mission Indians – Kizh Nation,

and will be retaining an approved Native American Monitor prior to commencement of any ground-disturbing activities to ensure proper handling of any potential tribal cultural resources discovery. The following proposed Tribal Cultural Resources (TCR) mitigation measures will be incorporated as part of the Project.

TCR-1: Retain a Native American Monitor Prior to Commencement of Ground-Disturbing Activities

- A. The project applicant/lead agency shall retain a Native American Monitor from or approved by the Gabrieleño Band of Mission Indians – Kizh Nation. The monitor shall be retained prior to the commencement of any “ground-disturbing activity” for the subject project at all project locations (i.e., both on-site and any off-site locations that are included in the project description/definition and/or required in connection with the project, such as public improvement work). “Ground-disturbing activity” shall include, but is not limited to, demolition, pavement removal, potholing, auguring, grubbing, tree removal, boring, grading, excavation, drilling, and trenching. Monitoring of well drilling shall be limited to 50 feet below surface level if the monitor determines the soils are still sensitive to potential Tribal Cultural Resources.
- B. A copy of the executed monitoring agreement shall be submitted to the lead agency prior to the earlier of the commencement of any ground-disturbing activity, or the issuance of any permit necessary to commence a ground-disturbing activity.
- C. The monitor will complete daily monitoring logs that will provide descriptions of the relevant ground-disturbing activities, the type of construction activities performed, locations of ground-disturbing activities, soil types, cultural-related materials, and any other facts, conditions, materials, or discoveries of significance to the Tribe. Monitor logs will identify and describe any discovered TCRs, including but not limited to, Native American cultural and historical artifacts, remains, places of significance, etc., (collectively, tribal cultural resources, or “TCR”), as well as any discovered Native American (ancestral) human remains and burial goods. Copies of monitor logs will be provided to the project applicant/lead agency upon written request to the Tribe.
- D. On-site tribal monitoring shall conclude upon the latter of the following (1) written confirmation to the Kizh from a designated point of contact for the project applicant/lead agency that all ground-disturbing activities and phases that may involve ground-disturbing activities on the project site or in connection with the project are complete; or (2) a determination and written notification by the Kizh to the project applicant/lead agency that no future, planned construction activity and/or development/construction phase at the project site possesses the potential to impact Kizh TCRs.

TCR-2: Unanticipated Discovery of Tribal Cultural Resource Objects (Non-Funerary/Non-Ceremonial)

- A. Upon discovery of any TCRs, all construction activities in the immediate vicinity of the discovery shall cease (i.e., not less than the surrounding 50 feet) and shall not resume for up to 48 hours until the discovered TCR has been fully assessed by the Kizh monitor and/or Kizh archaeologist. The Kizh will recover and retain all discovered TCRs in the form and/or manner the Tribe deems appropriate, in the Tribe's sole discretion, and for any purpose the Tribe deems appropriate, including for educational, cultural and/or historic purposes.

TCR-3: Unanticipated Discovery of Human Remains and Associated Funerary or Ceremonial Objects

- A. Native American human remains are defined in PRC 5097.98 (d)(1) as an inhumation or cremation, and in any state of decomposition or skeletal completeness. Funerary objects, called associated grave goods in Public Resources Code Section 5097.98, are also to be treated according to this statute.
- B. If Native American human remains and/or grave goods are discovered or recognized on the project site, then Public Resource Code 5097.9 as well as Health and Safety Code Section 7050.5 shall be followed.
- C. Human remains and grave/burial goods shall be treated alike per California Public Resources Code section 5097.98(d)(1) and (2).
- D. Preservation in place (i.e., avoidance) is the preferred manner of treatment for discovered human remains and/or burial goods.
- E. Any discovery of human remains/burial goods shall be kept confidential to prevent further disturbance.
 - ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.

Less Than Significant Impact. The City has completed consultation with the local tribe, Gabrieleno Band of Mission Indians – Kizh Nation, and will be retaining an approved Native American Monitor prior to commencement of any ground-disturbing activities to ensure proper handling of any potential tribal cultural resources discovery. See proposed TCR mitigation measures above.

XIX. UTILITIES AND SERVICE SYSTEMS

Would the Project:

a) Require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?

No impact. The proposed Project includes construction of a new well that would produce raw water to be treated and used as drinking water and will not cause significant environmental effects.

b) Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years from existing entitlements and resources, or are new or expanded entitlements needed?

No impact. The proposed Project will not require new potable water supplies.

c) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?

No impact. The proposed Project will not increase the existing demand to any wastewater treatment provider.

d) Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals??

No impact. Construction of the proposed Project will only generate a minor amount of solid waste and will not have any impact to the serving landfill.

e) Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?

No impact. The proposed Project will comply with federal, state, and local statutes and regulations related to solid waste.

XX. WILDFIRE

Would the project:

a) Substantially impair an adopted emergency response plan or emergency evacuation plan?

No impact. The proposed Project will not substantially impair an adopted emergency response plan or emergency evacuation plan.

- b) Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to, pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire?

No impact. The proposed Project will not exacerbate wildfire risks.

- c) Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?

No impact. The proposed Project will not require the installation or maintenance of associated infrastructure that may exacerbate fire risks or that may result in temporary or ongoing impacts to the environment.

- d) Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?

No impact. The proposed Project will not expose people or structures to significant risks.

XXI. MANDATORY FINDINGS OF SIGNIFICANCE

- a) Does the project have the potential to substantially degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?

No impact. The proposed Project does not have the potential to degrade the quality of the environment.

- b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively Considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?

No impact. The proposed Project will be constructed in an area with other public service facilities. The Project will not have impacts that are individually limited, but cumulatively considerable.

c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

No impact. The proposed Project does not have any environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly.

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2651 W Guadalupe Rd., Suite A209
Mesa Arizona 85202

GOLDRING WELL SITE MAP

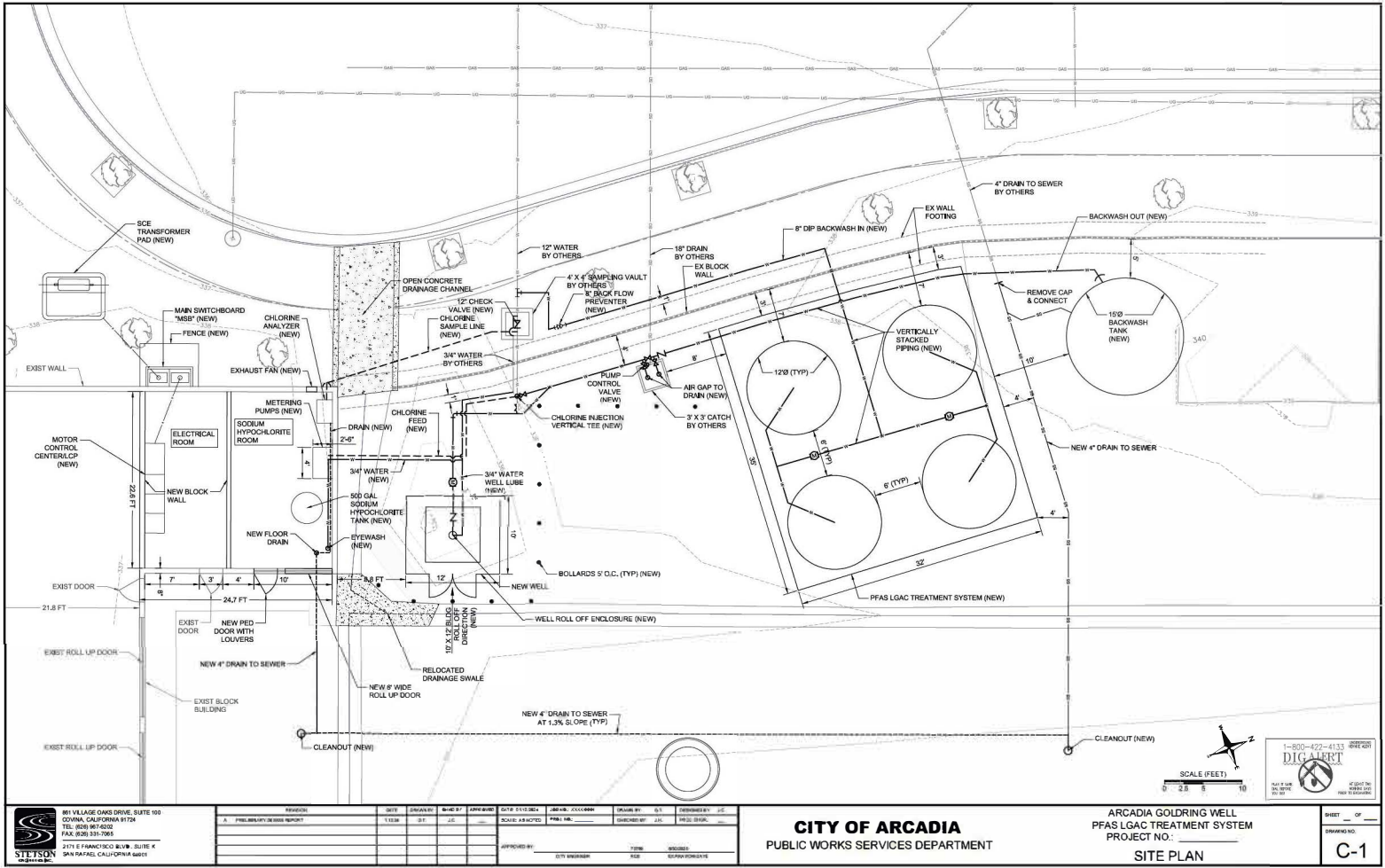


Table 1
Arcadia Well and Pipeline Construction and PFAS Treatment Plant Construction Schedule

Phase	Phase Type	Activity	Phase Type	Date Start	Date End	Working Days
1	Well and Pipeline Construction Site Preparation	Site Clean Up	Site Preparation	9/16/2024	9/20/2024	5
2	Pipeline Construction	Pipeline Construction	Construction	9/23/2024	11/15/2024	40
3	Well Construction	Well Construction	Construction	10/21/2024	2/7/2025	80
4	Well Test	Equipment Test	On-Site Test	2/10/2025	2/21/2025	10
5	Well Head Equipment Mobilization	Site Clean Up	Site Preparation	2/24/2025	2/28/2025	5
6	Well Head Construction	Well Construction	Construction	3/3/2025	6/11/2025	73*
7	Treatment Plant Site Preparation	Site Clean Up	Site Preparation	1/22/2025	1/26/2025	5
8	Treatment Plant Construction	Treatment Plant Construction	Construction	1/27/2025	5/16/2025	80
9	Treatment Plant Startup and Testing	Equipment Test	On-Site Test	5/19/2025	5/23/2025	5

Note:

* Duration of Well Head Construction schedule is 73 days in total; however, due to an intermittent working schedule, the actual working time is 40 days. Air emission calculation relies on the 73-day timeframe for conservative reasons.

Project Start and End dates shown in the Construction Schedule is subject to change and would not have any impact to the air emissions and GHG emissions calculation results as long as the construction duration remains the same.

Table 2
The CalEEMod Model Calculated Air Emissions of All analyzed Air Pollutants and CHG Emissions

Phase		ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
unit		lb/day	lb/day	lb/day	lb/day	lb/day	lb/day	lb/day	lb/day	lb/day	lb/day	MT/yr	MT/yr	MT/yr	MT/yr	MT/yr	MT/yr
Site Preparation	Onsite	1.094	11.578	10.960	0.021	0.023	0.484	0.507	0.003	0.445	0.447	0.000	4.643	4.643	0.002	0.000	4.681
	Offsite	0.022	0.052	0.250	0.001	0.157	0.001	0.158	0.040	0.001	0.041	0.000	0.193	0.193	0.000	0.000	0.196
	Total	1.116	11.630	11.209	0.022	0.181	0.484	0.665	0.043	0.446	0.488	0.000	4.836	4.836	0.002	0.000	4.877
Construction	Onsite	1.102	10.964	14.056	0.023	0.000	0.483	0.483	0.000	0.444	0.444	0.000	73.216	73.216	0.024	0.000	73.808
	Offsite	0.015	0.084	0.168	0.001	0.106	0.001	0.106	0.027	0.001	0.028	0.000	2.479	2.479	0.000	0.000	2.545
	Total	1.117	11.048	14.224	0.024	0.106	0.483	0.589	0.027	0.445	0.472	0.000	75.695	75.695	0.024	0.000	76.353
Pump Test	Onsite	0.835	8.734	5.395	0.014	4.528	0.348	4.877	2.484	0.321	2.804	0.000	6.190	6.190	0.002	0.000	6.240
	Offsite	0.022	0.014	0.250	0.001	0.089	0.000	0.090	0.024	0.000	0.024	0.000	0.000	0.000	0.000	0.000	0.000
	Total	0.857	8.748	5.645	0.015	4.618	0.349	4.967	2.508	0.321	2.829	0.000	6.190	6.190	0.002	0.000	6.240
Treatment Plant Test	Onsite	0.862	8.939	8.622	0.018	0.023	0.353	0.376	0.003	0.324	0.327	0.000	3.959	3.959	0.001	0.000	3.992
	Offsite	0.007	0.042	0.077	0.000	0.029	0.000	0.029	0.008	0.000	0.008	0.000	0.085	0.085	0.000	0.000	0.087
	Total	0.869	8.981	8.699	0.018	0.052	0.353	0.405	0.010	0.325	0.335	0.000	4.044	4.044	0.001	0.000	4.079
Operational	Total	0.083	0.086	0.893	0.002	0.233	0.001	0.235	0.062	0.001	0.063	0.000	30.920	30.920	0.002	0.001	31.353
Construction Maximum Daily Emission		1.12	11.63	14.22	0.02	4.62	0.48	4.97	2.51	0.45	2.83	0.00	75.70	75.70	0.02	0.00	76.35
SCAQMD Construction Threshold ¹		75	100	550	150	150	150	150	55	55	55						
Exceed Threshold		No	No	No	No	No	No	No	No	No	No						
SCAQMD Operation Threshold ¹		55	50	550	150	150	150	150	55	55	55						
Exceed Threshold		No	No	No	No	No	No	No	No	No	No						
SCAQMD Operation Threshold ²																	3,000
Exceed Threshold		No	No	No	No	No	No	No	No	No	No						No

Note:

Source of Threshold - SCAQMD Air Quality Significance Thresholds - April 2019

Source of CO_{2e} Threshold - Draft Guidance Document – Interim CEQA Greenhouse Gas (GHG) Significance Threshold (SCAQMD, October 2008)

lb/day - pound per dau

MT/yr - metric tons per year

ATTACHMENT A

City of Arcadia Air Emissions Report

Arcadia Well Construction and PFAS Treatment - Los Angeles-South Coast County, Annual

EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

Arcadia Well Construction and PFAS Treatment
Los Angeles-South Coast County, Annual**1.0 Project Characteristics****1.1 Land Usage**

Land Uses	Size	Metric	Lot Acreage	Floor Surface Area	Population
General Light Industry	5.00	1000sqft	0.11	5,000.00	0

1.2 Other Project Characteristics

Urbanization	Urban	Wind Speed (m/s)	2.2	Precipitation Freq (Days)	33
Climate Zone	9			Operational Year	2026
Utility Company					
CO2 Intensity (lb/MW hr)	0	CH4 Intensity (lb/MW hr)	0	N2O Intensity (lb/MW hr)	0

1.3 User Entered Comments & Non-Default Data

Project Characteristics - PFAS Treatment Plant and Goldring Well Construction.

Land Use - Construction site in a private owned property (approximately 5 acreages), actual construction area is less than 5000 square feet (less than 0.11 acreages).

Construction Phase - Required equipment and project schedule are based on the attached Well, Pipeline, and Treatment Plant construction and Schedule Note: Schedule for well head construction is 73-day; however, the actual working time is 40 days due to an intermittent working schedule. Calculation is based on the 73-day schedule for conservative reasons.

Off-road Equipment - Required equipment and project schedule are based on the attached Well Construction Equipment and Schedule

Trips and VMT - Required equipment and project schedule are based on the attached Well, Pipeline, and Treatment Plant construction and Schedule Construiion in a small designated open area, no demolition and minimal grading

On-road Fugitive Dust - Required equipment and project schedule are based on the attached Well, Pipeline, and Treatment Plant construction and Schedule Default is used

Demolition - Required equipment and project schedule are based on the attached Well Construction Equipment and Schedule No demolition

Grading - Required equipment and project schedule are based on the attached Well, Pipeline, and Treatment Plant construction and Schedule empty truck arrival, loaded truk departure

Arcadia Well Construction and PFAS Treatment - Los Angeles-South Coast County, Annual

EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

Architectural Coating - Required equipment and project schedule are based on the attached Well, Pipeline, and Treatment Plant construction and Schedule no architectural coatings

Vehicle Trips - Required equipment and project schedule are based on the attached Well, Pipeline, and Treatment Plant construction and Schedule Default is used

Vehicle Emission Factors - Required equipment and project schedule are based on the attached Well, Pipeline, and Treatment Plant construction and Schedule Default is used

Vehicle Emission Factors - Required equipment and project schedule are based on the attached Well Construction Equipment and Schedule Default is used

Vehicle Emission Factors - Required equipment and project schedule are based on the attached Well Construction Equipment and Schedule Default is used

Road Dust - Required equipment and project schedule are based on the attached Well, Pipeline, and Treatment Plant construction and Schedule Default is used

Woodstoves - The Project does not use Wooden stoves and hearths

Consumer Products - Default is used

Area Coating - Default is used

Landscape Equipment - Default is used

Energy Use - Default is used

Water And Wastewater - Default is used

Solid Waste - Default is used

Construction Off-road Equipment Mitigation - List treatment construction and well construction

Table Name	Column Name	Default Value	New Value
tblConstructionPhase	NumDays	100.00	40.00
tblConstructionPhase	NumDays	100.00	80.00
tblConstructionPhase	NumDays	100.00	73.00
tblConstructionPhase	NumDays	100.00	80.00
tblConstructionPhase	NumDays	1.00	5.00
tblConstructionPhase	NumDays	1.00	10.00
tblConstructionPhase	NumDays	1.00	5.00
tblConstructionPhase	NumDays	1.00	5.00
tblConstructionPhase	NumDays	1.00	5.00
tblConstructionPhase	PhaseEndDate	2/7/2025	11/15/2024

Arcadia Well Construction and PFAS Treatment - Los Angeles-South Coast County, Annual

EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

tblConstructionPhase	PhaseEndDate	6/27/2025	2/7/2025
tblConstructionPhase	PhaseEndDate	11/14/2025	6/11/2025
tblConstructionPhase	PhaseEndDate	4/3/2026	5/16/2025
tblConstructionPhase	PhaseEndDate	9/16/2024	9/20/2024
tblConstructionPhase	PhaseEndDate	9/17/2024	2/21/2025
tblConstructionPhase	PhaseEndDate	9/18/2024	3/1/2024
tblConstructionPhase	PhaseEndDate	9/19/2024	9/25/2024
tblConstructionPhase	PhaseEndDate	9/20/2024	5/23/2025
tblConstructionPhase	PhaseStartDate	9/21/2024	9/23/2024
tblConstructionPhase	PhaseStartDate	2/8/2025	10/21/2024
tblConstructionPhase	PhaseStartDate	6/28/2025	3/3/2025
tblConstructionPhase	PhaseStartDate	11/15/2025	1/27/2025
tblConstructionPhase	PhaseStartDate	9/17/2024	2/10/2025
tblConstructionPhase	PhaseStartDate	9/18/2024	2/24/2024
tblConstructionPhase	PhaseStartDate	9/20/2024	5/19/2025
tblGrading	AcresOfGrading	2.50	0.11
tblGrading	AcresOfGrading	7.50	0.11
tblGrading	AcresOfGrading	2.50	0.11
tblGrading	AcresOfGrading	2.50	0.11
tblGrading	AcresOfGrading	2.50	0.11
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	2.00	1.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	2.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	2.00
tblOffRoadEquipment	OffRoadEquipmentUnitAmount	1.00	2.00
tblOffRoadEquipment	UsageHours	8.00	6.00
tblOffRoadEquipment	UsageHours	8.00	7.00
tblTripsAndVMT	VendorTripNumber	1.00	0.00
tblTripsAndVMT	VendorTripNumber	0.00	1.00
tblTripsAndVMT	VendorTripNumber	0.00	1.00

Arcadia Well Construction and PFAS Treatment - Los Angeles-South Coast County, Annual

EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

tblTripsAndVMT	VendorTripNumber	0.00	1.00
tblTripsAndVMT	WorkerTripNumber	2.00	5.00
tblTripsAndVMT	WorkerTripNumber	18.00	2.00
tblTripsAndVMT	WorkerTripNumber	18.00	5.00
tblTripsAndVMT	WorkerTripNumber	15.00	2.00
tblTripsAndVMT	WorkerTripNumber	15.00	2.00

2.0 Emissions Summary

Arcadia Well Construction and PFAS Treatment - Los Angeles-South Coast County, Annual

EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**2.1 Overall Construction****Unmitigated Construction**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2024	0.0385	0.3989	0.3788	7.4000e-004	2.6000e-003	0.0171	0.0197	6.6000e-004	0.0158	0.0164	0.0000	65.1365	65.1365	0.0204	1.2000e-004	65.6829
2025	0.0773	0.7680	0.9518	1.6200e-003	0.0285	0.0333	0.0618	0.0140	0.0306	0.0446	0.0000	142.2509	142.2509	0.0446	3.9000e-004	143.4816
Maximum	0.0773	0.7680	0.9518	1.6200e-003	0.0285	0.0333	0.0618	0.0140	0.0306	0.0446	0.0000	142.2509	142.2509	0.0446	3.9000e-004	143.4816

Mitigated Construction

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Year	tons/yr										MT/yr					
2024	0.0385	0.3989	0.3788	7.4000e-004	2.6000e-003	0.0171	0.0197	6.6000e-004	0.0158	0.0164	0.0000	65.1365	65.1365	0.0204	1.2000e-004	65.6829
2025	0.0773	0.7680	0.9518	1.6200e-003	0.0285	0.0333	0.0618	0.0140	0.0306	0.0446	0.0000	142.2507	142.2507	0.0446	3.9000e-004	143.4815
Maximum	0.0773	0.7680	0.9518	1.6200e-003	0.0285	0.0333	0.0618	0.0140	0.0306	0.0446	0.0000	142.2507	142.2507	0.0446	3.9000e-004	143.4815

Arcadia Well Construction and PFAS Treatment - Los Angeles-South Coast County, Annual

EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio-CO2	Total CO2	CH4	N2O	CO2e
Percent Reduction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Quarter	Start Date	End Date	Maximum Unmitigated ROG + NOX (tons/quarter)	Maximum Mitigated ROG + NOX (tons/quarter)
1	9-16-2024	12-15-2024	0.4729	0.4729
2	12-16-2024	3-15-2025	0.3224	0.3224
3	3-16-2025	6-15-2025	0.5346	0.5346
		Highest	0.5346	0.5346

2.2 Overall Operational**Unmitigated Operational**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Area	0.0204	0.0000	6.0000e-005	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	1.2000e-004	1.2000e-004	0.0000	0.0000	1.3000e-004
Energy	4.8000e-004	4.4000e-003	3.7000e-003	3.0000e-005		3.3000e-004	3.3000e-004		3.3000e-004	3.3000e-004	0.0000	4.7921	4.7921	9.0000e-005	9.0000e-005	4.8206
Mobile	0.0133	0.0156	0.1452	3.3000e-004	0.0378	2.4000e-004	0.0380	0.0101	2.2000e-004	0.0103	0.0000	30.9196	30.9196	2.0200e-003	1.2800e-003	31.3527
Waste						0.0000	0.0000		0.0000	0.0000	1.2585	0.0000	1.2585	0.0744	0.0000	3.1180
Water						0.0000	0.0000		0.0000	0.0000	0.3668	0.0000	0.3668	0.0377	8.9000e-004	1.5738
Total	0.0342	0.0200	0.1490	3.6000e-004	0.0378	5.7000e-004	0.0384	0.0101	5.5000e-004	0.0106	1.6254	35.7117	37.3371	0.1142	2.2600e-003	40.8652

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2.2 Overall Operational

Mitigated Operational

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Area	0.0204	0.0000	6.0000e-005	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	1.2000e-004	1.2000e-004	0.0000	0.0000	1.3000e-004
Energy	4.8000e-004	4.4000e-003	3.7000e-003	3.0000e-005		3.3000e-004	3.3000e-004		3.3000e-004	3.3000e-004	0.0000	4.7921	4.7921	9.0000e-005	9.0000e-005	4.8206
Mobile	0.0133	0.0156	0.1452	3.3000e-004	0.0378	2.4000e-004	0.0380	0.0101	2.2000e-004	0.0103	0.0000	30.9196	30.9196	2.0200e-003	1.2800e-003	31.3527
Waste						0.0000	0.0000		0.0000	0.0000	1.2585	0.0000	1.2585	0.0744	0.0000	3.1180
Water						0.0000	0.0000		0.0000	0.0000	0.3668	0.0000	0.3668	0.0377	8.9000e-004	1.5738
Total	0.0342	0.0200	0.1490	3.6000e-004	0.0378	5.7000e-004	0.0384	0.0101	5.5000e-004	0.0106	1.6254	35.7117	37.3371	0.1142	2.2600e-003	40.8652

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio-CO2	Total CO2	CH4	N2O	CO2e
Percent Reduction	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

3.0 Construction Detail

Construction Phase

Phase Number	Phase Name	Phase Type	Start Date	End Date	Num Days Week	Num Days	Phase Description
1	Well and Pipeline Construction Mobilization	Site Preparation	9/16/2024	9/20/2024	5	5	Site preparation and mobilization
2	Pump Test	Site Preparation	2/10/2025	2/21/2025	5	10	Well Pump Test
3	Well Head Equipment Mobilization	Site Preparation	2/24/2024	3/1/2024	5	5	Mobilization

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4	PFAS Treatment Plant Mobilization	Site Preparation	9/19/2024	9/25/2024	5	5	Site Preparation and Mobilization
5	Treatment Plant Startup and Testing	Site Preparation	5/19/2025	5/23/2025	5	5	Well Equipment Procurement
6	Pipeline Construction	Building Construction	9/23/2024	11/15/2024	5	40	Pipeline Construction
7	Well Construction	Building Construction	10/21/2024	2/7/2025	5	80	Site Clean Up and Preparation
8	Well Head Construction	Building Construction	3/3/2025	6/11/2025	5	73	Well Head Construction
9	PFAS Treatment Plant Construction	Building Construction	1/27/2025	5/16/2025	5	80	Well Equipping Support

Acres of Grading (Site Preparation Phase): 0.11

Acres of Grading (Grading Phase): 0

Acres of Paving: 0

Residential Indoor: 0; Residential Outdoor: 0; Non-Residential Indoor: 0; Non-Residential Outdoor: 0; Striped Parking Area: 0 (Architectural Coating – sqft)

OffRoad Equipment

Phase Name	Offroad Equipment Type	Amount	Usage Hours	Horse Power	Load Factor
Well and Pipeline Construction Mobilization	Graders	1	8.00	187	0.41
Well and Pipeline Construction Mobilization	Tractors/Loaders/Backhoes	1	8.00	97	0.37
Pipeline Construction	Cranes	1	4.00	231	0.29
Pipeline Construction	Forklifts	2	6.00	89	0.20
Pipeline Construction	Graders	1	8.00	187	0.41
Pipeline Construction	Tractors/Loaders/Backhoes	1	8.00	97	0.37
Well Construction	Cranes	1	4.00	231	0.29
Well Construction	Forklifts	2	6.00	89	0.20
Well Construction	Tractors/Loaders/Backhoes	2	8.00	97	0.37
Pump Test	Graders	1	6.00	187	0.41
Pump Test	Rubber Tired Dozers	1	6.00	247	0.40
Pump Test	Tractors/Loaders/Backhoes	1	7.00	97	0.37
Well Head Equipment Mobilization	Cranes	1	4.00	231	0.29

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Well Head Equipment Mobilization	Forklifts	2	6.00	89	0.20
Well Head Equipment Mobilization	Graders	1	8.00	187	0.41
Well Head Equipment Mobilization	Tractors/Loaders/Backhoes	2	8.00	97	0.37
Well Head Equipment Mobilization	Tractors/Loaders/Backhoes	1	8.00	97	0.37
Well Head Construction	Cranes	1	4.00	231	0.29
Well Head Construction	Cranes	1	4.00	231	0.29
Well Head Construction	Forklifts	2	6.00	89	0.20
Well Head Construction	Forklifts	2	6.00	89	0.20
Well Head Construction	Tractors/Loaders/Backhoes	2	8.00	97	0.37
Well Head Construction	Tractors/Loaders/Backhoes	2	8.00	97	0.37
PFAS Treatment Plant Mobilization	Cranes	1	4.00	231	0.29
PFAS Treatment Plant Mobilization	Forklifts	2	6.00	89	0.20
PFAS Treatment Plant Mobilization	Graders	1	8.00	187	0.41
PFAS Treatment Plant Mobilization	Tractors/Loaders/Backhoes	2	8.00	97	0.37
PFAS Treatment Plant Construction	Cranes	1	4.00	231	0.29
PFAS Treatment Plant Construction	Forklifts	2	6.00	89	0.20
PFAS Treatment Plant Construction	Tractors/Loaders/Backhoes	2	8.00	97	0.37
Treatment Plant Startup and Testing	Cranes	1	4.00	231	0.29
Treatment Plant Startup and Testing	Forklifts	2	6.00	89	0.20
Treatment Plant Startup and Testing	Graders	1	8.00	187	0.41
Treatment Plant Startup and Testing	Tractors/Loaders/Backhoes	2	8.00	97	0.37

Trips and VMT

Phase Name	Offroad Equipment Count	Worker Trip Number	Vendor Trip Number	Hauling Trip Number	Worker Trip Length	Vendor Trip Length	Hauling Trip Length	Worker Vehicle Class	Vendor Vehicle Class	Hauling Vehicle Class
Well and Pipeline Construction Mobilization	2	5.00	0.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
Pipeline Construction	5	5.00	0.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
Well Construction	5	2.00	1.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT

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Pump Test	3	8.00	0.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
Well Head Equipment Mobilization	7	2.00	1.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
Well Head Equipment Mobilization	7	5.00	0.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
Well Head Construction	10	2.00	1.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
Well Head Construction	10	2.00	1.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
PFAS Treatment Plant Mobilization	6	2.00	1.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
PFAS Treatment Plant Construction	5	2.00	1.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT
Treatment Plant Startup and Testing	6	2.00	1.00	0.00	14.70	6.90	20.00	LD_Mix	HDT_Mix	HHDT

3.1 Mitigation Measures Construction**3.2 Well and Pipeline Construction Mobilization - 2024****Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					6.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	1.2500e-003	0.0140	9.7300e-003	2.0000e-005		5.0000e-004	5.0000e-004		4.6000e-004	4.6000e-004	0.0000	2.1370	2.1370	6.9000e-004	0.0000	2.1543
Total	1.2500e-003	0.0140	9.7300e-003	2.0000e-005	6.0000e-005	5.0000e-004	5.6000e-004	1.0000e-005	4.6000e-004	4.7000e-004	0.0000	2.1370	2.1370	6.9000e-004	0.0000	2.1543

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.2 Well and Pipeline Construction Mobilization - 2024****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	4.0000e-005	3.0000e-005	4.0000e-004	0.0000	1.4000e-004	0.0000	1.4000e-004	4.0000e-005	0.0000	4.0000e-005	0.0000	0.1060	0.1060	0.0000	0.0000	0.1068
Total	4.0000e-005	3.0000e-005	4.0000e-004	0.0000	1.4000e-004	0.0000	1.4000e-004	4.0000e-005	0.0000	4.0000e-005	0.0000	0.1060	0.1060	0.0000	0.0000	0.1068

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					6.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	1.2500e-003	0.0140	9.7300e-003	2.0000e-005		5.0000e-004	5.0000e-004		4.6000e-004	4.6000e-004	0.0000	2.1370	2.1370	6.9000e-004	0.0000	2.1543
Total	1.2500e-003	0.0140	9.7300e-003	2.0000e-005	6.0000e-005	5.0000e-004	5.6000e-004	1.0000e-005	4.6000e-004	4.7000e-004	0.0000	2.1370	2.1370	6.9000e-004	0.0000	2.1543

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.2 Well and Pipeline Construction Mobilization - 2024****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	4.0000e-005	3.0000e-005	4.0000e-004	0.0000	1.4000e-004	0.0000	1.4000e-004	4.0000e-005	0.0000	4.0000e-005	0.0000	0.1060	0.1060	0.0000	0.0000	0.1068
Total	4.0000e-005	3.0000e-005	4.0000e-004	0.0000	1.4000e-004	0.0000	1.4000e-004	4.0000e-005	0.0000	4.0000e-005	0.0000	0.1060	0.1060	0.0000	0.0000	0.1068

3.3 Pump Test - 2025**Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.0226	0.0000	0.0226	0.0124	0.0000	0.0124	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	4.1700e-003	0.0437	0.0270	7.0000e-005		1.7400e-003	1.7400e-003		1.6000e-003	1.6000e-003	0.0000	6.1902	6.1902	2.0000e-003	0.0000	6.2402
Total	4.1700e-003	0.0437	0.0270	7.0000e-005	0.0226	1.7400e-003	0.0244	0.0124	1.6000e-003	0.0140	0.0000	6.1902	6.1902	2.0000e-003	0.0000	6.2402

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.3 Pump Test - 2025****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	1.1000e-004	8.0000e-005	1.1800e-003	0.0000	4.4000e-004	0.0000	4.4000e-004	1.2000e-004	0.0000	1.2000e-004	0.0000	0.3275	0.3275	1.0000e-005	1.0000e-005	0.3301
Total	1.1000e-004	8.0000e-005	1.1800e-003	0.0000	4.4000e-004	0.0000	4.4000e-004	1.2000e-004	0.0000	1.2000e-004	0.0000	0.3275	0.3275	1.0000e-005	1.0000e-005	0.3301

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					0.0226	0.0000	0.0226	0.0124	0.0000	0.0124	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	4.1700e-003	0.0437	0.0270	7.0000e-005		1.7400e-003	1.7400e-003		1.6000e-003	1.6000e-003	0.0000	6.1902	6.1902	2.0000e-003	0.0000	6.2402
Total	4.1700e-003	0.0437	0.0270	7.0000e-005	0.0226	1.7400e-003	0.0244	0.0124	1.6000e-003	0.0140	0.0000	6.1902	6.1902	2.0000e-003	0.0000	6.2402

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.3 Pump Test - 2025****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	1.1000e-004	8.0000e-005	1.1800e-003	0.0000	4.4000e-004	0.0000	4.4000e-004	1.2000e-004	0.0000	1.2000e-004	0.0000	0.3275	0.3275	1.0000e-005	1.0000e-005	0.3301
Total	1.1000e-004	8.0000e-005	1.1800e-003	0.0000	4.4000e-004	0.0000	4.4000e-004	1.2000e-004	0.0000	1.2000e-004	0.0000	0.3275	0.3275	1.0000e-005	1.0000e-005	0.3301

3.4 Well Head Equipment Mobilization - 2024**Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					6.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	2.7300e-003	0.0289	0.0274	5.0000e-005		1.2100e-003	1.2100e-003		1.1100e-003	1.1100e-003	0.0000	4.6431	4.6431	1.5000e-003	0.0000	4.6806
Total	2.7300e-003	0.0289	0.0274	5.0000e-005	6.0000e-005	1.2100e-003	1.2700e-003	1.0000e-005	1.1100e-003	1.1200e-003	0.0000	4.6431	4.6431	1.5000e-003	0.0000	4.6806

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.4 Well Head Equipment Mobilization - 2024****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	1.0000e-004	4.0000e-005	0.0000	3.0000e-005	0.0000	3.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0448	0.0448	0.0000	1.0000e-005	0.0467
Worker	5.0000e-005	4.0000e-005	5.5000e-004	0.0000	3.6000e-004	0.0000	3.6000e-004	9.0000e-005	0.0000	9.0000e-005	0.0000	0.1483	0.1483	0.0000	0.0000	0.1495
Total	5.0000e-005	1.4000e-004	5.9000e-004	0.0000	3.9000e-004	0.0000	3.9000e-004	1.0000e-004	0.0000	1.0000e-004	0.0000	0.1931	0.1931	0.0000	1.0000e-005	0.1963

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					6.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	2.7300e-003	0.0289	0.0274	5.0000e-005		1.2100e-003	1.2100e-003		1.1100e-003	1.1100e-003	0.0000	4.6431	4.6431	1.5000e-003	0.0000	4.6806
Total	2.7300e-003	0.0289	0.0274	5.0000e-005	6.0000e-005	1.2100e-003	1.2700e-003	1.0000e-005	1.1100e-003	1.1200e-003	0.0000	4.6431	4.6431	1.5000e-003	0.0000	4.6806

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.4 Well Head Equipment Mobilization - 2024****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	1.0000e-004	4.0000e-005	0.0000	3.0000e-005	0.0000	3.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0448	0.0448	0.0000	1.0000e-005	0.0467
Worker	5.0000e-005	4.0000e-005	5.5000e-004	0.0000	3.6000e-004	0.0000	3.6000e-004	9.0000e-005	0.0000	9.0000e-005	0.0000	0.1483	0.1483	0.0000	0.0000	0.1495
Total	5.0000e-005	1.4000e-004	5.9000e-004	0.0000	3.9000e-004	0.0000	3.9000e-004	1.0000e-004	0.0000	1.0000e-004	0.0000	0.1931	0.1931	0.0000	1.0000e-005	0.1963

3.5 PFAS Treatment Plant Mobilization - 2024**Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					6.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	2.3700e-003	0.0253	0.0218	5.0000e-005		1.0400e-003	1.0400e-003		9.6000e-004	9.6000e-004	0.0000	3.9587	3.9587	1.2800e-003	0.0000	3.9907
Total	2.3700e-003	0.0253	0.0218	5.0000e-005	6.0000e-005	1.0400e-003	1.1000e-003	1.0000e-005	9.6000e-004	9.7000e-004	0.0000	3.9587	3.9587	1.2800e-003	0.0000	3.9907

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.5 PFAS Treatment Plant Mobilization - 2024****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	1.0000e-004	4.0000e-005	0.0000	2.0000e-005	0.0000	2.0000e-005	0.0000	0.0000	1.0000e-005	0.0000	0.0448	0.0448	0.0000	1.0000e-005	0.0467
Worker	1.0000e-005	1.0000e-005	1.6000e-004	0.0000	5.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0424	0.0424	0.0000	0.0000	0.0427
Total	1.0000e-005	1.1000e-004	2.0000e-004	0.0000	7.0000e-005	0.0000	8.0000e-005	1.0000e-005	0.0000	2.0000e-005	0.0000	0.0872	0.0872	0.0000	1.0000e-005	0.0895

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					6.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	2.3700e-003	0.0253	0.0218	5.0000e-005		1.0400e-003	1.0400e-003		9.6000e-004	9.6000e-004	0.0000	3.9587	3.9587	1.2800e-003	0.0000	3.9907
Total	2.3700e-003	0.0253	0.0218	5.0000e-005	6.0000e-005	1.0400e-003	1.1000e-003	1.0000e-005	9.6000e-004	9.7000e-004	0.0000	3.9587	3.9587	1.2800e-003	0.0000	3.9907

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.5 PFAS Treatment Plant Mobilization - 2024****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	1.0000e-004	4.0000e-005	0.0000	2.0000e-005	0.0000	2.0000e-005	0.0000	0.0000	1.0000e-005	0.0000	0.0448	0.0448	0.0000	1.0000e-005	0.0467
Worker	1.0000e-005	1.0000e-005	1.6000e-004	0.0000	5.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0424	0.0424	0.0000	0.0000	0.0427
Total	1.0000e-005	1.1000e-004	2.0000e-004	0.0000	7.0000e-005	0.0000	8.0000e-005	1.0000e-005	0.0000	2.0000e-005	0.0000	0.0872	0.0872	0.0000	1.0000e-005	0.0895

3.6 Treatment Plant Startup and Testing - 2025**Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					6.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	2.1600e-003	0.0224	0.0216	5.0000e-005		8.8000e-004	8.8000e-004		8.1000e-004	8.1000e-004	0.0000	3.9594	3.9594	1.2800e-003	0.0000	3.9915
Total	2.1600e-003	0.0224	0.0216	5.0000e-005	6.0000e-005	8.8000e-004	9.4000e-004	1.0000e-005	8.1000e-004	8.2000e-004	0.0000	3.9594	3.9594	1.2800e-003	0.0000	3.9915

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.6 Treatment Plant Startup and Testing - 2025****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	1.0000e-004	4.0000e-005	0.0000	2.0000e-005	0.0000	2.0000e-005	0.0000	0.0000	1.0000e-005	0.0000	0.0440	0.0440	0.0000	1.0000e-005	0.0459
Worker	1.0000e-005	1.0000e-005	1.5000e-004	0.0000	5.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0409	0.0409	0.0000	0.0000	0.0413
Total	1.0000e-005	1.1000e-004	1.9000e-004	0.0000	7.0000e-005	0.0000	8.0000e-005	1.0000e-005	0.0000	2.0000e-005	0.0000	0.0849	0.0849	0.0000	1.0000e-005	0.0872

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Fugitive Dust					6.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Off-Road	2.1600e-003	0.0224	0.0216	5.0000e-005		8.8000e-004	8.8000e-004		8.1000e-004	8.1000e-004	0.0000	3.9594	3.9594	1.2800e-003	0.0000	3.9914
Total	2.1600e-003	0.0224	0.0216	5.0000e-005	6.0000e-005	8.8000e-004	9.4000e-004	1.0000e-005	8.1000e-004	8.2000e-004	0.0000	3.9594	3.9594	1.2800e-003	0.0000	3.9914

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.6 Treatment Plant Startup and Testing - 2025****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	1.0000e-004	4.0000e-005	0.0000	2.0000e-005	0.0000	2.0000e-005	0.0000	0.0000	1.0000e-005	0.0000	0.0440	0.0440	0.0000	1.0000e-005	0.0459
Worker	1.0000e-005	1.0000e-005	1.5000e-004	0.0000	5.0000e-005	0.0000	6.0000e-005	1.0000e-005	0.0000	1.0000e-005	0.0000	0.0409	0.0409	0.0000	0.0000	0.0413
Total	1.0000e-005	1.1000e-004	1.9000e-004	0.0000	7.0000e-005	0.0000	8.0000e-005	1.0000e-005	0.0000	2.0000e-005	0.0000	0.0849	0.0849	0.0000	1.0000e-005	0.0872

3.7 Pipeline Construction - 2024**Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.0161	0.1736	0.1298	3.0000e-004		7.0100e-003	7.0100e-003		6.4500e-003	6.4500e-003	0.0000	26.1945	26.1945	8.4700e-003	0.0000	26.4063
Total	0.0161	0.1736	0.1298	3.0000e-004		7.0100e-003	7.0100e-003		6.4500e-003	6.4500e-003	0.0000	26.1945	26.1945	8.4700e-003	0.0000	26.4063

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.7 Pipeline Construction - 2024****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	3.0000e-004	2.2000e-004	3.1700e-003	1.0000e-005	1.1000e-003	1.0000e-005	1.1000e-003	2.9000e-004	1.0000e-005	3.0000e-004	0.0000	0.8476	0.8476	2.0000e-005	2.0000e-005	0.8544
Total	3.0000e-004	2.2000e-004	3.1700e-003	1.0000e-005	1.1000e-003	1.0000e-005	1.1000e-003	2.9000e-004	1.0000e-005	3.0000e-004	0.0000	0.8476	0.8476	2.0000e-005	2.0000e-005	0.8544

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.0161	0.1736	0.1298	3.0000e-004		7.0100e-003	7.0100e-003		6.4500e-003	6.4500e-003	0.0000	26.1945	26.1945	8.4700e-003	0.0000	26.4063
Total	0.0161	0.1736	0.1298	3.0000e-004		7.0100e-003	7.0100e-003		6.4500e-003	6.4500e-003	0.0000	26.1945	26.1945	8.4700e-003	0.0000	26.4063

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.7 Pipeline Construction - 2024****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Worker	3.0000e-004	2.2000e-004	3.1700e-003	1.0000e-005	1.1000e-003	1.0000e-005	1.1000e-003	2.9000e-004	1.0000e-005	3.0000e-004	0.0000	0.8476	0.8476	2.0000e-005	2.0000e-005	0.8544
Total	3.0000e-004	2.2000e-004	3.1700e-003	1.0000e-005	1.1000e-003	1.0000e-005	1.1000e-003	2.9000e-004	1.0000e-005	3.0000e-004	0.0000	0.8476	0.8476	2.0000e-005	2.0000e-005	0.8544

3.8 Well Construction - 2024**Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.0155	0.1553	0.1838	3.0000e-004		7.3400e-003	7.3400e-003		6.7500e-003	6.7500e-003	0.0000	26.0630	26.0630	8.4300e-003	0.0000	26.2738
Total	0.0155	0.1553	0.1838	3.0000e-004		7.3400e-003	7.3400e-003		6.7500e-003	6.7500e-003	0.0000	26.0630	26.0630	8.4300e-003	0.0000	26.2738

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.8 Well Construction - 2024****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	3.0000e-005	1.0500e-003	3.8000e-004	0.0000	1.6000e-004	1.0000e-005	1.7000e-004	5.0000e-005	0.0000	5.0000e-005	0.0000	0.4657	0.4657	2.0000e-005	7.0000e-005	0.4860
Worker	1.5000e-004	1.2000e-004	1.6500e-003	0.0000	5.7000e-004	0.0000	5.7000e-004	1.5000e-004	0.0000	1.5000e-004	0.0000	0.4407	0.4407	1.0000e-005	1.0000e-005	0.4443
Total	1.8000e-004	1.1700e-003	2.0300e-003	0.0000	7.3000e-004	1.0000e-005	7.4000e-004	2.0000e-004	0.0000	2.0000e-004	0.0000	0.9064	0.9064	3.0000e-005	8.0000e-005	0.9303

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.0155	0.1553	0.1838	3.0000e-004		7.3400e-003	7.3400e-003		6.7500e-003	6.7500e-003	0.0000	26.0630	26.0630	8.4300e-003	0.0000	26.2737
Total	0.0155	0.1553	0.1838	3.0000e-004		7.3400e-003	7.3400e-003		6.7500e-003	6.7500e-003	0.0000	26.0630	26.0630	8.4300e-003	0.0000	26.2737

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.8 Well Construction - 2024****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	3.0000e-005	1.0500e-003	3.8000e-004	0.0000	1.6000e-004	1.0000e-005	1.7000e-004	5.0000e-005	0.0000	5.0000e-005	0.0000	0.4657	0.4657	2.0000e-005	7.0000e-005	0.4860
Worker	1.5000e-004	1.2000e-004	1.6500e-003	0.0000	5.7000e-004	0.0000	5.7000e-004	1.5000e-004	0.0000	1.5000e-004	0.0000	0.4407	0.4407	1.0000e-005	1.0000e-005	0.4443
Total	1.8000e-004	1.1700e-003	2.0300e-003	0.0000	7.3000e-004	1.0000e-005	7.4000e-004	2.0000e-004	0.0000	2.0000e-004	0.0000	0.9064	0.9064	3.0000e-005	8.0000e-005	0.9303

3.8 Well Construction - 2025**Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	7.7100e-003	0.0768	0.0984	1.6000e-004		3.3800e-003	3.3800e-003		3.1100e-003	3.1100e-003	0.0000	14.0414	14.0414	4.5400e-003	0.0000	14.1549
Total	7.7100e-003	0.0768	0.0984	1.6000e-004		3.3800e-003	3.3800e-003		3.1100e-003	3.1100e-003	0.0000	14.0414	14.0414	4.5400e-003	0.0000	14.1549

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.8 Well Construction - 2025****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	1.0000e-005	5.6000e-004	2.0000e-004	0.0000	9.0000e-005	0.0000	9.0000e-005	3.0000e-005	0.0000	3.0000e-005	0.0000	0.2462	0.2462	1.0000e-005	4.0000e-005	0.2570
Worker	8.0000e-005	6.0000e-005	8.3000e-004	0.0000	3.1000e-004	0.0000	3.1000e-004	8.0000e-005	0.0000	8.0000e-005	0.0000	0.2293	0.2293	1.0000e-005	1.0000e-005	0.2310
Total	9.0000e-005	6.2000e-004	1.0300e-003	0.0000	4.0000e-004	0.0000	4.0000e-004	1.1000e-004	0.0000	1.1000e-004	0.0000	0.4755	0.4755	2.0000e-005	5.0000e-005	0.4881

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	7.7100e-003	0.0768	0.0984	1.6000e-004		3.3800e-003	3.3800e-003		3.1100e-003	3.1100e-003	0.0000	14.0414	14.0414	4.5400e-003	0.0000	14.1549
Total	7.7100e-003	0.0768	0.0984	1.6000e-004		3.3800e-003	3.3800e-003		3.1100e-003	3.1100e-003	0.0000	14.0414	14.0414	4.5400e-003	0.0000	14.1549

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.8 Well Construction - 2025****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	1.0000e-005	5.6000e-004	2.0000e-004	0.0000	9.0000e-005	0.0000	9.0000e-005	3.0000e-005	0.0000	3.0000e-005	0.0000	0.2462	0.2462	1.0000e-005	4.0000e-005	0.2570
Worker	8.0000e-005	6.0000e-005	8.3000e-004	0.0000	3.1000e-004	0.0000	3.1000e-004	8.0000e-005	0.0000	8.0000e-005	0.0000	0.2293	0.2293	1.0000e-005	1.0000e-005	0.2310
Total	9.0000e-005	6.2000e-004	1.0300e-003	0.0000	4.0000e-004	0.0000	4.0000e-004	1.1000e-004	0.0000	1.1000e-004	0.0000	0.4755	0.4755	2.0000e-005	5.0000e-005	0.4881

3.9 Well Head Construction - 2025**Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.0402	0.4002	0.5131	8.3000e-004		0.0176	0.0176		0.0162	0.0162	0.0000	73.2159	73.2159	0.0237	0.0000	73.8079
Total	0.0402	0.4002	0.5131	8.3000e-004		0.0176	0.0176		0.0162	0.0162	0.0000	73.2159	73.2159	0.0237	0.0000	73.8079

Arcadia Well Construction and PFAS Treatment - Los Angeles-South Coast County, Annual

EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.9 Well Head Construction - 2025****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	8.0000e-005	2.9300e-003	1.0600e-003	1.0000e-005	7.9000e-004	1.0000e-005	8.0000e-004	2.1000e-004	1.0000e-005	2.3000e-004	0.0000	1.2839	1.2839	4.0000e-005	1.9000e-004	1.3401
Worker	4.0000e-004	2.9000e-004	4.3000e-003	1.0000e-005	2.9900e-003	1.0000e-005	3.0000e-003	7.7000e-004	1.0000e-005	7.7000e-004	0.0000	1.1954	1.1954	3.0000e-005	3.0000e-005	1.2047
Total	4.8000e-004	3.2200e-003	5.3600e-003	2.0000e-005	3.7800e-003	2.0000e-005	3.8000e-003	9.8000e-004	2.0000e-005	1.0000e-003	0.0000	2.4793	2.4793	7.0000e-005	2.2000e-004	2.5448

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.0402	0.4002	0.5131	8.3000e-004		0.0176	0.0176		0.0162	0.0162	0.0000	73.2158	73.2158	0.0237	0.0000	73.8078
Total	0.0402	0.4002	0.5131	8.3000e-004		0.0176	0.0176		0.0162	0.0162	0.0000	73.2158	73.2158	0.0237	0.0000	73.8078

Arcadia Well Construction and PFAS Treatment - Los Angeles-South Coast County, Annual

EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.9 Well Head Construction - 2025****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	8.0000e-005	2.9300e-003	1.0600e-003	1.0000e-005	7.9000e-004	1.0000e-005	8.0000e-004	2.1000e-004	1.0000e-005	2.3000e-004	0.0000	1.2839	1.2839	4.0000e-005	1.9000e-004	1.3401
Worker	4.0000e-004	2.9000e-004	4.3000e-003	1.0000e-005	2.9900e-003	1.0000e-005	3.0000e-003	7.7000e-004	1.0000e-005	7.7000e-004	0.0000	1.1954	1.1954	3.0000e-005	3.0000e-005	1.2047
Total	4.8000e-004	3.2200e-003	5.3600e-003	2.0000e-005	3.7800e-003	2.0000e-005	3.8000e-003	9.8000e-004	2.0000e-005	1.0000e-003	0.0000	2.4793	2.4793	7.0000e-005	2.2000e-004	2.5448

3.10 PFAS Treatment Plant Construction - 2025**Unmitigated Construction On-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.0220	0.2193	0.2811	4.6000e-004		9.6500e-003	9.6500e-003		8.8800e-003	8.8800e-003	0.0000	40.1183	40.1183	0.0130	0.0000	40.4427
Total	0.0220	0.2193	0.2811	4.6000e-004		9.6500e-003	9.6500e-003		8.8800e-003	8.8800e-003	0.0000	40.1183	40.1183	0.0130	0.0000	40.4427

Arcadia Well Construction and PFAS Treatment - Los Angeles-South Coast County, Annual

EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.10 PFAS Treatment Plant Construction - 2025****Unmitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	4.0000e-005	1.6100e-003	5.8000e-004	1.0000e-005	2.5000e-004	1.0000e-005	2.6000e-004	7.0000e-005	1.0000e-005	8.0000e-005	0.0000	0.7035	0.7035	2.0000e-005	1.0000e-004	0.7343
Worker	2.2000e-004	1.6000e-004	2.3600e-003	1.0000e-005	8.8000e-004	0.0000	8.8000e-004	2.3000e-004	0.0000	2.4000e-004	0.0000	0.6550	0.6550	2.0000e-005	2.0000e-005	0.6601
Total	2.6000e-004	1.7700e-003	2.9400e-003	2.0000e-005	1.1300e-003	1.0000e-005	1.1400e-003	3.0000e-004	1.0000e-005	3.2000e-004	0.0000	1.3585	1.3585	4.0000e-005	1.2000e-004	1.3944

Mitigated Construction On-Site

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Off-Road	0.0220	0.2193	0.2811	4.6000e-004		9.6500e-003	9.6500e-003		8.8800e-003	8.8800e-003	0.0000	40.1182	40.1182	0.0130	0.0000	40.4426
Total	0.0220	0.2193	0.2811	4.6000e-004		9.6500e-003	9.6500e-003		8.8800e-003	8.8800e-003	0.0000	40.1182	40.1182	0.0130	0.0000	40.4426

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied**3.10 PFAS Treatment Plant Construction - 2025****Mitigated Construction Off-Site**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Hauling	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Vendor	4.0000e-005	1.6100e-003	5.8000e-004	1.0000e-005	2.5000e-004	1.0000e-005	2.6000e-004	7.0000e-005	1.0000e-005	8.0000e-005	0.0000	0.7035	0.7035	2.0000e-005	1.0000e-004	0.7343
Worker	2.2000e-004	1.6000e-004	2.3600e-003	1.0000e-005	8.8000e-004	0.0000	8.8000e-004	2.3000e-004	0.0000	2.4000e-004	0.0000	0.6550	0.6550	2.0000e-005	2.0000e-005	0.6601
Total	2.6000e-004	1.7700e-003	2.9400e-003	2.0000e-005	1.1300e-003	1.0000e-005	1.1400e-003	3.0000e-004	1.0000e-005	3.2000e-004	0.0000	1.3585	1.3585	4.0000e-005	1.2000e-004	1.3944

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

4.0 Operational Detail - Mobile**4.1 Mitigation Measures Mobile**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Mitigated	0.0133	0.0156	0.1452	3.3000e-004	0.0378	2.4000e-004	0.0380	0.0101	2.2000e-004	0.0103	0.0000	30.9196	30.9196	2.0200e-003	1.2800e-003	31.3527
Unmitigated	0.0133	0.0156	0.1452	3.3000e-004	0.0378	2.4000e-004	0.0380	0.0101	2.2000e-004	0.0103	0.0000	30.9196	30.9196	2.0200e-003	1.2800e-003	31.3527

4.2 Trip Summary Information

Land Use	Average Daily Trip Rate			Unmitigated	Mitigated
	Weekday	Saturday	Sunday	Annual VMT	Annual VMT
General Light Industry	24.80	9.95	25.00	100,554	100,554
Total	24.80	9.95	25.00	100,554	100,554

4.3 Trip Type Information

Land Use	Miles			Trip %			Trip Purpose %		
	H-W or C-W	H-S or C-C	H-O or C-NW	H-W or C-W	H-S or C-C	H-O or C-NW	Primary	Diverted	Pass-by
General Light Industry	16.60	8.40	6.90	59.00	28.00	13.00	92	5	3

4.4 Fleet Mix

Land Use	LDA	LDT1	LDT2	MDV	LHD1	LHD2	MHD	HHD	OBUS	UBUS	MCY	SBUS	MH
General Light Industry	0.537891	0.065289	0.189998	0.126515	0.023567	0.006518	0.011114	0.008084	0.000933	0.000591	0.025474	0.000708	0.003318

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

5.0 Energy Detail

Historical Energy Use: N

5.1 Mitigation Measures Energy

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Electricity Mitigated						0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Electricity Unmitigated						0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
NaturalGas Mitigated	4.8000e-004	4.4000e-003	3.7000e-003	3.0000e-005		3.3000e-004	3.3000e-004		3.3000e-004	3.3000e-004	0.0000	4.7921	4.7921	9.0000e-005	9.0000e-005	4.8206
NaturalGas Unmitigated	4.8000e-004	4.4000e-003	3.7000e-003	3.0000e-005		3.3000e-004	3.3000e-004		3.3000e-004	3.3000e-004	0.0000	4.7921	4.7921	9.0000e-005	9.0000e-005	4.8206

Arcadia Well Construction and PFAS Treatment - Los Angeles-South Coast County, Annual

EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

5.2 Energy by Land Use - NaturalGas

Unmitigated

	NaturalGas Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU/yr	tons/yr										MT/yr					
General Light Industry	89800	4.8000e-004	4.4000e-003	3.7000e-003	3.0000e-005		3.3000e-004	3.3000e-004		3.3000e-004	3.3000e-004	0.0000	4.7921	4.7921	9.0000e-005	9.0000e-005	4.8206
Total		4.8000e-004	4.4000e-003	3.7000e-003	3.0000e-005		3.3000e-004	3.3000e-004		3.3000e-004	3.3000e-004	0.0000	4.7921	4.7921	9.0000e-005	9.0000e-005	4.8206

Mitigated

	NaturalGas Use	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Land Use	kBTU/yr	tons/yr										MT/yr					
General Light Industry	89800	4.8000e-004	4.4000e-003	3.7000e-003	3.0000e-005		3.3000e-004	3.3000e-004		3.3000e-004	3.3000e-004	0.0000	4.7921	4.7921	9.0000e-005	9.0000e-005	4.8206
Total		4.8000e-004	4.4000e-003	3.7000e-003	3.0000e-005		3.3000e-004	3.3000e-004		3.3000e-004	3.3000e-004	0.0000	4.7921	4.7921	9.0000e-005	9.0000e-005	4.8206

5.3 Energy by Land Use - Electricity

Unmitigated

	Electricity Use	Total CO2	CH4	N2O	CO2e
Land Use	kWh/yr	MT/yr			
General Light Industry	54300	0.0000	0.0000	0.0000	0.0000
Total		0.0000	0.0000	0.0000	0.0000

Mitigated

	Electricity Use	Total CO2	CH4	N2O	CO2e
Land Use	kWh/yr	MT/yr			
General Light Industry	54300	0.0000	0.0000	0.0000	0.0000
Total		0.0000	0.0000	0.0000	0.0000

6.0 Area Detail

6.1 Mitigation Measures Area

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
Category	tons/yr										MT/yr					
Mitigated	0.0204	0.0000	6.0000e-005	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	1.2000e-004	1.2000e-004	0.0000	0.0000	1.3000e-004
Unmitigated	0.0204	0.0000	6.0000e-005	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	1.2000e-004	1.2000e-004	0.0000	0.0000	1.3000e-004

6.2 Area by SubCategory**Unmitigated**

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	tons/yr										MT/yr					
Architectural Coating	2.3200e-003					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Consumer Products	0.0181					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Landscaping	1.0000e-005	0.0000	6.0000e-005	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	1.2000e-004	1.2000e-004	0.0000	0.0000	1.3000e-004
Total	0.0204	0.0000	6.0000e-005	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	1.2000e-004	1.2000e-004	0.0000	0.0000	1.3000e-004

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

6.2 Area by SubCategory

Mitigated

	ROG	NOx	CO	SO2	Fugitive PM10	Exhaust PM10	PM10 Total	Fugitive PM2.5	Exhaust PM2.5	PM2.5 Total	Bio- CO2	NBio- CO2	Total CO2	CH4	N2O	CO2e
SubCategory	tons/yr										MT/yr					
Architectural Coating	2.3200e-003					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Consumer Products	0.0181					0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Landscaping	1.0000e-005	0.0000	6.0000e-005	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	1.2000e-004	1.2000e-004	0.0000	0.0000	1.3000e-004
Total	0.0204	0.0000	6.0000e-005	0.0000		0.0000	0.0000		0.0000	0.0000	0.0000	1.2000e-004	1.2000e-004	0.0000	0.0000	1.3000e-004

7.0 Water Detail

7.1 Mitigation Measures Water

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

	Total CO2	CH4	N2O	CO2e
Category	MT/yr			
Mitigated	0.3668	0.0377	8.9000e-004	1.5738
Unmitigated	0.3668	0.0377	8.9000e-004	1.5738

7.2 Water by Land Use**Unmitigated**

	Indoor/Outdoor Use	Total CO2	CH4	N2O	CO2e
Land Use	Mgal	MT/yr			
General Light Industry	1.15625 / 0	0.3668	0.0377	8.9000e-004	1.5738
Total		0.3668	0.0377	8.9000e-004	1.5738

7.2 Water by Land Use

Mitigated

	Indoor/Outdoor Use	Total CO2	CH4	N2O	CO2e
Land Use	Mgal	MT/yr			
General Light Industry	1.15625 / 0	0.3668	0.0377	8.9000e-004	1.5738
Total		0.3668	0.0377	8.9000e-004	1.5738

8.0 Waste Detail

8.1 Mitigation Measures Waste

Category/Year

	Total CO2	CH4	N2O	CO2e
	MT/yr			
Mitigated	1.2585	0.0744	0.0000	3.1180
Unmitigated	1.2585	0.0744	0.0000	3.1180

8.2 Waste by Land Use

Unmitigated

	Waste Disposed	Total CO2	CH4	N2O	CO2e
Land Use	tons	MT/yr			
General Light Industry	6.2	1.2585	0.0744	0.0000	3.1180
Total		1.2585	0.0744	0.0000	3.1180

Mitigated

	Waste Disposed	Total CO2	CH4	N2O	CO2e
Land Use	tons	MT/yr			
General Light Industry	6.2	1.2585	0.0744	0.0000	3.1180
Total		1.2585	0.0744	0.0000	3.1180

9.0 Operational Offroad

Equipment Type	Number	Hours/Day	Days/Year	Horse Power	Load Factor	Fuel Type

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EMFAC Off-Model Adjustment Factors for Gasoline Light Duty Vehicle to Account for the SAFE Vehicle Rule Not Applied

10.0 Stationary Equipment

Fire Pumps and Emergency Generators

Equipment Type	Number	Hours/Day	Hours/Year	Horse Power	Load Factor	Fuel Type

Boilers

Equipment Type	Number	Heat Input/Day	Heat Input/Year	Boiler Rating	Fuel Type

User Defined Equipment

Equipment Type	Number

11.0 Vegetation

Mitigated Negative Declaration

Date: February 10, 2025

Subject: CEQA Mitigated Negative Declaration
City of Arcadia Goldring Well and PFAS Treatment Plant

Background

The City of Arcadia (City) serves water to over 57,000 residents, primarily with water pumped from the Main San Gabriel Basin (Main Basin), the West Unit of the Raymond Basin (Pasadena Subarea), and the East Unit of the Raymond Basin (Santa Anita Subarea). The City's water supply system consists of eleven (11) active wells with a combined capacity of over 12,000 gallons per minute (gpm), nine (9) booster pump stations, fifteen (15) active reservoirs, two (2) active water forebays, and over 168 miles of distribution pipelines distributing flows into nine (9) pressure zones to over 13,400 service connections.

To enhance the water supply for the City and the City of Sierra Madre ("Sierra Madre"), the City and Sierra Madre are partnering to design, permit, construct, and operate a new well in the Main Basin.

Project Description

The proposed project consists of the construction and operation of a groundwater production well, the construction and operation of a Granular Activated Carbon (GAC) or Ion Exchange (IX) treatment system with pre-filters consisting of 2 pairs of vessels for the removal of Per and Polyfluoroalkyl substances (PFAS) from the extracted groundwater, the construction and operation of a new 30,000 gallons backwash tank with a new 4-inch diameter sewer pipeline, and the construction and operation of a new 30-inch diameter Reinforced Concrete Pipe (RCP) storm drain pipeline approximately 1,400 feet in length connecting from the cul-de-sac at Kardashian Avenue and Goldring Road, going westerly on Randolph Street and connecting to the existing 57-inch RCP on Peck Road (Project). The City of Arcadia's (City) Goldring Well will be located approximately 200 feet south of the intersection of Kardashian Avenue and Goldring Road, within the existing City's Public Works Yard.

The proposed Project is located in an open, paved and graded property with a total size of approximately 5 acres owned by the City. The project construction site for the well, pipeline, and PFAS treatment plant is constrained to a designated area covering roughly 5,000 square feet, equivalent to 0.15 acres in total.

Project Location:

Within the City of Arcadia, Intersection of Kardashian Avenue and Goldring Road

Proposed Findings:

The proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. The facts supporting these findings are presented in the attached Initial Environmental Study (IES) prepared for this project.

EXHIBIT "B"

Responses to Public Comments Initial Environmental Study City of Arcadia Goldring Well and PFAS Treatment Plant Project

An Initial Environmental Study for the City of Arcadia (City) Goldring Well and PFAS Treatment Plant Project was made available for public review and comment for a period of 30 days; commencing on February 10, 2025 and ending on March 11, 2025. During the review period, the City, the lead agency under the California Environmental Quality Act, received one comment letter from public agencies on the Initial Environmental Study. The City has evaluated the comments received and prepared written responses.

The following public agency submitted comments on the Initial Environmental Study. A copy of the comment letter along with a written response to each comment is included.

Comment Letters

1. State Water Resources Control Board, Division of Drinking Water, March 11, 2025.

**City of Arcadia Goldring Well and PFAS Treatment Plant Project
Responses to Comments by State Water Resources Control Board,
Division of Drinking Water (DDW), March 11, 2025**

Based on the comments provided by DDW, the City's responses are as follows:

1. In the event granular activated carbon (GAC) is selected as the treatment technology, the spent carbon will be taken by a licensed contractor to a reactivation facility or a disposal facility permitted to handle the spent carbon. A backwash tank may be necessary to contain the backwash water generated during the carbon change out process, before the water can be slowly discharged to the sanitary sewer line. In the event single-pass ion exchange (IX) is selected as the treatment technology, the spent resin will be taken to a licensed disposal facility for incineration. A regenerable IX treatment system will not be used, therefore, brine will not be generated at the site. There is no contaminant waste stream associated with a single-pass IX system.
2. A new Flow Control Valve will be installed at the 8-inch diameter emergency interconnection located at 234 W. Sierra Madre Blvd., in the City of Arcadia, and will be monitored and controlled by the City's SCADA System.

The new Well will deliver water directly to the City's distribution system, where storage reservoirs regulate pressures and deliveries to meet water demands. When water demands are increased either from the City's distribution system or a call for water from the City of Sierra Madre, reservoir levels will be decreased and the new Well will be called on at a given set point in order to refill the reservoirs. Since fluctuating system demands are addressed by the reservoirs, a variable frequency drive (VFD) to vary well flow rates is not necessary. Delivery of flows from the Well directly into the distribution system will be performed gradually using an automated pump control valve to allow slow ramping up and down of flows to avoid sudden surges in system pressures.

State Water Resources Control Board

March 11, 2024

Tiffany Lee
City of Arcadia
11800 Goldring Road
Arcadia, CA 91066

CITY OF ARCADIA (ARCADIA), INITIAL STUDY/MITIGATED NEGATIVE
DECLARATION (IS/MND) FOR THE CITY OF ARCADIA GOLDRING WELL AND
PFAS TREATMENT PLANT (PROJECT); STATE CLEARINGHOUSE # 2025020361

Dear Tiffany:

Thank you for the opportunity to review the IS/MND for the proposed Project. The State Water Resources Control Board, Division of Drinking Water (State Water Board, DDW) is responsible for issuing water supply permits pursuant to the Safe Drinking Water Act. This Project is within the jurisdiction of the State Water Board, DDW Angeles and Hollywood Districts. DDW Angeles District and DDW Hollywood District issues domestic water supply permit amendments to public water systems pursuant to Waterworks Standards (Title 22 California Code of Regulations [Cal Code Regs.] chapter 16 et. seq.). A public water system requires a water supply permit amendment when changes are made to a domestic water supply source, storage, or treatment and for the operation of new water system components- as specified in the Cal. Code Regs. § 64556. Arcadia will need to apply for a water supply permit amendment from the Angeles District for the addition of a new drinking water source and any associated treatment(s). The City of Sierra Madre (Sierra Madre) currently has an emergency interconnection with Arcadia. Once the Project is constructed by Arcadia and permitted by the Angeles District, Sierra Madre will apply for their own permit amendment from the Hollywood District to change the status of their interconnection from “emergency” to “active”.

The State Water Board, DDW, as a responsible agency under the California Environmental Quality Act (CEQA), has the following comments on Arcadia’s IS/MND:

- Under 8. Description of the Project, please discuss:
 - The maintenance and operation of the well and granular activated carbon or ion exchange treatment. Per and polyfluoroalkyl substances (PFAS) is a hazardous substance; how will the PFAS waste residuals from treatment be disposed of? If ion exchange is used, there will be brine waste in addition to the PFAS waste which may contain both brine and PFAS. How would the brine be treated and where would it go?

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

- How the water will be distributed to Sierra Madre.

When the CEQA review process is completed, please forward the following items with the permit application to the State Water Board, DDW Angeles District Office at DWPDIST22@waterboards.ca.gov and to the State Water Board, DDW Hollywood District Office at DWPDIST07@waterboards.ca.gov:

- The IS/MND and the Mitigation Monitoring and Reporting Plan (MMRP);
- All comment letters received and the lead agency responses as appropriate;
- The Resolution or Board Minutes adopting the IS/MND and MMRP and approving the Project; and
- The date stamped Notice of Determination filed at the Los Angeles County Clerk's Office and the State Clearinghouse.

Please contact Lori Schmitz of the State Water Board at (916) 449-5285 or Lori.Schmitz@waterboards.ca.gov, for questions regarding this comment letter.

Sincerely,

Lori Schmitz
Environmental Scientist
Division of Financial Assistance
Special Project Review Unit
1001 I Street, 16th floor
Sacramento, CA 95814

Cc:

State Clearinghouse

Dmitriy Ginzburg
District Engineer
Hollywood District

James Ko
Associate Sanitary Engineer
Hollywood District

Bill Liang
District Engineer
Angeles District

Ofelia Oracion

Tiffany Lee

- 3 -

March 11, 2025

Sanitary Engineer
Angeles District

Jose Reynoso
City Manager
Sierra Madre

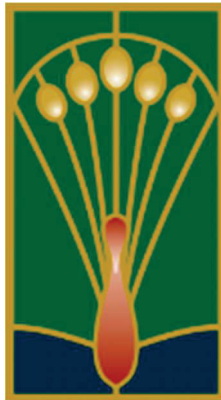
Steven McGee
Water Superintendent
Sierra Madre

EXHIBIT "C"

California Environmental Quality Act MITIGATION MONITORING AND REPORTING Program

City of Arcadia Goldring Well and PFAS Treatment Plant

*Lead
Agency:*



*City of Arcadia
240 W. Huntington Drive
Arcadia, CA 91007
(626) 254-2721
Contact: Tiffany Lee,
Senior Civil Engineer*

Prepared by:



*Stetson Engineers Inc.
861 S. Village Oaks, Dr., Suite 100
Covina, CA 91724
(626) 967-6202*

I. Introduction

To ensure that the mitigation measures identified in a project's Initial Study are implemented, the California Environmental Quality Act (CEQA) requires the Lead Agency for a project to adopt a program for monitoring or reporting on the measures it has imposed to mitigate or avoid significant environmental effects. As specifically set forth in Section 15097(c) of the CEQA Guidelines, the public agency may choose whether its program will monitor mitigation, report on mitigation, or both. "Monitoring" is generally an ongoing or periodic process of project oversight, while "reporting" generally consists of a written compliance review that is presented to the decision-making body or authorized staff person.

An Initial Study/Mitigated Negative Declaration (IS/MND) has been prepared to address the City of Arcadia Goldring Well and PFAS Treatment Plant's (Project) potential environmental impacts. The evaluation of the Project includes mitigation measures to avoid or substantially lessen potentially significant impacts to less-than-significant levels. Specifically, the IS/MND includes mitigation measures related to the following environmental issue area: Air Quality, Hazards and Hazardous Materials, Noise and Tribal Cultural Resources. This Mitigation Monitoring and Reporting Program (MMRP) is designed to monitor implementation of these Project-specific mitigation measures.

II. Purpose

The overall intent of this MMRP is to:

- Verify compliance with mitigation measures identified in the IS/MND prepared for the Proposed Project;
- Provide a framework to document implementation of the identified mitigation measures;
- Provide a record of mitigation requirements;
- Identify monitoring and enforcement agencies;
- Establish and clarify administrative procedures for the clearance of mitigation measures; and
- Establish the frequency and duration of monitoring.

III. Organization

As shown in Table 1, each mitigation measure for the Proposed Project is listed by environmental issue area, with accompanying information identifying the:

- Enforcement Agency – the agency with the power to enforce the Project's mitigation measures.
- Monitoring Agency – the agency to which reports involving compliance and implementation of the mitigation measures are made.
- Monitoring Phase – the phase of the Project (e.g., pre-construction, construction, architectural coatings, occupation, etc.) during which the mitigation measure shall be monitored.
- Monitoring Frequency – the frequency at which the mitigation measure shall be monitored during the phase identified in the prior column.
- Action Indicating Compliance – the action or actions by which the enforcement/monitoring agency indicates that compliance with the identified mitigation measure has been determined.

Table 1 – Mitigation Monitoring and Reporting Program

No.	Mitigation Measures	Enforcement Agency	Monitoring Agency	Monitoring Phase	Monitoring Frequency	Action Indicating Compliance
Air Quality						
AIR-1	Daily construction emissions will be below significant thresholds. Mitigation measures such as misting water spray would be implemented to reduce dust and particulate matter during construction. Impacts to sensitive receptors from construction related air emissions will be less than significant.	City of Arcadia Public Works Department	City of Arcadia Public Works Department	Construction	During all specified ground disturbing activities	Submittal of compliance documentation by field inspector
Hazards and Hazardous Materials						
HAZ-1	Experienced professional contractors at the proposed Project site will perform physical site inspections, which may include visual inspections, collection of soil samples, and soil testing, to verify the safety of the proposed Project site before construction will be allowed to commence. If during construction of the Project, soil contamination is suspected, construction in the area will stop, and appropriate health and safety procedures will be implemented consistent with California Occupational Safety and Health Administration (CalOSHA) health and safety requirements. If the contractor believes that hazardous materials, as defined in Section 25117 of the Health and Safety Code, is present in the construction area, the contractor will take the steps necessary to contain the contaminant, evacuate the area in its current condition, and notify Department of Toxic Substances Control (DTSC) in writing. DTSC will promptly investigate the conditions, and if it is determined that contaminated soils exist, the extent of the contamination will be determined by the means of a Phase I Environmental Assessment (EA). If the Phase I EA concludes that the site is contaminated, a Phase II EA may be conducted, which will include the development of a sampling plan to determine the extent of the contamination and to help identify the remedial measures suitable for safe completion of the Project. If the extent of the contamination is small, excavation and transport of the soil to an appropriate Class I, Class II, or Class III disposal site in accordance to the provision of existing law, may be performed. If the extend of the contamination is large, all proper steps and procedures will be taken in accordance to the remedial measures identified in the Phase II EA. The Environmental Protection Agency and DTSC will provide regulatory oversight of any investigation and remediation of the Project site. Any construction waste generated by the proposed Project will be properly disposed of at an appropriate facility.	City of Arcadia Public Works Department	City of Arcadia Public Works Department	Construction	During all specified ground disturbing activities	Submittal of compliance documentation by field inspector

Noise						
NOI-1	An increase in groundborne vibration or noise levels may occur during the construction of the proposed Project. However, the increased levels will be temporary and typical of construction activities. Construction will be limited to the allowable hours per City ordinance. Operation of the proposed Project will not result in an increase in groundborne vibration or noise levels. There will be no significant impact. The San Gabriel Valley Airport is about 1.8 miles southwest of the proposed Project. Ambient noise levels may increase temporarily in the Project vicinity. Appropriate sound reduction measures will be provided to ensure the noise level from the extraction wells does not exceed allowable levels. Because the noise levels are temporary and consistent with normal operation activity, there is no significant impact.	City of Arcadia Public Works Department	City of Arcadia Public Works Department	Construction	During all specified ground disturbing activities	Submittal of compliance documentation by field inspector
Tribal Cultural Resources						
TCR-1	The project applicant/lead agency shall retain a Native American Monitor from or approved by the Gabrieleño Band of Mission Indians – Kizh Nation. The monitor shall be retained prior to the commencement of any "ground-disturbing activity" for the subject project at all project locations (i.e., both on-site and any off-site locations that are included in the project description/definition and/or required in connection with the project, such as public improvement work). "Ground-disturbing activity" shall include, but is not limited to, demolition, pavement removal, potholing, auguring, grubbing, tree removal, boring, grading, excavation, drilling, and trenching. Monitoring of well drilling shall be limited to 50 feet below surface level if the monitor determines the soils are still sensitive to potential Tribal Cultural Resources. A copy of the executed monitoring agreement shall be submitted to the lead agency prior to the earlier of the commencement of any ground-disturbing activity, or the issuance of any permit necessary to commence a ground-disturbing activity. The monitor will complete daily monitoring logs that will provide descriptions of the relevant ground-disturbing activities, the type of construction activities performed, locations of ground-disturbing activities, soil types, cultural-related materials, and any other facts, conditions, materials, or discoveries of significance to the Tribe. Monitor logs will identify and describe any discovered TCRs, including but not limited to, Native American cultural and historical artifacts, remains, places of significance, etc., (collectively, tribal cultural resources, or "TCR"), as well as any discovered Native American (ancestral) human remains and burial goods. Copies of monitor logs will be provided to the project applicant/lead agency upon written request to the Tribe. On-site tribal monitoring shall conclude upon the latter of the following (1) written confirmation to the Kizh from a designated point of contact for the project applicant/lead agency that all ground-disturbing activities and phases that may involve ground-disturbing activities on the project site or in connection with the project are complete; or (2) a determination and written notification by the Kizh to the project applicant/lead agency that no future, planned construction activity and/or development/construction phase at the project site possesses the potential to impact Kizh TCRs.	City of Arcadia Public Works Department	City of Arcadia Public Works Department	Construction	During all specified ground disturbing activities	Submittal of compliance documentation by tribal monitor

TCR-2	Upon discovery of any TCRs, all construction activities in the immediate vicinity of the discovery shall cease (i.e., not less than the surrounding 50 feet) and shall not resume for up to 48 hours until the discovered TCR has been fully assessed by the Kizh monitor and/or Kizh archaeologist. The Kizh will recover and retain all discovered TCRs in the form and/or manner the Tribe deems appropriate, in the Tribe's sole discretion, and for any purpose the Tribe deems appropriate, including for educational, cultural and/or historic purposes.	City of Arcadia Public Works Department	City of Arcadia Public Works Department	Construction	During all specified ground disturbing activities	Submittal of compliance documentation by tribal monitor
TCR-3	Native American human remains are defined in PRC 5097.98 (d)(1) as an inhumation or cremation, and in any state of decomposition or skeletal completeness. Funerary objects, called associated grave goods in Public Resources Code Section 5097.98, are also to be treated according to this statute. If Native American human remains and/or grave goods are discovered or recognized on the project site, then Public Resource Code 5097.9 as well as Health and Safety Code Section 7050.5 shall be followed. Human remains and grave/burial goods shall be treated alike per California Public Resources Code section 5097.98(d)(1) and (2). Preservation in place (i.e., avoidance) is the preferred manner of treatment for discovered human remains and/or burial goods. Any discovery of human remains/burial goods shall be kept confidential to prevent further disturbance. A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	City of Arcadia Public Works Department	City of Arcadia Public Works Department	Construction	During all specified ground disturbing activities	Submittal of compliance documentation by tribal monitor



STAFF REPORT

Office of the City Manager

DATE: April 1, 2025

TO: Honorable Mayor and City Council

FROM: Dominic Lazzaretto, City Manager
By: Justine Bruno, Deputy City Manager

SUBJECT: ORDINANCE NO. 2403 AMENDING ARTICLE V, CHAPTER 6 OF THE
ARCADIA MUNICIPAL CODE AND ADOPTING BY REFERENCE THE
LOS ANGELES COUNTY HEALTH CODE

CEQA: Not a Project

Recommendation: Adopt

SUMMARY

At its regular meeting of March 4, 2025, the City Council introduced Ordinance No. 2403 and set a public hearing for April 1, 2025. Ordinance No. 2403 amends Article V, Chapter 6 of the Arcadia Municipal Code and adopts by reference the Los Angeles County Health Code. The March 4 agenda item also included authorization for the City Manager to enter into a Public Services Contract with the Los Angeles County Department of Public Health. Refer to Attachment No. 1 for the full text of the Ordinance and Attachment No. 2 for the March 4, 2025, City Council Staff Report.

It is recommended that the City Council adopt Ordinance No. 2403, amending Article V of the Arcadia Municipal Code relating to Sanitation and Health, and adopt by reference the Los Angeles County Health Code.

DISCUSSION

Arcadia uses the Los Angeles County Public Health Code as the "Health Code" for the City. The Los Angeles County Department of Public Health ("Public Health") has approached 85 cities within Los Angeles County, including Arcadia, about modernizing the agreement that provides public health services for cities. In the process of updating and modernizing the Public Services Contract between Arcadia and Los Angeles County, the ordinance to adopt the Health Code by reference has also been modernized for readoption.

California law allows for contracts between cities and counties for the administration of public health services, including any ordinances regarding public health, sanitation, and

inspection services, with any such enforcement actions performed by a County Health Officer. To emphasize the City's desire to continue having the Los Angeles County Health Department provide these services for Arcadia, its residents, and businesses, it is recommended that the City Council conduct a second reading of Ordinance No. 2403 for adoption, resulting in an updated Municipal Code that reflects current laws and regulations.

A Public Hearing Notice was published in the *Arcadia Weekly* on March 10 and March 17, 2025; no comments have been received. If approved, Ordinance No. 2403 will take effect on the thirty-first day following its adoption.

It is recommended that the City Council adopt Ordinance No. 2403, amending Article V of the Arcadia Municipal Code relating to Sanitation and Health, and adopt by reference the Los Angeles County Health Code.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA") Guidelines per Section 15061(b)(3), as it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

In general, Los Angeles County Public Health provides for the local administration of public health services to Arcadia and other cities, on a no-cost basis. Any costs for inspection services requested by the City will be done within current budgets. There is no fiscal impact resulting from the adoption of the proposed ordinance.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and adopt Ordinance No. 2403, amending Article V, Chapter 6 of the Arcadia Municipal Code and adopting by reference the Los Angeles County Health Code.

Attachment No. 1: Ordinance No. 2403

Attachment No. 2: March 4, 2025, City Council Staff Report (with attachments)

Attachment No. 1

ORDINANCE NO. 2403

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, AMENDING ARTICLE V, CHAPTER 6 OF THE ARCADIA MUNICIPAL CODE AND ADOPTING BY REFERENCE THE LOS ANGELES COUNTY HEALTH CODE

WHEREAS, the City Council of the City of Arcadia utilizes the Los Angeles County Public Health Code as the “Health Code” for the City of Arcadia; and

WHEREAS, on April 5, 2011, the City Council adopted by reference, the Los Angeles County Public Health Code, as approved by the Board of Supervisors through October 19, 2010, together with such amendments thereafter as may be enacted by the County, such that it is made a part of the Arcadia Municipal Code; and

WHEREAS, the Los Angeles County Health Department seeks to execute a new contract for the provision of public health services to local jurisdictions that have opted into this service and adopted, in whole or in part, the Los Angeles County Public Health Code; and

WHEREAS, the last contract for the provision of public health services between the City of Arcadia and the Los Angeles County Health Department was executed in 1964, and is in need of modernization; and

WHEREAS, as part of the contract modernization process, the City Council seeks to reaffirm its selection of the Los Angeles County Health Department to provide public health services in the City of Arcadia by readopting Article V, Chapter 6 of the Arcadia Municipal Code.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 5600 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read in its entirety as follows:

“Section 5600. THE LOS ANGELES COUNTY HEALTH CODE. ADOPTION. The Health Code of the County of Los Angeles, as approved by the Board of Supervisors through September 10, 2024, and codified as Division 1 of Title 11 of the Los Angeles County Code, together with such amendments thereafter as may hereafter be enacted by the County, is hereby adopted and by this reference made a part of the Arcadia Municipal Code with the same force and effect as though fully set forth herein. A copy of said "Health Code" is on file and open to inspection in the Office of the City Clerk. Where, in any specific case, there is a difference between the City of Arcadia Municipal Code and the Los Angeles County Health Code, the most restrictive shall govern. When there is a conflict between a general requirement and a specific requirement, the specific requirement shall be applicable. In the event that there is an inconsistency or conflict between any provision of the County Health Code and any other provision of the Arcadia Municipal Code, then such other conflicting provision of the Arcadia Municipal Code shall have precedence.”

SECTION 2. Section 5601.2 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read as follows: “Section 5601.2 SAME. SAME. Whenever the term "County" or "County of Los Angeles" or any abbreviation thereof in said Health Code refers to a person engaged in or charged with the enforcement of any provision of the said Health Code, it shall be interpreted and deemed to mean the "Health Officer" or the "Director" of public health of the county of Los Angeles.”

SECTION 3. Section 5601.3 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read as follows: "Section 5601.3 SAME. SAME. Whenever the term "Health Officer", "Officer", or "Director" appears in said Health Code, it shall be interpreted and deemed to mean the "City Health Officer" or "City Health Director." Throughout the term of any contract between the City and another public agency for the enforcement of the provisions of this Chapter by such other public agency, the term shall mean the Health Officer or the Health Director of such other public agency."

SECTION 4. Section 5601.5 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read as follows: "Section 5601.5 SAME. SAME. The provisions of Chapter 11.38 of said Health Code shall not apply to the City of Arcadia or any of its departments or agencies."

SECTION 5. Section 5602.1 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read as follows: "Section 5602.1 SAME. ADDITION. A new Section 11.32.010.1 is hereby added to the Health Code to read as follows:

Sec. 11.32.010.1. SAME. PUBLIC USE OF PRIVATE POOLS. This Chapter shall likewise apply to all private pools designed for use by, available for use to, or used by the occupants of five (5) or more dwelling units."

SECTION 6. Section 5602.6 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read as follows: "Section 5602.6 SAME. ADDITIONS. New Sections 11.16.070.1, 11.16.070.2, 11.16.070.2.1, 11.16.070.2.2, 11.16.070.2.3, 11.16.070.2.4 and 11.16.070.3 are hereby added to the Health Code, the same to read respectively as follows:

Sec. 11.16.070.1. DISPOSAL OF MEDICAL SUPPLIES. No person shall dispose of, leave or discard, outside of the portion of a building in his possession, any container, bottle, syringe, hypodermic needle, hypodermic syringe, needle designed for or used in the dispensing, giving or injecting of medicine, drugs as defined by Section 4403 of the Business and Professions Code, or poisons as defined by Section 4160 of the Business and Professions Code, or any bandage, dressing or gauze that has been used in the treating or caring for an infectious disease. Medicine as used in this Section shall include drugs intended for use in the diagnosis, care, mitigation, treatment or prevention of disease, disorders, sickness or ailment in human beings or animals.

Sec. 11.16.070.2. SAME. METHODS. Items described in the preceding Section shall be disposed of in the manner prescribed in the following subsections.

Sec. 11.16.070.2.1. SAME. SAME. LIQUID AND SOFT WASTES. All fluid and soft material wastes, soiled paper tissue and other similar materials which can be properly disposed of through the sanitary sewer system, shall be disposed of in such manner.

Sec. 11.16.070.2.2. SAME. SAME. SOLID CONTAINERS. All containers, bottles, and other solid materials which contain or have contained medicines or drugs of any type shall be placed in waste containers enclosed or sealed by a solid lid or door securely fastened by a padlock or similar locking device, or in enclosed covered trash containers placed within an enclosed, roofed trash enclosure, the only entry to which shall be by means of a door securely fastened by a padlock or similar locking device. Every such padlock or locking device shall be under the exclusive control of the person placing materials therein, and shall remain locked at all times except during the time of placing materials therein or collecting materials therefrom by a person authorized so to do.

Sec. 11.16.070.2.3. SAME. SAME. USED OR CONTAMINATED ITEMS. Used or contaminated bandages, dressings, gauze, tongue depressors and similar items shall be securely wrapped and placed in heavy waxed paper or plastic bags which shall be securely closed by tying or stapling and which shall then be placed in metal trash cans which have overlapping, fly-tight lids. Such lids shall be kept in place at all times except while the trash cans are being filled or emptied by a person authorized so to do.

Sec. 11.16.070.2.4. SAME. SAME. SYRINGES AND NEEDLES. Syringes, needles, hypodermic syringes and needles and similar soft plastic items shall be disposed of in the manner provided by Section 11.16.070.2.2, or may be disposed of in the manner provided by Section 11.16.070.2.3 if the contents first be entirely removed therefrom, the needles broken, and the syringe or container be so broken or cut up by an approved method as to render the same unusable for any purpose whatsoever.

Sec. 11.16.070.3. SAME. OTHER REGULATIONS. If any requirements of Section 11.16.070.2 and the subsections thereof conflict with any applicable State or County law, regulation or administrative practice, the more stringent law or regulation shall apply.”

SECTION 7. The City Clerk shall certify to the adoption of this Ordinance and shall cause a copy of same to be posted per Resolution No. 7483 and within fifteen (15) days after its adoption. This Ordinance shall take effect on the thirty-first (31st) day after its adoption.

[SIGNATURES ON THE NEXT PAGE]

Passed, approved, and adopted this 1st day of April, 2025.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:

A handwritten signature in blue ink, appearing to read "M. J. Maurer", is written over a horizontal line.

Michael J. Maurer
City Attorney



STAFF REPORT

Office of the City Manager

DATE: March 4, 2025

TO: Honorable Mayor and City Council

FROM: Dominic Lazzaretto, City Manager
By: Justine Bruno, Deputy City Manager

SUBJECT: ORDINANCE NO. 2403 AMENDING ARTICLE V, CHAPTER 6 OF THE ARCADIA MUNICIPAL CODE AND ADOPTING BY REFERENCE THE LOS ANGELES COUNTY HEALTH CODE; AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A PUBLIC SERVICES CONTRACT WITH THE LOS ANGELES COUNTY DEPARTMENT OF PUBLIC HEALTH

CEQA: Not a Project

Recommendation: Introduce, Approve, and Set Public Hearing Date

SUMMARY

Arcadia uses the Los Angeles County Public Health Code as the "Health Code" for the City. The Los Angeles County Department of Public Health ("Public Health") has approached all 85 cities within Los Angeles County, including Arcadia, about modernizing the agreement that provides public health services for cities. The last contract for public health services between Arcadia and Los Angeles County was executed on February 12, 1964, and needs modernization.

It is recommended that the City Council introduce Ordinance No. 2403, amending Article V of the Arcadia Municipal Code relating to Sanitation and Health, and adopt by reference the Los Angeles County Health Code; approve, authorize, and direct the City Manager to enter into a Public Services Contract with the Los Angeles County Department of Public Health; and set a Public Hearing for the adoption of Ordinance No. 2403 on April 1, 2025.

BACKGROUND

California law allows for contracts between cities and counties for the administration of public health services, including any ordinances regarding public health, sanitation, and inspection services, with any such enforcement actions performed by a County Health Officer. Arcadia has long consented to having Los Angeles County enforce and observe public health laws, orders, and regulations in the City.

On April 5, 2011, the City Council adopted Ordinance No. 2282, which adopted by reference, the most recent version of the Los Angeles County Health Code, including any future amendments approved by the County Board of Supervisors. Prior to 2011, Ordinance No. 2171 was adopted in 2003, which effectuated the same process of adopting the Los Angeles County Health Code by reference and repealing all other ordinances or conflicting language in the Arcadia Municipal Code.

The type of state-mandated public health services performed for cities on behalf of County Public Health are outlined in Title 17 of the California Code of Regulations, Section 1276, and include the following: public health statistics; communicable disease control; environmental health and sanitation services; public health laboratory and testing services; health education programs; public health nursing services; and offerings in chronic disease, nutrition, and family planning.

DISCUSSION

Los Angeles County has public health service contracts with 85 of its 88 cities, excluding the Cities of Long Beach, Pasadena, and Vernon, who maintain their own municipal health departments. Through these contracts, the County's Health Officer serves as the local health officer within the contracted jurisdictions, including Arcadia.

Similar to other cities, Arcadia's existing contract for public health services was last executed in the 1960s and has yet to be updated. Specifically, the last contract was executed on February 12, 1964. Changes in state law and public health practices have rendered certain contract language obsolete and in need of modernization. The proposed Public Services Contract makes these updates for all 85 contracted cities, replacing antiquated language with text that reflects current public health practices and complies with legal citations and references. Upon execution, the new contract terms will extend through June 30, 2029, automatically renewing for consecutive five (5) year terms, for an indefinite period.

In the process of updating and modernizing the Public Services Contract between Arcadia and Los Angeles County, it is recommended that the ordinance to adopt the Health Code by reference also be readopted. With minor cleanup to the existing text related to dates and terminology, Section 5600 of the Arcadia Municipal Code will be largely unchanged under proposed Ordinance No. 2403. Refer to Attachment No. 3 – Ordinance No. 2282, to see what was last adopted in 2011 related to the Health Code.

Alternatively, if the City Council foregoes adoption of Ordinance No. 2403 and approval of the updated Public Services Contract, the existing Municipal Code language and health services contract would remain in place. Absent any City Council action on this matter, public health services will continue to be provided to Arcadia in the same manner, unless the City Council takes action to terminate the existing contract and/or repeal Section 5600 of the Municipal Code. Adoption of Ordinance No. 2403 ensures

that the County's health officers can effectively and fully enforce the rules and regulations that keep Arcadians safe and healthy.

To underscore the City's desire to continue having the Los Angeles County Health Department provide these services for Arcadia, its residents, and businesses, it is recommended that Ordinance No. 2403 be introduced for adoption during the April 1, 2025, City Council Meeting. If authorized, there will be no change in services provided by Public Health to the City of Arcadia; simply, an updated Municipal Code and Public Services Contract will be in place that reflect current laws and regulations.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA") Guidelines per Section 15061(b)(3), as it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

In general, Los Angeles County Public Health provides for the local administration of public health services to Arcadia and other cities, on a no-cost basis. For entities requiring a public health permit, the proposed agreement allows the County to collect the required permit fees from the applicant. For example, the proposed contract allows Public Health to charge a cost reimbursement fee to Arcadia, or any city, for two purposes:

- (1) Inspection of a City owned or operated detention facility pursuant to Health and Safety Code section 101045; and
- (2) Other public health administration or inspection services that are requested by Arcadia that are beyond the scope of services under this agreement.

Any costs for inspection services requested by the City will be done within current budgets. Otherwise, there is no fiscal impact resulting from the introduction of the proposed ordinance and authorization of the Public Services Contract with the Department of Public Health. Any other public health services that do not require specific fees or permits will continue to be offered to the City at no cost.

Should the City wish to forgo having the County provide health services, the City would need to establish a full Health Department and would incur millions of dollars in costs for staffing, equipment, testing services, buildings, and the like. While a portion of those expenditures could be recovered through fees charged, a significant portion would not, resulting in net costs to the City.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); introduce Ordinance No. 2403, amending Article V, Chapter 6 of the Arcadia Municipal Code and adopting by reference the Los Angeles County Health Code; and approve, authorize, and direct the City Manager to enter into a Public Services Contract with the Los Angeles County Department of Public Health; and set a Public Hearing regarding the adoption of Ordinance No. 2403 for April 1, 2025.

Attachment No. 1: Ordinance No. 2403

Attachment No. 2: Proposed Public Services Contract with Los Angeles County (2025)

Attachment No. 3: Ordinance No. 2282 (2011)

Attachment No. 4: Public Services Contract with Los Angeles County (1964)

ORDINANCE NO. 2403

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, AMENDING ARTICLE V, CHAPTER 6 OF THE ARCADIA MUNICIPAL CODE AND ADOPTING BY REFERENCE THE LOS ANGELES COUNTY HEALTH CODE

WHEREAS, the City Council of the City of Arcadia utilizes the Los Angeles County Public Health Code as the “Health Code” for the City of Arcadia; and

WHEREAS, on April 5, 2011, the City Council adopted by reference, the Los Angeles County Public Health Code, as approved by the Board of Supervisors through October 19, 2010, together with such amendments thereafter as may be enacted by the County, such that it is made a part of the Arcadia Municipal Code; and

WHEREAS, the Los Angeles County Health Department seeks to execute a new contract for the provision of public health services to local jurisdictions that have opted into this service and adopted, in whole or in part, the Los Angeles County Public Health Code; and

WHEREAS, the last contract for the provision of public health services between the City of Arcadia and the Los Angeles County Health Department was executed in 1964, and is in need of modernization; and

WHEREAS, as part of the contract modernization process, the City Council seeks to reaffirm its selection of the Los Angeles County Health Department to provide public health services in the City of Arcadia by readopting Article V, Chapter 6 of the Arcadia Municipal Code.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 5600 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read in its entirety as follows:

“Section 5600. THE LOS ANGELES COUNTY HEALTH CODE. ADOPTION. The Health Code of the County of Los Angeles, as approved by the Board of Supervisors through September 10, 2024, and codified as Division 1 of Title 11 of the Los Angeles County Code, together with such amendments thereafter as may hereafter be enacted by the County, is hereby adopted and by this reference made a part of the Arcadia Municipal Code with the same force and effect as though fully set forth herein. A copy of said "Health Code" is on file and open to inspection in the Office of the City Clerk. Where, in any specific case, there is a difference between the City of Arcadia Municipal Code and the Los Angeles County Health Code, the most restrictive shall govern. When there is a conflict between a general requirement and a specific requirement, the specific requirement shall be applicable. In the event that there is an inconsistency or conflict between any provision of the County Health Code and any other provision of the Arcadia Municipal Code, then such other conflicting provision of the Arcadia Municipal Code shall have precedence.”

SECTION 2. Section 5601.2 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read as follows: “Section 5601.2 SAME. SAME. Whenever the term "County" or "County of Los Angeles" or any abbreviation thereof in said Health Code refers to a person engaged in or charged with the enforcement of any provision of the said Health Code, it shall be interpreted and deemed to mean the "Health Officer" or the "Director" of public health of the county of Los Angeles.”

SECTION 3. Section 5601.3 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read as follows: "Section 5601.3 SAME. SAME. Whenever the term "Health Officer", "Officer", or "Director" appears in said Health Code, it shall be interpreted and deemed to mean the "City Health Officer" or "City Health Director." Throughout the term of any contract between the City and another public agency for the enforcement of the provisions of this Chapter by such other public agency, the term shall mean the Health Officer or the Health Director of such other public agency."

SECTION 4. Section 5601.5 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read as follows: "Section 5601.5 SAME. SAME. The provisions of Chapter 11.38 of said Health Code shall not apply to the City of Arcadia or any of its departments or agencies."

SECTION 5. Section 5602.1 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read as follows: "Section 5602.1 SAME. ADDITION. A new Section 11.32.010.1 is hereby added to the Health Code to read as follows:

Sec. 11.32.010.1. SAME. PUBLIC USE OF PRIVATE POOLS. This Chapter shall likewise apply to all private pools designed for use by, available for use to, or used by the occupants of five (5) or more dwelling units."

SECTION 6. Section 5602.6 of Article V, Chapter 6 of the Arcadia Municipal Code is amended to read as follows: "Section 5602.6 SAME. ADDITIONS. New Sections 11.16.070.1, 11.16.070.2, 11.16.070.2.1, 11.16.070.2.2, 11.16.070.2.3, 11.16.070.2.4 and 11.16.070.3 are hereby added to the Health Code, the same to read respectively as follows:

Sec. 11.16.070.1. DISPOSAL OF MEDICAL SUPPLIES. No person shall dispose of, leave or discard, outside of the portion of a building in his possession, any container, bottle, syringe, hypodermic needle, hypodermic syringe, needle designed for or used in the dispensing, giving or injecting of medicine, drugs as defined by Section 4403 of the Business and Professions Code, or poisons as defined by Section 4160 of the Business and Professions Code, or any bandage, dressing or gauze that has been used in the treating or caring for an infectious disease. Medicine as used in this Section shall include drugs intended for use in the diagnosis, care, mitigation, treatment or prevention of disease, disorders, sickness or ailment in human beings or animals.

Sec. 11.16.070.2. SAME. METHODS. Items described in the preceding Section shall be disposed of in the manner prescribed in the following subsections.

Sec. 11.16.070.2.1. SAME. SAME. LIQUID AND SOFT WASTES. All fluid and soft material wastes, soiled paper tissue and other similar materials which can be properly disposed of through the sanitary sewer system, shall be disposed of in such manner.

Sec. 11.16.070.2.2. SAME. SAME. SOLID CONTAINERS. All containers, bottles, and other solid materials which contain or have contained medicines or drugs of any type shall be placed in waste containers enclosed or sealed by a solid lid or door securely fastened by a padlock or similar locking device, or in enclosed covered trash containers placed within an enclosed, roofed trash enclosure, the only entry to which shall be by means of a door securely fastened by a padlock or similar locking device. Every such padlock or locking device shall be under the exclusive control of the person placing materials therein, and shall remain locked at all times except during the time of placing materials therein or collecting materials therefrom by a person authorized so to do.

Sec. 11.16.070.2.3. SAME. SAME. USED OR CONTAMINATED ITEMS. Used or contaminated bandages, dressings, gauze, tongue depressors and similar items shall be securely wrapped and placed in heavy waxed paper or plastic bags which shall be securely closed by tying or stapling and which shall then be placed in metal trash cans which have overlapping, fly-tight lids. Such lids shall be kept in place at all times except while the trash cans are being filled or emptied by a person authorized so to do.

Sec. 11.16.070.2.4. SAME. SAME. SYRINGES AND NEEDLES. Syringes, needles, hypodermic syringes and needles and similar soft plastic items shall be disposed of in the manner provided by Section 11.16.070.2.2, or may be disposed of in the manner provided by Section 11.16.070.2.3 if the contents first be entirely removed therefrom, the needles broken, and the syringe or container be so broken or cut up by an approved method as to render the same unusable for any purpose whatsoever.

Sec. 11.16.070.3. SAME. OTHER REGULATIONS. If any requirements of Section 11.16.070.2 and the subsections thereof conflict with any applicable State or County law, regulation or administrative practice, the more stringent law or regulation shall apply.”

SECTION 7. The City Clerk shall certify to the adoption of this Ordinance and shall cause a copy of same to be posted per Resolution No. 7483 and within fifteen (15) days after its adoption. This Ordinance shall take effect on the thirty-first (31st) day after its adoption.

[SIGNATURES ON THE NEXT PAGE]

Passed, approved, and adopted this 1st day of April, 2025.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney

Contract No. PH-005590

**DEPARTMENT OF PUBLIC HEALTH
PUBLIC HEALTH SERVICES CONTRACT**

THIS CONTRACT "Contract" is made and entered into on _____

by and between

COUNTY OF LOS ANGELES
(hereafter "County")

and

CITY OF ARCADIA
(hereafter "City")

THIS PUBLIC HEALTH SERVICES CONTRACT ("Contract") is made by and between the County of Los Angeles, hereinafter referred to as the "County", and the City of Arcadia hereinafter referred to as "City."

RECEIPTS:

The City desires to continue to contract with the County for the performance of public health services by the County's Department of Public Health ("Public Health"), for the County's Health Officer to act as the City's Health Officer, and for the County's Department of Public Health to serve as the City's Environmental Health Department.

The County agrees to continue performing such services on the terms and conditions set forth in this Contract.

This Contract is authorized by California Health and Safety Code Sections 101400 and 101405.

To effectuate public health services for the City, the County and its duly appointed Health Officer shall exercise the powers and duties that are conferred upon local health officers by law.

The County Health Officer shall fulfill the obligations and exercise the authority conferred by California Health and Safety Code Sections 101470 and 101475 within the territorial jurisdiction of the City in the performance of this Contract.

THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **TERM:** This Contract shall become effective upon date of execution, and replace all prior contracts for public health services between the City and County. This contract shall continue in full force and effect until June 30, 2029. Subject to Section 7 below, this Contract shall thereafter be automatically renewed for consecutive five (5) year terms, for an indefinite period, without further action by either City or County, unless City or County terminates the Contract in the manner set forth in Section 7.
2. **PUBLIC HEALTH SERVICES:** The County and the County's Health Officer shall observe and enforce within the territorial jurisdiction of the City all of the following:
 - a. Orders, quarantine, and other regulations, concerning public health, prescribed by the California Department of Public Health ("CDPH").
 - b. Statutes relating to public health.
 - c. Provisions of Los Angeles County Code, Title 11, and any amendments thereto, as adopted by City by ordinance or resolution, to the same extent as they are enforced in the unincorporated area of the County.
3. **DESCRIPTION OF PUBLIC HEALTH FUNCTIONS:**
 - a. The performance of all public health services, the standard of performance and other matters incidental to the performance of public health services and observation and enforcement of public health statutes, regulations, ordinances and CDPH orders and guidance shall be determined solely at the discretion of the County Health Officer and/or Director of County

Public Health. The control of County personnel under this Contract shall remain exclusively with the County.

- b. The County agrees to continue to perform for the City such public health services as are authorized or mandated by state laws or regulations related to public health, to be performed by the local health officer or local enforcement agency.
 - i. Pursuant to California Health and Safety Code section 101045, the County shall investigate health and sanitary conditions in detention facilities operated by the City, if any. County may bill and receive payment from City for inspection and reporting services in the manner provided by Paragraph 4, subsections (g) and (h) of this Contract.
 - ii. For future enactments of state law or regulation, County agrees to perform public health services that impose a specific duty or obligation on the local health officer to observe or enforce. Should future state law statutory or regulatory enactment related to public health not impose a duty or obligation on the local health officer, City may request in writing that the County perform that public health service. Should County elect to perform that discretionary public health service for City, pursuant to such City request, then County may bill and receive payment from City for inspection and reporting services in the manner provided by Section 4, subsections (g) and (h) of this Contract.
- c. The County agrees to continue to perform for the City such public health services as authorized or mandated by provisions of Title 11 of the Los Angeles County Code, and any amendments or additions thereto, that the City has adopted via ordinance or resolution.
 - i. Should the County Board of Supervisors enact future provisions to or amend existing provisions of Title 11 of the Los Angeles County Code, County will inform the City of the newly enacted provision or amendment via email to the City's Manager, and describe the

enacted new provision or amendment and the impact to the services performed under this Contract, if any.

- ii. For future ordinances that may be enacted by the Board of Supervisors into Title 11 of the Los Angeles County Code, in order for the County to observe and enforce that enacted ordinance within the City, the City must approve the incorporation of the identical version of that new Title 11 provision into its municipal code via ordinance or by resolution of the City Council.
 - iii. Any future amendments to provisions of Title 11 of the Los Angeles County Code that exist in the City's Municipal Code at the date of the execution of this Contract, shall be incorporated by the City into its municipal code.
- d. The County shall issue public health permits and licenses to permittees located within the City and collect the fees as provided for in Los Angeles County Code, Title 8, Chapter 8.04. Such fees shall be retained by County Public Health for the benefit of County as full compensation for the services performed by the Public Health Director and County Health Officer on behalf of the City.
- i. County may, from time to time, amend or alter the public health permit or license fees charged to those individuals or entities required to obtain a public health permit or license pursuant to either state statute or Los Angeles County Code, Title 8, Chapter 8.04.
 - ii. City may not set, collect, or retain public health permit or license fees for any public health service performed by County under this Contract.
- e. For the purpose of performing said functions, County shall furnish and supply all necessary labor, supervision, equipment, and supplies necessary to provide the public health services described in this Contract and as necessary to protect the public health, safety, and welfare as determined by Public Health in its sole discretion. All persons employed in

the performance of public health services and functions under this Contract shall be County personnel.

4. GENERAL TERMS:

- a. To facilitate the performance of public health services, City and County will cooperate and assist each other to fulfill the purpose and intent of this Contract.
- b. Exhibit A of this Contract, which is attached hereto and incorporated herein, shall provide the language of the City's Municipal Code, as amended, that reflects the City's specific adoption of Division 1 of Title 11 of the Los Angeles County Code as of the effective date of this Contract. Exhibit A may be revised to reflect any changes to the City's Municipal Code regarding Title 11 of the Los Angeles County Code.
- c. All persons employed in the performance of such public health duties, functions and services for City shall be County employees or personnel and no City employee shall be supplied by County, and no person employed by County under this Contract shall have any City pension, civil service, or any status or right.
- d. The City shall not be called upon to assume any liability for the direct payment of any salary, wages or other compensation to any County personnel performing services hereunder for the City, or be liable for compensation or required to indemnify any County employee for injury or sickness arising out of his or her employment.
- e. The parties have executed an Assumption of Liability Contract approved by the Board of Supervisors on December 27, 1977, and/or a Joint Indemnity Contract approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this Contract by reference. In the event that the Board of Supervisors later approves a revised Joint Indemnity Contract, and the City executes the

revised contract, the subsequent contract as of its effective date shall supersede the contract previously in effect between the parties hereto.

- f. City is not required to separately reimburse County for the performance or enforcement of any City ordinance or resolution which adopts identical provisions of Los Angeles County Code, Title 11, and its amendments.
- g. Should City request in writing additional public health services of the County, that are not required by statute, regulation or CDPH Order, or as provided in Title 11 of the Los Angeles County Code, the County may charge the City, at rates approved by the Board of Supervisors, an hourly rate that will reimburse the County for the cost for the provision of those specific public health services.
- h. County, through its Director of Public Health, must render to City within twenty (20) calendar days after the close of each calendar month an itemized invoice which covers all extra services performed for City if such services were requested by the City in writing, during said month, and City must pay County within thirty (30) days after date of such invoice.
- i. If a violation of public health statutes, regulations or ordinances results in a public health hazard within the City, County will notify the City Manager in writing. If the City elects to pursue legal prosecution or abatement, City shall provide to County contact information for counsel that will represent the City and the People in any legal proceeding to abate or mitigate the public health hazard. City shall bear the full cost of such proceedings. County may bill City on an hourly basis for time spent by County employees participating in such legal proceedings.

5. **NOTICES:** Notices hereunder must be in writing and may either be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, attention to the parties at the addresses listed below. Public Health Director, or the Director's designee, is authorized to execute all notices or demands which are required or permitted by County under this Contract.

Addresses and parties to be notified may be changed by providing at least ten (10) working days prior written notice to the other party.

A. Notices to County must be addressed as follows:

- (1) Department of Public Health
Environmental Health – Administrative Headquarters
5050 Commerce Drive
Baldwin Park, California 91706
Attention: Director, Environmental Health
E-mail: EHAdmin@ph.lacounty.gov
- (2) Department of Public Health
Contracts and Grants Division
5555 Ferguson Drive, 2nd Floor, Suite 210
Commerce, CA 90022
Attention: Division Director
Email: contracts-grants@ph.lacounty.gov
- (3) Department of Public Health
Office of the Director
Attention: Director, Public Health
313 North Figueroa Street
Los Angeles, CA 90012
Email: PHDirector@ph.lacounty.gov

B. Notices to City must be addressed as follows:

- (1) City of Arcadia
Attention: City Manager
244 West Huntington Drive, P.O. Box 60021
Arcadia, CA 91066
Email: domlazz@ArcadiaCA.gov
Phone: (626) 574-5400

6. **GOVERNING LAW, JURISDICTION, AND VENUE:** This Contract will be governed by, and will be construed in accordance with, the laws of the State of California. City agrees and consents to the exclusive jurisdiction of the courts of the State of California or the United States Courthouse, Central District, Western Division, for all purposes regarding this Contract and further agrees and consents

that venue of any action brought under this Contract shall be exclusively in the County of Los Angeles.

7. **TERMINATION FOR CONVENIENCE:** The performance of services under this Contract may be terminated, with or without cause, in whole or in part, from time to time when such action is deemed by County or City to be in their own best interest. Termination of services hereunder shall be effectuated by the delivery of an advance written Notice of Termination of the entire Contract by one party to the other at least one hundred and eighty (180) calendar days prior to July 1 of the following calendar year. The termination of services may only be effective on July 1 of the calendar year, so as to assure no lapse in public health and local health officer services to the residents of City.
8. **ALTERATION OF TERMS/AMENDMENTS:** The body of this Contract and any Exhibits attached hereto, and documents incorporated by reference, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Contract. No addition to, or alteration of, the terms of this Contract, whether by written or verbal understanding of the parties, their officers, employees or agents, shall be valid and effective unless made in the form of a written amendment to this Contract which is formally approved and executed by the parties in the same manner as this Contract.
9. **INDEPENDENT CONTRACTOR STATUS:** This Contract is by and between the County and City and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and City. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

10. NO INTENT TO CREATE A THIRD-PARTY BENEFICIARY CONTRACT:

Notwithstanding any other provision of this Contract, the parties do not in any way intend that any person shall acquire any rights as a third-party beneficiary under this Contract.

11. VALIDITY: If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

12. WAIVER: No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

DRAFT

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Contract to be subscribed by its Director of Public Health, and Contractor has caused this Contract to be subscribed in its behalf by its duly authorized officer, the month, day, and year first written above.

CITY OF ARCADIA

COUNTY OF LOS ANGELES

By: _____
Dominic Lazzaretto
City Manager

By: _____
Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director

Date: _____

Date: _____

APPROVED AS TO FORM
BY THE OFFICE OF THE CITY ATTORNEY

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

MICHAEL J. MAURER, City Attorney

JOHN R. HARRISON, County Counsel

By: _____
City Attorney

APPROVED AS TO CONTRACT
ADMINISTRATION:
Department of Public Health

Date: _____

By: _____
Contracts and Grants Division

ATTEST:
LINDA RODRIGUEZ, City Clerk

Date: _____

By: _____
City Clerk

Date: _____
(AFFIX CORPORATE SEAL HERE)

#07642:db

Exhibit A:

CITIES - HEALTH OFFICER - ADOPTION OF COUNTY CODE

ARCADIA

ADOPTION OF OUR COUNTY CODE TITLE 8 & TITLE 11

5600. - LOS ANGELES COUNTY HEALTH CODE. ADOPTION.

The Health Code of the County of Los Angeles, as approved by the Board of Supervisors through October 19, 2010, together with such amendments thereafter as may hereafter be enacted by the County, is hereby adopted and by this reference made a part of the Arcadia Municipal Code with the same force and effect as though fully set forth herein. A copy of said "Health Code" is on file and open to inspection in the Office of the City Clerk. Where, in any specific case, there is a difference between the City of Arcadia Municipal Code and the Los Angeles County Health Code, the most restrictive shall govern. When there is a conflict between a general requirement and a specific requirement, the specific requirement shall be applicable. In the event that there is an inconsistency or conflict between any provision of the County Health Code and any other provision of the Arcadia Municipal Code, then such other conflicting provision of the Arcadia Municipal Code shall have precedence. (Amended by Ord. 2171 adopted 2-18-03; Ord. 1264 adopted 10-2-04; amended by Ord. 1495 adopted 10-16-73; amended by Ord. 1514 adopted 9-3-74.)

(Amended by Ord. 2282, adopted 10/2/2011)

CITY MUNICIPAL CODE EXEMPTION OF SPECIFIC PUBLIC HEALTH SERVICES

None

ORDINANCE NO. 2282

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, AMENDING SECTION 5600 OF CHAPTER 6, PART 3, ARTICLE V OF THE ARCADIA MUNICIPAL CODE AND ADOPTING BY REFERENCE THE LOS ANGELES COUNTY HEALTH CODE

WHEREAS, the City Council of the City of Arcadia utilizes the Los Angeles County Public Health Code as the "Health Code" for the City of Arcadia; and

WHEREAS, the City Council wishes to adopt by reference the Los Angeles County Public Health Code, as approved by the Board of Supervisors through October 19, 2010, together with such amendments thereafter as may hereafter be enacted by the County, such that it is made a part of the Arcadia Municipal Code; and

WHEREAS, as part this proposed action, the City of Arcadia adopts recent revisions to Title 8 of the Los Angeles County Public Health Code that adds "mobile food facility" to the definition of food facility; establishes a semi-annual letter grading and scoring program for mobile food facilities; requires owners of mobile food facilities and mobile support units to disclose current route information to the Department of Public Health; and establishes an annual certification inspection for mobile food facilities and mobile support units.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 5600 of Chapter 6, Part 3, Article V of the Arcadia Municipal Code is hereby amended to read as in its entirety as follows:

"5600. LOS ANGELES COUNTY HEALTH CODE. ADOPTION. The Health Code of the County of Los Angeles, as approved by the Board of Supervisors through October 19, 2010, together with such amendments thereafter as may hereafter be enacted by the County, is hereby adopted and by this reference made a part of the Arcadia Municipal Code with the same force and effect as though fully set forth herein. A copy of said "Health Code" is on file and open to inspection in the Office of the City Clerk. Where, in any specific case, there is a difference between the City of Arcadia Municipal Code and the Los Angeles County Health Code, the most restrictive shall govern. When there is a conflict between a general requirement and a specific requirement, the specific requirement shall be applicable. In the event that there is an inconsistency or conflict between any provision of the County Health Code and any other provision of the Arcadia Municipal Code, then such other conflicting provision of the Arcadia Municipal Code shall have precedence."

SECTION 2. The City Clerk shall certify to the adoption of this Ordinance and shall cause a copy of the same to be published in the official newspaper of said City within fifteen (15) days after its adoption.

Passed, approved and adopted this 5th day of April, 2011.


Mayor of the City of Arcadia

ATTEST:


City Clerk

APPROVED AS TO FORM:


Stephen P. Deitsch
City Attorney

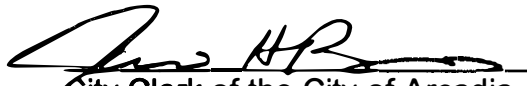
STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF ARCADIA)

I, JAMES H. BARROWS, City Clerk of the City of Arcadia, hereby certifies that the foregoing Ordinance No. 2282 was passed and adopted by the City Council of the City of Arcadia, signed by the Mayor and attested to by the City Clerk at a regular meeting of said Council held on the 5th day of April, 2011 and that said Ordinance was adopted by the following vote, to wit:

AYES: Council Members Chandler, Harbicht, Kovacic and Amundson

NOES: None

ABSENT: Council Member Segal



City Clerk of the City of Arcadia



AGREEMENT - HEALTH SERVICES

No. 7242

THIS AGREEMENT, made and entered into this 12th
day of February, 1964, by and between
the COUNTY OF LOS ANGELES, State of California, hereinafter
called the "County," and the CITY OF Arcadia,
Los Angeles County, California, a municipal corporation,
hereinafter called the "City,"

WITNESSETH:

THAT WHEREAS, Sections 480, 481 and 482 of the
Health and Safety Code of the State of California
authorize the Board of Supervisors of the County to contract
with the City for the performance by the Health Officer
and other employees of the County of any or all functions
relating to the enforcement in the City of all ordinances
thereof relating to public health and sanitation, and the
making of all inspections and the performance of all
functions in connection therewith at cost;

NOW, THEREFORE, in consideration of the mutual
covenants and agreements herein contained, it is hereby
agreed as follows:

FIRST: The County agrees to render such public
health services as authorized by Sections 480 and 482 of
the Health and Safety Code of the State of California and
as may be required by the City as provided by its
ordinances now in effect or hereafter adopted. Copies of

APPROVED BY BOARD OF SUPERVISORS

MAY 28 1963

Gordon T. Newig
GORDON T. Newig
Clerk of the Board

all ordinances now in effect, or hereafter adopted, and all amendments thereto, shall be promptly supplied the County of Los Angeles. It is understood that the City, upon proper resolution by the City Council, shall make request in writing to the County Health Officer for performance of services required under ordinances now in effect or later to be enacted.

SECOND: The City agrees to pay the cost as defined in Paragraph Ninth hereof, for the enforcement of said ordinance or ordinances, or in its election, the provisions in Paragraph Fifteenth. Costs of services rendered under Paragraph Fifth shall be paid pursuant to Paragraph Ninth. Services performed under Paragraph Sixteenth shall be paid for in the manner of election as provided for therein.

THIRD: It is expressly and mutually agreed that the City shall compensate the County for court time in the enforcement of local ordinances on the basis of the cost of performing said work as defined in Paragraph Ninth hereof, reduced by the amount recovered by witness fees.

FOURTH: No services to be compensated for pursuant to Paragraphs Third and Ninth hereof shall be performed unless said City shall have available funds previously appropriated to cover the costs hereof.

FIFTH: In the event the City desires to have rodent control and extermination measures undertaken by the County, it is expressly and mutually agreed that the City shall

compensate the County for the cost of providing said service, as defined in Paragraph Ninth hereof. Further, it is expressly understood that the City shall notify the County Health Officer of its intent to avail itself of rodent control or extermination; that the City shall set aside a sum sufficient to cover the cost of rodent control or extermination; that the County Health Officer shall be notified of the amount set aside for the control and suppression of rodents; and that the County shall not exceed the amount set up by the City unless expressly authorized in writing to do so by the City.

SIXTH: The County agrees to submit to the City during the life of this agreement periodic statements in duplicate for services rendered during the period covered, and the City agrees to pay the cost thereof within thirty (30) days after receipt of such billing. If the City desires monthly billing it shall notify the County in writing, otherwise billing periods shall be fixed by the County.

SEVENTH: It is expressly agreed between the parties hereto that nothing herein contained shall be construed to bind the City to designate or demand of the County, or the County to furnish any particular number of inspections or visits.

EIGHTH: Performance hereunder shall commence on February 12, _____, 19 64, and this contract shall remain in full force and effect to July 1, 19 64, and unless then terminated shall be renewed without further action

of the contracting parties from year to year. Either party hereto shall have the right to terminate this agreement at the end of any fiscal year by giving written notice of such intention to so do, such notice to be given not less than thirty (30) days prior to the end of any fiscal year.

NINTH: The City agrees to pay the County the cost of performing all services covered by this agreement, except as otherwise provided in Paragraph Fifteenth hereof. Costs shall include salaries of employees engaged in performing said services, a pro-rate of vacation and sick leave, supervision of such employees while so employed, the County Retirement Contribution and Workmen's Compensation Insurance Premiums on salaries, traveling expenses, supplies, plus a pro-rate of all indirect expenses. If the cost of providing the services changes, the City shall be notified of each such change in writing. i

TENTH: For the purpose of performing said functions, County shall furnish and supply all necessary labor, supervision, equipment, communication facilities, and supplies necessary to maintain the level of service to be rendered hereunder.

ELEVENTH: Notwithstanding anything hereinbefore contained, it is agreed that in all instances where special supplies, stationery, notices, forms, and the like must be issued in the name of said City, the same shall be supplied.

by said City at its own cost and expense.

TWELFTH: All persons employed in the performance of such services and functions for said City shall be County employees, and no City employee as such shall be taken over by said County, and no person employed hereunder shall have any City pension, civil service, or any status or right.

For the purpose of performing such services and functions, and for the purpose of giving official status to the performance thereof, every County officer and employee engaged in performing any such service and function shall be deemed to be an officer or employee of said City while performing service for said City, which service is within the scope of this agreement and is a municipal function.

THIRTEENTH: City shall not be called upon to assume any liability for the direct payment of any salaries, wages, or other compensation to any County personnel performing services hereunder for said City, or any liability other than that provided for in this agreement.

Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee for injury or sickness arising out of his employment.

FOURTEENTH: County, its officers and employees, shall not be deemed to assume any liability for intentional or

negligent acts of said City or of any officer or employee thereof.

FIFTEENTH: In the event City by ordinance adopts the provisions of the Public Health Code of County (Ordinance No. 7583), the Health Officer shall perform the services necessary to enforce said ordinance provisions in the City to the same extent as the County Ordinance is enforced in unincorporated territory, and shall issue the permits and collect the fees provided for in Section 750 of said Public Health Code.

Said fees shall be retained by the Health Officer for the benefit of County as full compensation for the services performed by the Health Officer in the enforcement of said ordinance provisions, except that any court time spent in the enforcement thereof shall be compensated for in accordance with Paragraph Third hereof. In the event and whenever County Ordinance No. 7583 is amended to change the amount or amounts of any of the said permit fees, City shall at once amend its ordinance to provide permit fees in the exact amount as those designated in the County Ordinance as amended.

In the event that the City elects to set, collect and retain its own permit fees, it shall so notify the County Health Officer, and shall thereafter pay the cost of the service under this paragraph pursuant to Paragraph Ninth.

SIXTEENTH: The County agrees to enforce the provisions of Division 13, Part 2 of the Health and Safety Code of the State of California, relating to the sanitation, maintenance, use and occupancy of mobile homes and mobile

home parks and as may be requested pursuant to such sections by the City. It is understood that any such requests shall be in writing, directed to the County Health Officer and specifically designate the services to be required pursuant to any or all of the above sections of the Health and Safety Code. Such notification to the County Health Officer from the City shall indicate the election of the City that the City agrees either to pay the cost as defined in Paragraph Ninth hereof for the enforcement of said provisions of Division 13, Part 2 of the Health and Safety Code or that the City desires the County Health Officer to collect and retain the annual operating permit fees as prescribed in Division 13, Part 2 as full compensation for services performed by the County Health Officer.

INWITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

CITY OF Aradia
BY Elton D. Phillips
MAYOR

ATTEST:
Christine Von Doorn
City Clerk

COUNTY OF LOS ANGELES

ATTEST:
GORDON T. NESVIG
Clerk of the
Board of Supervisors

(SEAL) BY WARREN M. DORN
Chairman, Board of Supervisors

WINIFRED BERNSTEIN
Deputy

APPROVED AS TO FORM
HAROLD W. KENNEDY, County Counsel

BY D. M. J.
Deputy

APPROVED AS TO FORM

James A. Neel
City Attorney

**ARCADIA CITY COUNCIL
SPECIAL MEETING MINUTES
SATURDAY, MARCH 15, 2025**

CALL TO ORDER – Mayor Cao called the Special Meeting to order at 8:30 a.m.

ROLL CALL OF CITY COUNCIL MEMBERS

PRESENT: Cheng, Fu, Wang, Kwan, and Cao
ABSENT: None

PUBLIC COMMENTS – no one appeared.

STUDY SESSION (OPEN TO THE PUBLIC)

- a. Consideration, discussion and establishment of goals and priorities.

The City Council met to discuss goals, working relationships, and collaborative efforts. A discussion ensued regarding goals and priorities for the year and staff responded to various questions, comments, and suggestions.

The City Council provided direction and objectives on America's 250th Birthday Celebration, a City Health Commission, Community Event Sponsorships, Certificates and Proclamations, Language Access and Translation, Artificial Turf, Homelessness Case Management Services, the Unoccupied Residence Registry, and Economic Development.

The Special meeting ended at 12:21p.m.



Linda Rodriguez
City Clerk

**ARCADIA CITY COUNCIL
REGULAR MEETING MINUTES
TUESDAY, MARCH 18, 2025**

1. **CALL TO ORDER** – Mayor Cao called the Regular Meeting to order at 7:00 p.m.
2. **INVOCATION** – Reverend Jolene Cadenbach, Arcadia Congregational Church
3. **PLEDGE OF ALLEGIANCE** – George Tegart, Army Veteran and Arcadia Resident
4. **ROLL CALL OF CITY COUNCIL MEMBERS**

PRESENT: Cheng, Fu, Wang, Kwan, and Cao
ABSENT: None

5. **SUPPLEMENTAL INFORMATION FROM CITY MANAGER REGARDING AGENDA ITEMS**

City Manager Lazzaretto noted that the City Council will recess this meeting to the State of the City, which will be held this Thursday, March 20; he further indicated that there will be one Public Comment period this evening for all items on the posted Agenda, including Item 11. - State of the City.

6. **PRESENTATIONS**

- a. Presentation of the 250th Anniversary of the United States Army Proclamation to Lieutenant Colonel Victor Shen.
- b. Presentation of Mayor's Certificate of Commendation to the Assistance League of Arcadia in celebration of their 70th Anniversary.
- c. Presentation of Mayor's Certificate of Commendation to the Fruit for Homeless volunteers.
- d. Presentation of Mayor's Certificates of Commendation to Scouting America Troops 104 and 333G of Arcadia for achieving the rank of Eagle Scout.
- e. Presentation of the Downtown Arcadia Improvement Association Annual Report by Executive Director Donna Choi.

7. **PUBLIC HEARING**

- a. Appeal of the Planning Commission's Approval of the Arcadia Town Center Mixed-Use Development with 181 residential units and 13,130 square feet of commercial space, which includes a Tentative Tract Map, Minor Use Permit, Site Plan & Design Review, and Certificate of Demolition at 5-19 W. Huntington Drive and 25-75 N. Santa Anita Avenue.
CEQA: Adopt the Initial Study/Mitigated Negative Declaration with the Mitigation Monitoring and Reporting Program
Recommended Action: Adopt Resolution No. 7618 denying the Appeal and upholding the Planning Commission's Approval.

Mayor Pro Tem Kwan and Council Member Fu left the City Council Chambers at 7:33 p.m.

City Attorney Maurer indicated that Council Member Fu and Mayor Pro Tem Kwan have recused themselves on this item due to a potential Conflict of Interest. Council Member Fu had a source of income conflict as he does business with the project applicant, and Mayor Pro Tem Kwan's family owns property within 1,000 feet of the subject property of this hearing.

City Manager Lazzaretto indicated that this is a De Novo hearing.

Senior Planner Chipres presented the staff report.

Mayor Cao opened the Public Hearing for this item and invited the Applicant to address the City Council with any statements.

Ben Zhang, the Applicant, appeared and indicated that the Arcadia Town Center project is intended to revitalize the Santa Anita and Huntington Drive intersection with 121 condominium units and 13,000 commercial square feet.

Haley Uno appeared on behalf of the Appellant, Supporters Alliance For Environmental Responsibility ("SAFER"), and requested that the City Council grant SAFER's appeal of the Planning Commission's approval of the Mitigated Negative Declaration ("MND") for the Arcadia Town Center project, and asked the City Council to require an Environmental Impact Report ("EIR") under the California Environmental Quality Act ("CEQA"); she provided a PowerPoint presentation and indicated that SAFER had multiple experts conduct research for adverse environmental impacts and shared those key conclusions for biological, noise, and air impacts.

Mayor Cao opened Public Comment for Public Hearing item 7.a.

Evan Johnson, Arcadia Elks Lodge Manager, appeared and indicated support of the project, but expressed concerns about the visibility of the Elks Lodge due to the proposed project's height; the number of parking spaces proposed for the project; and potential noise impacts of the project.

Council Member Cheng asked Mr. Johnson for clarification on the noise and parking concerns.

Mr. Johnson responded to Council Member Cheng, indicating that the parking concerns are due to the shared parking agreement the Elks Lodge has for the spaces on the proposed project site, expressing an interest in identifying other parking solutions for Elks members; he further noted that the noise concerns were for the residential units proposed in the project, as the Elks Lodge uses their facility for large party events, which may generate noise for project tenants.

Eddie Beltran, Attorney from Atkinson, Andelson, Loya, Ruud & Romo, appeared and spoke on behalf of the Applicant; he responded to the CEQA issues raised by the Appellant, noting that the City's environmental consultant addressed those concerns and provided a thorough response that was included in the City Council Meeting packet.

Council Member Cheng asked if the Applicant, Ben Zhang, would be willing to work with the Arcadia Elks Lodge regarding their parking and noise concerns.

Ben Zhang responded to Council Member Cheng and indicated that he would be willing to work with the Arcadia Elks Lodge to address their concerns.

Mayor Cao closed Public Comment and proceeded with the Public Hearing.

A motion was made by Council Member Cheng, seconded by Council Member Wang, and placed on a roll call vote to adopt Resolution No. 7618, denying the appeal and upholding the Planning Commission's approval of the Arcadia Town Center Mixed-Use Development with 181 residential units and 13,130 square feet of commercial space, which includes a Tentative Tract Map, Minor Use Permit, Site Plan & Design Review, and Certificate of Demolition at 5-19 W Huntington Drive and 25-75 N. Santa Anita Avenue, and adopting the initial Study/Mitigated Negative Declaration ("MND") pursuant to the California Environmental Quality Act ("CEQA"); and adding an amendment that the Developer will meet with the Arcadia Elks Lodge members within the next 30 days.

AYES: Cheng, Wang, and Cao
NOES: None
ABSENT: None

Mayor Pro Tem Kwan, and Council Member Fu returned to the dais at 8:06 p.m.

8. PUBLIC COMMENTS

Michelle Wu, an Arcadia resident, appeared and requested that Council Member Wang resign from office, expressing her reasons why she should step down.

Fenglan Liu, an Arcadia resident, appeared and raised a question about designated seating for the audience in the City Council Chambers.

Sina Mohajer and Vic Kerasimian, Board Members of the Arcadia Chamber of Commerce, appeared and announced that on March 20, "Rise and Shine" will take place at the Santa Anita Park Chandelier Room; that on March 26, a "Learning Lab" will be held at the Arcadia Chamber of Commerce office; and that on March 27, "Networking at Noon" will take place at The Derby; he indicated that the Arcadia Chamber of Commerce hosts a "Hoppy Hour" the last Thursday of every month, with the next event held on March 27, at 5 p.m. at Hop Cafe on Las Tunas; and that the 3rd Annual Arcadia Chamber Golf Tournament will be held May 1, at Brookside Golf Club; and he further announced that the Arcadia State of the City will be held March 20, at Le Meridien, and indicated that the Chamber of Commerce is looking forward to partnering again with the City to address the community.

9. REPORTS FROM MAYOR, CITY COUNCIL AND CITY CLERK (*including reports from the City Council related to meetings attended at City expense [AB 1234]*).

Mayor Pro Tem Kwan congratulated former City Council Member April Verlato on receiving a "Local Hero Award" from the Downtown Arcadia Improvement Association; and she provided a report on the various events that she attended or will be attending as a representative of the City.

Council Member Fu provided a report on the various events that he attended or will be attending as a representative of the City; he thanked the Downtown Arcadia Board of Directors for allowing him to participate in their meeting and shared his thoughts on how to attract businesses to the Downtown that Arcadians want to see.

Council Member Wang provided a report on the various events that she attended or will be attending as a representative of the City.

Council Member Cheng thanked his City Council colleagues for their extensive involvement and participation in local events; he shared a story about his 2020 City Council election campaign; and he thanked Mayor Cao and all local Veterans for their service.

Mayor Cao provided a report on the various events that he attended or will be attending as a representative of the City; and he shared that March is Healthcare Professionals Month, thanking physicians and health care providers for their service.

City Manager Lazzaretto responded to the public comment made by Fenglan Liu, clarifying that there is no assigned seating for members of the audience in the City Council Chambers; he noted that members of the public may find areas where staff congregate to be slightly disruptive due to frequent interruptions and their need to participate in the meeting.

10. CONSENT CALENDAR

- a. Regular Meeting Minutes of March 4, 2025.
CEQA: Not a Project
Recommended Action: Approve
- b. Declare a vacancy on the Library Board of Trustees according to the Arcadia City Charter.
CEQA: Not a Project
Recommended Action: Approve
- c. Contract with American Asphalt South, Inc. for the Fiscal Year 2024-25 Annual Slurry Seal Project in the amount of \$1,182,734.45.
CEQA: Exempt
Recommended Action: Approve
- d. Amendment to the Professional Services Agreement with Raftelis Financial Consultants, Inc. to include a Water and Sewer Capacity Fee Study in the amount of \$19,960.
CEQA: Not a Project
Recommended Action: Approve
- e. Purchase Orders with American Right of Way, Inc. and Swarco, Inc. for the purchase of new traffic signal poles and four new traffic signal cabinets for the Centennial Way and El Monte Avenue & Duarte Road/Campus Drive Traffic Signal Project, in the amount of \$180,457.17.
CEQA: Exempt
Recommended Action: Approve

It was moved by Mayor Pro Tem Kwan, seconded by Council Member Cheng, and carried on a roll call vote to approve Consent Calendar Items 10.a through 10.e.

AYES: Kwan, Cheng, Fu, Wang, and Cao
NOES: None
ABSENT: None

11. STATE OF THE CITY

The City Council recessed at 8:42 p.m. to the State of the City Address, to be held on Thursday,

March 20, 2025, at 4:00 p.m. at Le Meridien, 130 W. Huntington Drive, Arcadia, California.

The City Council reconvened at 4:00 p.m. at Le Meridien.

ROLL CALL OF CITY COUNCIL MEMBERS

PRESENT: Cheng, Fu, Wang, Kwan, and Cao

ABSENT: None

Mayo Cao provided a speech and presented a video highlighting Arcadia's major accomplishments over the past year and discussed significant initiatives for Arcadia's future.

The following speakers provided remarks:

- Sina Mohajer, Arcadia Chamber of Commerce Board President
- Michael Sagely, Air Sections Pilot, Los Angeles County Fire Department

The State of the City ended at 5:45 p.m.



Rachelle Arellano
Assistant City Clerk



STAFF REPORT

Fire Department

DATE: April 1, 2025

TO: Honorable Mayor and City Council

FROM: Chen Suen, Fire Chief
By: Tom Devlin, Battalion Chief
Maria Lourdes Taylor, Sr. Management Analyst

SUBJECT: RESOLUTION NO. 7625 AMENDING THE FISCAL YEAR 2024-25 GENERAL FUND BUDGET, AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR FIRE APPARATUS AND SERVICE REPAIRS IN THE AMOUNT OF \$100,000, OFFSET BY A REDUCTION IN THE GENERAL FUND RESERVE; AND APPROVING A CHANGE ORDER TO THE PURCHASE ORDER WITH PERFORMANCE TRUCK REPAIR INC. IN THE AMOUNT OF \$100,000

CEQA: Not a Project

Recommendation: Adopt and Approve

SUMMARY

On August 17, 2021, the City Council approved a three-year purchase order with Performance Truck Repair Inc., with the option to renew for two additional one-year extensions, for fire apparatus service and repairs. The current Fiscal Year 2024-25 Purchase Order with Performance Truck Repair Inc. is in the amount of \$155,000.

During this Fiscal Year, the Fire Department incurred additional unforeseen expenditures from the maintenance and service of its heavy apparatus, including multiple mechanical failures from the 1995 and 2010 Ladder Trucks. These unexpected costs require a change order with Performance Truck Repair Inc. to increase the amount by 65%, or an additional \$100,000, for a total purchase order amount of \$255,000. These repairs are necessary to ensure reliable use of the existing ladder trucks while the City awaits the development of the new ladder truck, which the City Council authorized last year.

It is recommended that the City Council adopt Resolution No. 7625, amending the Fiscal Year 2024-25 General Fund Budget and authorizing a supplemental budget appropriation for fire apparatus and service repairs in the amount of \$100,000, offset by a reduction in the General Fund Reserve; and approve a change order to the Purchase Order with Performance Truck Repair Inc. in the amount of \$100,000.

BACKGROUND

An aerial ladder truck is critical to the Fire Department's fire suppression operations, and is designed to provide firefighters with a safe and stable platform to be able to access high-rise buildings and other tall structures. Specifically, an aerial ladder truck provides transportation to the fire scene, logistics to support and carry specialized rescue tools, self-sustained electrical power, lighting, water evacuation equipment, ground ladders, and delivering the primary aerial ladder to reach upper floors of multi-story buildings. The Fire Department's 1995 Reserve Ladder Truck and 2010 Frontline Ladder Truck have both required extraordinary repairs to remain operational this year.

The Fire Department is responsible for the service and repair of its fire apparatus and any vehicles that are outside the expertise and resources of the Public Works Services Department - Fleet Division. The maintenance and repair of fire apparatus are outsourced to a third-party vendor, Performance Truck Repair Inc. For Fiscal Year 2024-25, Performance Truck Repair Inc. has a purchase order in the amount of \$155,000.

DISCUSSION

During this Fiscal Year, Performance Truck Repair Inc. has been utilized more than usual for the unplanned service and repair of fire suppression vehicles, most notably, to the 1995 Reserve and 2010 Frontline Ladder Trucks. Repairs have been undertaken due to mechanical failures, a hydraulic pump failure, and to replace the generator on the 2010 Ladder Truck. In July 2024, the City Council approved a purchase order to replace the 1995 Reserve Ladder Truck for \$1,933,872; however, the delivery of the replacement truck (over two years to design and build) and increasing mechanical failures warrant an increase in Performance Truck Repair Inc.'s Purchase Order to keep the current trucks operational and maintain Fire Department service levels.

Once the newly purchased heavy apparatus is delivered and placed in service, the 1995 Reserve Ladder Truck, Asset #60182, will be sent to auction or sold directly; and the 2010 Frontline Ladder Truck, Asset #80273, will be shifted from frontline to reserve status. Due to an aggressive preventative maintenance schedule, both vehicles have already been in service five years beyond their normal replacement schedule. To sufficiently cover additional and unanticipated expenses to the ladder trucks and other Fire Department heavy apparatus, it is necessary to increase Performance Truck Repair Inc.'s Purchase Order by \$100,000 (or 65%), for a total purchase order amount of \$255,000.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), as it can be seen with certainty that it will have no impact on the environment.

FISCAL IMPACT

The current Purchase Order for Performance Truck Repair Inc. is \$155,000. A supplemental budget appropriation in the amount of \$100,00 is being requested from the General Fund Reserve to cover the anticipated costs. This additional funding will help cover unforeseen maintenance, service, and repairs to the aging 1995 Reserve and 2010 Frontline Ladder Trucks, and to other Fire vehicles that might need similar services. Without this supplemental appropriation, critical repairs needed for the Department's ladder trucks to perform fire suppression operations may not occur.

RECOMMENDATION

It is recommended that the City Council find that the proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"); and adopt Resolution No. 7625, amending the Fiscal Year 2024-25 General Fund Budget, authorizing a supplemental budget appropriation for fire apparatus and service repairs in the amount of \$100,000, offset by a reduction in the General Fund Reserve; and approve a change order to the Purchase Order with Performance Truck Repair Inc. in the amount of \$100,000.

Approved:


Dominic Lazzaretto
City Manager

Attachment: Resolution No. 7625

RESOLUTION NO. 7625

RESOLUTION NO. 7625 AMENDING THE FISCAL YEAR 2024-25 GENERAL FUND BUDGET, AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR FIRE APPARATUS AND SERVICE REPAIRS IN THE AMOUNT OF \$100,000, OFFSET BY A REDUCTION IN THE GENERAL FUND RESERVE

WHEREAS, during Fiscal Year 2024-25, the Fire Department incurred additional unforeseen expenditures necessitating an increase to Performance Truck Repair Inc.'s Purchase Order; and

WHEREAS, Performance Truck Repair Inc. is the present vendor who performs fire apparatus service and repairs that are outside the scope and expertise of the Public Works Services/Fleet Department, with a current purchase order amount of \$100,000; and

WHEREAS, during Fiscal Year 2024-25, the Fire Department incurred additional expenses due to the 1995 Reserve and 2010 Frontline Ladder Truck's multiple mechanical failures arising from its age and consistent use over the years and thus, it had undergone repairs outside of the vehicle's normally scheduled service; and

WHEREAS, to ensure that there is sufficient funding of \$100,000 that was not budgeted during Fiscal Year 2024-25 to cover the additional and unanticipated expenses to the aforementioned two aging Ladder Trucks and for the remainder of the Fire Department's heavy apparatus vehicles, a supplemental budget appropriation for fire apparatus and service repairs is necessary to fund this additional cost increase to Performance Truck Repair Inc.'s current Purchase Order amount of \$155,000; and

WHEREAS, during Fiscal Year 2024-25, the supplemental budget appropriation to Performance Truck Repair Inc.'s Purchase Order will result in a total purchase order amount of \$255,000; and

WHEREAS, the City Manager has certified that there are sufficient reserves available in the General Fund Reserve for appropriation.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The sum of One Hundred Thousand Dollars (\$100,000) is hereby appropriated in the Fire Department, offset with an equal reduction in the General Fund Reserve.

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

[SIGNATURES ON THE NEXT PAGE]

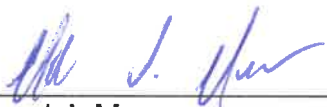
Passed, approved and adopted this 1st day of April, 2025.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Michael J. Maurer
City Attorney



STAFF REPORT

Public Works Services Department

DATE: April 01, 2025

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: Briget Arndell, Environmental Services Manager

SUBJECT: PROFESSIONAL SERVICES AGREEMENT WITH JOHN L. HUNTER AND ASSOCIATES, INC. FOR INSPECTION, MONITORING, AND MANAGEMENT SUPPORT FOR THE MUNICIPAL STORMWATER AND INDUSTRIAL WASTE PROGRAMS IN THE AMOUNT OF \$119,538
CEQA: Not a Project
Recommendation: Approve

SUMMARY

The Public Works Services Department (“PWSD”) administers both the City’s municipal National Pollution Discharge Elimination System (“NPDES”) and Industrial Waste Programs, as required by the Los Angeles Regional Water Quality Control Board. PWSD recently solicited bids for a Professional Services Agreement to administer program support services for the City’s Municipal Stormwater and Industrial Waste Programs. These programs prohibit the discharge, or the potential for discharge, of illicit substances into the City’s streets, storm drains, and sewer system. The scope of work will include routine field inspections, monitoring, reporting, and program management support services for both programs.

It is recommended that the City Council approve, authorize, and direct the City Manager to execute a Professional Services Agreement with John L. Hunter and Associates, Inc. for inspection, monitoring, reporting, and management support for the municipal stormwater and industrial waste programs in the amount of \$119,538, with the option of three one-year extensions. It is further recommended that the City Council delegate the authority to approve future extensions under this agreement to the City Manager, without having to return to the City Council for subsequent approval, provided that any changes to the financial terms stay within standard inflationary limits.

BACKGROUND

The Los Angeles Regional Board adopted the municipal stormwater permit (“MS4”) on October 8, 2012, which became effective on December 28, 2012. With the adoption of

the MS4 permit, the City of Arcadia is required by the Los Angeles Regional Water Quality Control Board, Los Angeles Region, Order No. R4-2012-0175, as well as Arcadia Municipal Code sections 7000-7067 and 7810-7840 to perform many stormwater activities and programs, as well as to develop capital improvements needed to comply with stringent stormwater and runoff regulations. This includes an increase in the City's minimum control measure activities, maintenance of best management practices ("BMPs"), construction inspections, stormwater mitigation plan checks, water quality monitoring, and public outreach including the publication of educational articles in the City's newsletter, Hot Sheet, annual Earth Day advertisement in local newspapers, on the City website, and other City publications.

The City's current Stormwater and Industrial Waste Programs include elements of inspection, monitoring, enforcement, public outreach, staff training, reporting, and administrative services. Of these services, a significant portion of the inspection and plan review costs are recovered through permitting fees, plan check fees, and inspection fees. However, due to the complexity of state mandates for the municipal NPDES Permit and required Industrial Waste Programs, it is necessary to retain an environmental consultant with expertise and experience to support the City with implementation of BMPs, inspections, plan checking, reporting requirements, and administration.

DISCUSSION

A Request for Proposals ("RFP") for Inspection, Monitoring, Reporting, and Management Support for the Municipal Stormwater and Industrial Waste Programs was published in accordance with City Council Resolution No. 7483, and RFPs were provided to firms that perform this type of work. On February 20, 2025, the City Clerk received two proposals. The results of the evaluation of each firm's ranking and proposed cost are as follows:

RANK	FIRM	LOCATION	COST
1.	John L. Hunter and Associates, Inc.	Buena Park	\$ 119,538.00
2.	Dudek	Pasadena	\$ 290,625.60

Following the receipt of the proposals, an inquiry was conducted into the reasons that firms solicited for this RFP did not submit a proposal. Reasons provided included a disinterest in the City's contract or municipal contract work, unavailable/insufficient staff resources to support the contract at this time, the requested services being outside of the firm's service area.

After careful review and consideration, it was determined that John L. Hunter and Associates, Inc. ("JLHA") is the most qualified consultant to provide the requested environmental services to support the City's Stormwater and Industrial Waste programs. The City has been receiving environmental consulting services from JLHA since 2013 to

staff's satisfaction. JLHA has provided assistance to the City for compliance with the MS4 permit, which requires preparation and submittal of an annual report and plan to the Los Angeles Regional Water Quality Control Board, conducting inspections and implementing enforcement actions for illicit connection/discharge sites, and stormwater site inspections, as required by Los Angeles Regional Water Quality Control Board. The firm has also conducted street litter collection and quantified collected materials based on designated land-use areas for the required Trash Daily Generation Rate study, as part of the City's Stormwater Program. For the City's Industrial Waste Program, JLHA carried out ongoing, year-round routine inspections for at least 200 Industrial Waste Discharge Permits within the City and conducted enforcement outreach on the City's behalf.

JLHA has recently provided NPDES implementation and compliance services to 49 municipal agencies and industrial waste services to 14 agencies, including the Cities of Pasadena, South Pasadena, San Marino, Monterey Park, Temple City, El Monte, South El Monte, Diamond Bar, Glendale, and numerous others. For these reasons, JLHA is the most qualified consultant to provide the City with the requested environmental consulting services.

FISCAL IMPACT

The total annual cost of the Professional Services Agreement is \$119,538. Sufficient funding is budgeted in the Fiscal Year 2025-26 Sewer and Stormwater Operating Budget for these services. Approximately \$50,000 of the contract is recovered through permitting fees, plan check fees, and inspection fees paid to the City by applicants, developers, and/or business owners.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA") under Section 15061(b)(3) of the CEQA Guidelines, as it can be seen with certainty that it will have no impact on the environment.

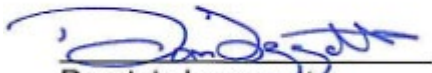
RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project and is therefore, exempt under, the California Environmental Quality Act ("CEQA"); and approve, authorize, and direct the City Manager to execute a Professional Services Agreement with John L. Hunter and Associates, Inc. for inspection, monitoring, and management support for the Municipal Stormwater and Industrial Waste Programs in the amount of \$119,538, with the option of three one-year extensions. It is further recommended that the City Council delegate the authority to approve future extensions under this agreement to the City Manager, without having to return to the City Council for subsequent approval, provided that any changes to the financial terms stay within

Professional Services Agreement for Municipal Stormwater
and Industrial Waste Program Support Services
April 1, 2025
Page 4 of 4

standard inflationary limits.

Approved:


Dominic Lazzaretto
City Manager

Attachment: Proposed Professional Services Agreement

**CITY OF ARCADIA
PROFESSIONAL SERVICES AGREEMENT
REGARDING INSPECTION, MONITORING, AND MANAGEMENT
SUPPORT FOR THE CITY'S MUNICIPAL NATIONAL POLLUTANT DISCHARGE
ELIMINATION SYSTEM ("NPDES") AND INDUSTRIAL WASTE PROGRAMS**

This Agreement is made and entered into as of _____, 2025 by and between the City of Arcadia, a municipal corporation organized and operating under the laws of the State of California with its principal place of business at 240 West Huntington Drive, Arcadia, California 91066 ("City"), and **John L. Hunter & Associates, Inc.**, a California Corporation, with its principal place of business at **6131 Orangethorpe Avenue, #300, Buena Park, CA 90620** (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project: **Inspection, Monitoring, and Management Support for the City's Municipal National Pollutant Discharge Elimination System ("NPDES") and Industrial Waste Programs** (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **One Hundred Nineteen Thousand, Five Hundred Thirty-Eight Dollars and No Cents (\$119,538.00)**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Term.

The term of this Agreement shall be from **one year from the date of execution**, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project

- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period

required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

	<u>Combined Single Limit</u>
Commercial General Liability	\$1,000,000 per occurrence/\$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iii) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the City nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. To the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's obligations under the above indemnity shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, but shall not otherwise be reduced. If Consultant's obligations to defend, indemnify, and/or hold harmless arise out of Consultant's performance of "design professional services" (as that term is defined under Civil Code section 2782.8), then upon Consultant obtaining a final adjudication that liability under a claim is caused by the comparative active negligence or willful

misconduct of the City, Consultant's obligations shall be reduced in proportion to the established comparative liability of the City and shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1).

b. If the services are being performed as part of an applicable "public works" or "maintenance" project and if the total compensation is \$15,000 or more for maintenance or \$25,000 or more for construction, alteration, demolition, installation, or repair, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. City Material Requirements.

Consultant is hereby made aware of the City's requirements regarding materials, as set forth in **Request for Proposal**, which are deemed to be a part of this Agreement.

16. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Los Angeles, State of California.

17. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

18 Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

19. Organization

Consultant shall assign **Cameron McCullough**, as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

20. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

21. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:

City of Arcadia
240 West Huntington Drive
Arcadia, CA 91066
Attn: Briget Arndell

Environmental Services Manager

CONSULTANT:

John L. Hunter & Associates, Inc.
6131 Orangethorpe Avenue, Suite 300
Buena Park, CA 90620
Attn: John L. Hunter, P.E.

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights,

burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either party, unless such waiver is specifically specified in writing.

28. Time of Essence

Time is of the essence for each and every provision of this Agreement.

29. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF ARCADIA
AND JOHN L. HUNTER & ASSOCIATES, INC.**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF ARCADIA

JOHN L. HUNTER & ASSOCIATES, INC.

By: _____
Dominic Lazzaretto
City Manager

By: _____
Title: _____
Printed Name: _____

ATTEST:

By: _____
Title: _____
Printed Name: _____

By: _____
City Clerk

APPROVED AS TO FORM:

CONCUR:

By: _____
Michael J. Maurer
City Attorney

Paul Cranmer
Public Works Services Director

EXHIBIT “A”

Scope of Services

The Scope of Services for the Inspection, Monitoring, and Management Support for the City’s Municipal Stormwater (“NPDES”) and Industrial Waste Programs shall include, but are not limited to the following:

Municipal NPDES Permit Program

- Stormwater program services – Consultant will assist City staff in attending/participating meetings pertaining to compliance with the Municipal Permit/TMDLs. City staff will attend the majority of relevant stormwater meetings; however, consultant may be requested to attend a minimum of 10 meetings per year and to represent the City.
- Training – Consultant will provide annual training to City staff whose primary roles are related to the stormwater program. These trainings include:
 - Development Construction
 - Public Agency Activities Program
 - Illicit Discharge Program
- Public Outreach – Consultant will develop public outreach/education and provide assistance with implementing PIPP requirements to residents and businesses as required under the MS4 Permit.
- Annual Report – Consultant will work with City staff to prepare and submit an annual report to the Los Angeles Regional Water Quality Control Board by December 15th in a format acceptable to the Board.
- Illicit Connection/Illicit Discharge (IC/ID) site inspections and follow-up will be conducted on an as-needed basis, as the result of routine site inspections. Emergency calls for IC/ID, and subsequent site follow-up inspections, are conducted by the PWSD and appropriate staff and/or LA County Department of Public Works where appropriate.
- Development Planning/Construction site inspections are to be completed at minimum of five inspections or as needed, for the following sites:
 - General Construction Activity Stormwater Permit (GCASP)

Enforcement actions (NOVs) are generated as a result of these inspections where appropriate and forwarded to the City’s Environmental Services Manager for review and signature, as noted above.

- Routine stormwater inspections are conducted at the current known rate & quantity, as referenced in California Regional Water Quality Control Board (RWQCB), Los Angeles Region, Order No. R4-2012-0175 of one cycle each 30 months. This equates to two field inspections per each 5-year RWQCB permit. The City currently has approximately 400 Critical Sources (CS). The CS inventory is a fluid database, with updates based on the addition of new businesses and removal of others, as well as changes in Standard Industrial Classification (SIC) codes that have been incorrectly reported. The generation of NOV's, as listed above follows suit. Follow-up site inspections for each NOV will be required.
- Trash DGR Study - Conduct street litter collection and quantify collected materials based on designated land-use areas including:
 - Commercial
 - High/Low Density Residential
 - Industrial
 - Public Facilities and Educational
 - Open Space and Recreation

Industrial Waste Program

- Industrial Waste inspections are to be conducted on an on-going, year-round basis. There are approximately 200 existing Industrial Waste Discharge Permits are held by industrial users (IU's) under this program. The firm will be asked to provide additional information about other City and State requirements during site inspections. Any additional information or outreach material will be provided by the City.
- Enforcement letters (Notices of Violation – "NOV's") are generated and forwarded via email to Environmental Services Manager (or designated staff) review & signature. In addition, letters to industrial users requesting new permits, permit revisions/renewals and the permits themselves are all forwarded to Environmental Services Manager (or designated staff) for review and signature, via hard copy.
- Database management is the responsibility of the Consultant. The City will require periodic updates, in the form of hard-copy lists, as well as electronic lists - upon demand (a minimum of 4x/PSA year).
- Weekly pick-up & drop-off of IW permits, renewal, etc. is to be conducted by the Consultant. The pick-up/drop-off point is the City's Public Works Services Center located at 11800 Goldring Road, with the point of contact being the Environmental Services Manager (or designated staff). Plan check turn-around times are to be one week.

EXHIBIT “B”

Schedule of Charges/Payments

Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.

Compensation shall be based on time and materials spent in accordance with the following tasks, not to exceed the total compensation listed below:

The schedule of prices is attached as attachment “A” to this Exhibit “B”.

Inspection, Monitoring, and Management Support for the City’s Municipal - Stormwater (“NPDES”) and Industrial Waste Programs	\$119,538.0

Total Compensation	- \$119,538.00

The total compensation shall not exceed the total listed without written authorization in accordance with Section 2 (b) of the agreement.

EXHIBIT “C”

Activity Schedule

All work shall be completed in accordance with the following schedule:

The term of this Agreement shall be for one (1) year from the date of execution. All tasks under Exhibit “A” shall be adhered to and executed accordingly.



STAFF REPORT

Public Works Services Department

DATE: April 1, 2025

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: Daniel Vargas, Management Analyst

SUBJECT: RECORD DEED RESTRICTION AT TIERRA VERDE PARK TO COMPLY WITH MEASURE A GRANT REQUIREMENTS TO PROVIDE PICKLEBALL COURTS AT THE FACILITY

CEQA: Not a Project

Recommendation: Approve

SUMMARY

On March 19, 2024, the City Council adopted Resolution No. 7549, approving a blanket authority to file applications for Los Angeles County Safe, Clean Neighborhood Parks and Beaches Measure ("Measure A") grant funds, from the Los Angeles County Regional Park and Open Space District ("RPOSD"). The City of Arcadia has been allocated \$30,000 of Measure A County Priority Funds for the Tierra Verde Park Pickleball Court Project.

As a condition of this Measure A grant, the City must record a deed restriction for the Tierra Verde Park property where the park improvements will be implemented. The deed restriction requires the property to be used as open space in perpetuity. It is recommended that the City Council authorize recording a deed restriction at Tierra Verde Park to comply with Measure A grant requirements and proceed with the court modifications.

BACKGROUND

The first dedicated pickleball courts in Arcadia are being constructed at Newcastle Park (143 Colorado Boulevard), which is slated to reopen in Fall 2025. When complete, Newcastle Park will have 4 dedicated pickleball courts and two dedicated tennis courts. Before the improvements to Newcastle Park were planned, all existing courts in Arcadia were designed for tennis play, apart from Camino Grove Park, where 3 courts are regularly used for both tennis and pickleball on a first come, first served basis. The City's remaining parks with tennis courts include Bicentennial Park (2 courts), Hugo Reid Park (3 courts), Orange Grove Park (5 courts) and Tierra Verde Park (2 courts). Recognizing the growing demand for pickleball courts in Arcadia, Mayor Cao led advocacy efforts to

identify grant funds and resources to help increase the utilization of existing court space and provide for more pickleball courts throughout the City.

Measure A provides funding for projects that repair and upgrade parks and recreational facilities; create new parks; preserve and protect open spaces and beaches; and support recreational programming. Currently, the City of Arcadia has a total of \$736,295 of Measure A grant funds available through the program's formula-based allocations. On average, the City's annual allocation of Measure A grant funds is approximately \$260,000; these funds are generally earmarked for large-scale projects advancing the Parks Master Plan's goals.

In addition to the program's formula-based allocations, Measure A provides funding for County Priority Projects grants, which fund projects that are determined to be priorities by the Los Angeles County Board of Supervisors. These grants are allocated at the discretion of the Board of Supervisors and are only request-based. In late 2024, the Office of Los Angeles County Supervisor Kathryn Barger notified the City of a \$30,000 allocation in Measure A County Priority Funds for the Tierra Verde Park Pickleball Courts Project.

The Public Works Services Department submitted all the necessary documentation for the Tierra Verde Park Pickleball Courts Project grant and an agreement has been executed with the Los Angeles County Park and Open Space District. As part of the grant agreement, and before any reimbursement requests can be made by the City, a deed restriction must be recorded for the Tierra Verde Park property.

DISCUSSION

Measure A County Priority Funds in the amount of \$30,000 have been allocated for the Tierra Verde Park Pickleball Courts Project. The Project includes the resurfacing and restriping of the tennis courts at Tierra Verde Park. The resurfacing of the tennis courts will restore the aesthetic and functional qualities of the courts, while also improving player comfort. In addition, new pickleball court lines will be striped over the tennis courts to allow for an effortless transition between pickleball and tennis play.

On February 25, 2025, the Public Works Services Department conducted an informal bid for the Tierra Verde Park Pickleball Courts Project. Three bids were received with the following results:

<u>Bidder</u>	<u>Location</u>	<u>Bid Amount</u>
California Surfacing	Claremont, CA	\$19,200
Taylor Tennis Courts Inc.	Anaheim, CA	\$24,650
Ferandell Tennis Courts Inc.	Valencia, CA	\$25,500

Bid documents were carefully reviewed for content. Based on this review, it has been determined that California Surfacing is the lowest responsive bidder that meets the Project's specifications. The cost to resurface and restripe the tennis courts of \$19,200 will be fully reimbursed by the Measure A County Priority Project grant. Furthermore, eligible costs included in the grant agreement, such as those related to the printing and installation of grant signage as well as in-house direct employee labor costs will be reimbursed. The final reimbursement to the City will be based on actual costs and will be up to the grant amount of \$30,000.

As a condition of the Measure A grant funding, the City must record a deed restriction for the Tierra Verde Park property. The deed restriction is required by RPOSD to ensure the project developed using Measure A funds is maintained and operated by the City in perpetuity. The deed restriction also ensures that the property is used for a purpose consistent with the grant scope and remains a permanent public resource.

ENVIRONMENTAL ANALYSIS

Recording a deed restriction for this project does not constitute a project under the California Environmental Quality Act ("CEQA"), as it can be seen with certainty that it will have no impact on the environment.

The modifications to the existing courts at Tierra Verde Park are considered a Class 2 exemption as defined in Section 15302 (Replacement or Reconstruction) of CEQA, since the project consists of the reconstruction of an existing facility with no expansion of capacity.

FISCAL IMPACT

The Tierra Verde Park Pickleball Courts Project was not included in the Fiscal Year 2024-25 Capital Improvement Program as grant funds were not yet available. The Measure A County Priority Fund grant is issued on a reimbursement basis and Arcadia has been awarded \$30,000 to complete the project.

The estimated cost to perform the court conversion at Tierra Verde Park is approximately \$19,200. Based on the projected cost, there is sufficient expenditure authority in the Capital Improvement Program to complete the project without the need for a supplemental appropriation. The Measure A County Priority Project grant of \$30,000 will fully cover the cost for the Tierra Verde Park Pickleball Courts Project as well as any in-house direct employee labor costs.

RECOMMENDATION

It is recommended that the City Council determine that this action does not constitute a project under the California Environmental Quality Act ("CEQA"); and authorize recording

Approve Recording of Deed Restriction at Tierra Verde Park

April 1, 2025

Page 4 of 4

a deed restriction at Tierra Verde Park to comply with Measure A grant requirements to provide pickleball courts at the facility.

Approved:



Dominic Lazzaretto
City Manager

Attachment: Deed Restriction for Tierra Verde Park

RECORDING REQUESTED BY

COUNTY OF LOS ANGELES

MAIL TO:

Los Angeles County Regional
Park and Open Space District
1000 S. Fremont Avenue, Unit #40 Building
A-9 East, Ground Floor
Alhambra, CA 91803
Attention: Administration Section

SPACE ABOVE THIS LINE RESERVED FOR RECORDER’S USE

TITLE(S)

Deed Restriction

RECORDING REQUESTED BY:

Los Angeles County Regional Park and Open Space District

WHEN RECORDED MAIL TO:

Los Angeles County Regional Park and Open Space District

1000 S. Fremont Avenue, Unit #40 Building A-9 East, Ground Floor Alhambra, CA 91803

Attn: Administration Section

DEED RESTRICTION

- I. WHEREAS, the City of Arcadia [hereinafter referred to as "Owner(s)"] is/are recorded owner(s) of the real property described in Exhibit A, attached and incorporated herein by reference (hereinafter referred to as the "Property"); and
- II. WHEREAS, the City of Arcadia (hereinafter referred to as "Grantee"); and
- III. WHEREAS, the Los Angeles County Regional Park and Open Space District (hereinafter referred to as the "District") is a public agency created and existing under the authority of Section 5506.9 et seq of the California Public Resources Code (hereinafter referred to as the "PRC"); and
- IV. WHEREAS, Owner(s) (or Grantee) applied to the District for grant funds available pursuant to the Measure A Grant Program for the Tierra Verde Park Pickleball Courts Project; and
- V. WHEREAS, on December 12, 2024, the District conditionally approved NTP No./Grant No. A0325001 (hereinafter referred to as "Grant") for the resurfacing and restriping of the tennis courts at Tierra Verde Park to allow for pickleball court conversion on the Property, subject to, among other conditions, recordation of this Deed Restriction on the Property; and
- VI. WHEREAS, but for the imposition of the Deed Restriction condition of the Grant, the Grant would not be consistent with the public purposes of the District's Grant Program, Safe, Clean Neighborhood Parks, Open Space, Beaches, Rivers Protection, and Water Conservation Measure (Measure A), and the funds that are the subject of the Grant could therefore not have been granted; and
- VII. WHEREAS, Owner(s) has/ve elected to comply with the Deed Restriction of the Grant, so as to enable Owner(s) to receive the Grant funds and perform the work described in the grant.

NOW, THEREFORE, in consideration of the award of the Grant funds by the District, the undersigned Owner(s) for himself/herself/themselves and for his/her/their heirs, assigns and successors-in-interest, hereby irrevocably covenant(s) with the District that the condition of the Grant (set forth at paragraphs 1 through 5 and in Exhibit B hereto) shall at all times on and after the date on which this Deed Restriction is recorded constitute for

all purposes covenants, conditions, and restrictions on the use and enjoyment of the Property that are here by attached to the deed of the Property as fully effective components thereof.

1. DURATION. This Deed Restriction shall remain in full force and effect and shall bind Owner(s) and all his/her/their assigns or successors-in-interest in perpetuity.
2. TAXES AND ASSESSMENTS. It is intended that this Deed Restriction is irrevocable and shall constitute an enforceable restriction within the meaning of a) Article XIII, Section 8 of the California Constitution and b) Section 402(i) of the California Revenue and Taxation Code or successor statute. Furthermore, this Deed Restriction shall be deemed to constitute a servitude upon and burden to the Property within the meaning of Section 3712(d) of the California Revenue and Taxation Code, or successor statute, which survives a sale of tax-deeded property.
3. RIGHT OF ENTRY. The District or its agent or employees may enter onto the Property at times reasonably acceptable to Owner(s) to ascertain whether the use restrictions set forth above are being observed.
4. REMEDIES. Any act, conveyance, contract, or authorization by Owner(s) whether written or oral which uses or would cause to be used or would permit use of the Property contrary to the terms of this Deed Restriction will be deemed a violation and a breach hereof. The District may pursue any and all available legal and/or equitable remedies to enforce the terms and conditions of this Deed Restriction. In the event of a breach, any forbearance on the part of the District to enforce the terms and provisions hereof shall not be deemed a waiver of enforcement rights regarding any subsequent breach.
5. SEVERABILITY. If any provision of these restrictions is held to be invalid, or for any reason becomes unenforceable, no other provision shall be affected or impaired.

Dated:

Signed: _____

Dominic Lazzaretto

City of Arcadia, City Manager
PRINT/TYPE NAME & TITLE OF ABOVE
(GRANTEE'S AUTHORIZED REPRESENTATIVE)

****NOTARY ACKNOWLEDGEMENT****

Exhibit "A" To Deed Restriction

Legal Description of the Property

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL: THE EAST 91 FEET OF THE WEST 273.42 FEET OF THE NORTH 233.75 FEET OF LOT 104 OF THE ARCADIA ACREAGE TRACT, IN THE CITY OF ARCADIA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 10, PAGE 18 OF MAPS, RECORDS OF SAID COUNTY

APN: 5790-004-901