



Pedro "Pete" M. Sanchez, Mayor  
Lori Wilson, Mayor Pro-Tem  
Jane Day  
Michael J. Hudson  
Michael A. Segala

First and Third Tuesday  
Every Month

**A G E N D A**

**REGULAR MEETING OF THE  
SUISUN CITY COUNCIL  
SUISUN CITY COUNCIL ACTING AS SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY,  
AND HOUSING AUTHORITY  
TUESDAY, JUNE 9, 2015  
7:00 P.M.**

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**SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA**

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**NOTICE**

*Pursuant to Government Code Section 54953, Subdivision (b), the following Council/Successor Agency/Housing Authority includes teleconference participation by Councilmember Jane Day from: 301 Morgan Street, Suisun City, CA 94585.*

(Next Ord. No. – 730)  
(Next City Council Res. No. 2 015 – 66)  
Next Suisun City Council Acting as Successor Agency Res. No. SA2015 – 01)  
(Next Housing Authority Res. No. HA2015 – 03)

**ROLL CALL**

Council / Board Members  
Pledge of Allegiance  
Invocation

**PUBLIC COMMENT**

*(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).*

**REPORTS: (Informational items only.)**

1. Mayor/Council - Chair/Boardmembers
2. City Manager/Executive Director/Staff

**PRESENTATIONS/APPOINTMENTS**

*(Presentations, Awards, Proclamations, Appointments).*

**CONSENT CALENDAR**

*Consent calendar items requiring little or no discussion may be acted upon with one motion.*

**City Council**

3. Approval of Ygrene Works PACE Program – (Garben).
  - a. Council Adoption of Resolution No. 2015-\_\_ : Adopting a Resolution consenting to the inclusion of properties within the City’s incorporated areas in the CHF Community Facilities District No. 2014-1 (Clean Energy) to finance renewable energy generation, energy efficiency, water conservation and electric vehicle charging infrastructure improvements and approving associate membership in CHF for Ygrene Works PACE program.
  - b. Council Adoption of Resolution No. 2015-\_\_ : Adopting a Resolution consenting to the Inclusion of Properties within the City’s incorporated areas in the CHF PACE Program to finance renewable energy generation, energy and water efficiency improvements and electric vehicle charging infrastructure and approving associate membership in CHF for Ygrene Works PACE program

**GENERAL BUSINESS****City Council**

4. Fiscal Year 2015-16 Annual Budget Workshop, Presentation of Conceptual Fiscal Year 2015-16 Budget Strategy – (Bragdon/Anderson/Garben).

**PUBLIC HEARINGS****City Council**

5. PUBLIC HEARING  
Council Adoption of Resolution No. 2015-\_\_ : Approving a Vision Statement and a Preferred Land Use Alternative for the Downtown Waterfront Specific Plan Update – (Garben/Kearns).

**ADJOURNMENT**

A complete packet of information containing staff reports and exhibits related to each item for the open session of this meeting, and provided to the City Council, are available for public review at least 72 hours prior to a Council /Agency/Authority Meeting at Suisun City Hall 701 Civic Center Blvd., Suisun City. Agenda related writings or documents provided to a majority of the Council/Board/Commissioners less than 72 hours prior to a Council/Agency/Authority meeting related to an agenda item for the open session of this meeting will be made available for public inspection during normal business hours. An agenda packet is also located at the entrance to the Council Chambers during the meeting for public review. The City may charge photocopying charges for requested copies of such documents. Assistive listening devices may be obtained at the meeting

***PLEASE NOTE:***

1. The City Council/Agency/Authority hopes to conclude its public business by 11:00 P.M. Ordinarily, no new items will be taken up after the 11:00 P.M. cutoff and any items remaining will be agendaized for the next meeting. The agendas have been prepared with the hope that all items scheduled will be discussed within the time allowed.
2. Suisun City is committed to providing full access to these proceedings; individuals with special needs may call 421-7300.
3. Agendas are posted at least 72 hours in advance of regular meetings at Suisun City Hall, 701 Civic Center Boulevard, Suisun City, CA. Agendas may be posted at other Suisun City locations including the Suisun City Fire Station, 621 Pintail Drive, Suisun City, CA, and the Suisun City Senior Center, 318 Merganser Drive, Suisun City, CA.

## AGENDA TRANSMITTAL

**MEETING DATE:** June 9, 2015

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**CITY AGENDA ITEM:** Approval of Ygrene Works PACE Program:

- a. Council Adoption of Resolution No. 2015-\_\_: Adopting a Resolution consenting to the inclusion of properties within the City's incorporated areas in the CHF Community Facilities District No. 2014-1 (Clean Energy) to finance renewable energy generation, energy efficiency, water conservation and electric vehicle charging infrastructure improvements and approving associate membership in CHF for Ygrene Works PACE program.
- b. Council Adoption of Resolution No. 2015-\_\_: Adopting a Resolution consenting to the Inclusion of Properties within the City's incorporated areas in the CHF PACE Program to finance renewable energy generation, energy and water efficiency improvements and electric vehicle charging infrastructure and approving associate membership in CHF for Ygrene Works PACE program.

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**FISCAL IMPACT:** There would be no fiscal impact to the City by consenting to the inclusion of properties within the City of Suisun City into the Ygrene Program. There would be no cost to the City to become an Associate Member of the JPA or by opting into the PACE programs described in this report. The City would have no administrative responsibilities, marketing obligations, or financial obligations associated with the Ygrene Works PACE program.

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**BACKGROUND:** The California Home Finance Authority (CHF), which will be formally changing its name to Golden State Finance Authority (GSFA), Ygrene Works Program is a Property Assessed Clean Energy (PACE) Program operating via Joint Powers Authority (JPA) sponsored by the CHF. The Ygrene Works PACE Program goal is to provide funding for energy efficiency, resource conservation, and renewable energy generation projects on a voluntary participated basis to local property owners. Funding will be in the form of loans that repaid through special assessments levied on the participating property owner's property tax bill.

The City has previously approved participation in similar PACE programs such as CaliforniaFIRST, and HERO PACE programs. Approval of the Ygrene Works PACE programs provides more options for Suisun City property owners. It will not add to or require any additional responsibilities from the City.

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**STAFF REPORT:** CHF has established two PACE programs under the legislative authority of two separate California PACE laws. SB 555 PACE Community Facilities District: Senate Bill 555 amended the Mello-Roos Community Facilities Act, set forth in sections 53311 through 53368.3 of the California Government Code and particularly in accordance with sections 53313.5(I) and 53328.1(a) ("Mello-Roos Act"), to allow for the creation of ("CFDs") for the purpose of financing or refinancing the acquisition, installation and improvement of energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure improvements permanently affixed to private or publicly-owned real property. Individual

**PREPARED BY:**  
**REVIEWED BY:**  
**APPROVED BY:**

Trishia Pascobillo, Assistant Planner  
 Jason Garben, Development Services Director  
 Suzanne Bragdon, City Manager

*TP*  
*JG*  
*SB*

properties can be annexed into the district and be subject to the special tax that is imposed to repay project financing only if (i) the Council adopts a resolution consenting to the inclusion of parcels in the incorporated areas of the City within the CFD and (ii) each participating owner provides its unanimous written approval for annexation of its property in the PACE CFD.

The second legislative PACE law is AB 811 PACE Contractual Assessment Program: By the passage of the Assembly Bill 811 the California State Legislature added Chapter 29 to the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code. This legislation authorized cities and counties to establish voluntary contractual assessment programs for the purpose financing private property improvements that promote renewable energy generation, energy and water efficiency and electric vehicle charging infrastructure. As with SB 555 CFD, properties can be annexed into the AB 811 PACE program and be subject to the property tax assessment that is imposed to repay project financing only if (i) the Council adopts a resolution consenting to the inclusion of parcels in the incorporated areas of the City within the program and (ii) each participating owner consents in writing to the annexation of its property into the PACE program. The Solano County Treasurer-Tax Collector-County Clerk Office has stated in staff report #15-0261, dated April, 14, 2015, approving the Ygrene Works Program, that the differences between the two legislations are that AB 811 charges are benefit assessments, whereas the SB 555 charges are special taxes.

In order to participate in the PACE programs, the City must become an Associate Member of the CHF (JPA Agreement attached). Associate membership requires no dues or other costs to the City, but permits participation in all CHF programs including the PACE program. The attached resolutions approve joining the JPA as an Associate Member. Pursuant to the JPA Agreement and CHF Board Resolution 15-01, the Executive Director has the authority to approve the addition of new Associate Members to the JPA.

***Benefits to City of Suisun City Property Owners:***

- Only property owners who apply for Ygrene Works PACE financing and are approved will participate at their discretion.
- Some property owners may not be able to secure private funding.
- Individual project costs may be lower due to a larger, regional approach.
- Energy prices continue to rise and selecting more energy efficient energy models lowers utility bills.
- In the event the property transfers ownership, the balance can also be transferred therefore, leaving the assessment responsibility to the new owner.
- On the other hand, there is no prepayment penalty to pay off the assessment.

***Benefits to the City:***

- Increased local jobs.
- An increase in housing prices as water and energy efficient homes has a higher sales value.
- An increase in sales, payroll, and property tax revenue.
- As with any other assessment proceeding, the City would not be financially responsible for any of the debt.

- Ygrene Works program staff will handle the bond assessment, issuance and administration of the program. The City's involvement would consist of referring interested parties to the website or contact number.
- Allows the City to promote a "green" program at no cost to the General Fund.

Staff recommends that the City Council approve the attached resolutions. Approval of both Resolutions will allow The City of Suisun City to join the Ygrene Works program, along with Solano County, the City of Fairfield and other California member cities, providing Suisun City residents many benefits without creating an additional administrative burden to City staff.

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**STAFF RECOMMENDATION:** It is recommended that the City Council:

- a. Council Adoption of Resolution No. 2015-\_\_: Adopting a Resolution consenting to the inclusion of properties within the City's incorporated areas in the CHF Community Facilities District No. 2014-1 (Clean Energy) to finance renewable energy generation, energy efficiency, water conservation and electric vehicle charging infrastructure improvements and approving associate membership in CHF for Ygrene Works PACE program.
- b. Council Adoption of Resolution No. 2015-\_\_: Adopting a Resolution consenting to the Inclusion of Properties within the City's incorporated areas in the CHF PACE Program to finance renewable energy generation, energy and water efficiency improvements and electric vehicle charging infrastructure and approving associate membership in CHF for Ygrene Works PACE program.

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**ATTACHMENTS:**

1. Resolution No. 2015-\_\_: Adopting a Resolution consenting to the inclusion of properties within the City's incorporated areas in the CHF Community Facilities District No. 2014-1 (Clean Energy) to finance renewable energy generation, energy efficiency, water conservation and electric vehicle charging infrastructure improvements and approving associate membership in CHF for Ygrene Works PACE program..
2. Resolution No. 2015-\_: Adopting a Resolution consenting to the Inclusion of Properties within the City's incorporated areas in the CHF PACE Program to finance renewable energy generation, energy and water efficiency improvements and electric vehicle charging infrastructure and approving associate membership in CHF for Ygrene Works PACE program
3. California Home Finance Authority Amended and Restated Joint Exercise of Powers Agreement.
4. GSFA Fact Sheet.
5. Ygrene Work Overview.
6. Ygrene Works Media Coverage List.



**RESOLUTION NO. 2015-\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY  
CONSENTING TO THE INCLUSION OF PROPERTIES WITHIN THE CITY'S  
INCORPORATED AREAS IN THE CHF COMMUNITY FACILITIES DISTRICT NO.  
2014-1 (CLEAN ENERGY) TO FINANCE RENEWABLE ENERGY GENERATION,  
ENERGY EFFICIENCY, WATER CONSERVATION AND ELECTRIC VEHICLE  
CHARGING INFRASTRUCTURE IMPROVEMENTS AND APPROVING ASSOCIATE  
MEMBERSHIP IN CHF FOR YGRENE WORKS PACE PROGRAM**

**WHEREAS**, the California Home Finance Authority (CFH), a California joint powers authority, (the "Authority") has established the Community Facilities District No. 2014-1(Clean Energy) in accordance with the Mello-Roos Community Facilities Act, set forth in sections 53311 through 53368.3 of the California Government Code (the "Act") and particularly in accordance with sections 53313.5(l) and 53328.1(a) (the "District"); and

**WHEREAS**, the purpose of the District is to finance or refinance (including the payment of interest) the acquisition, installation, and improvement of energy efficiency, water conservation, renewable energy and electric vehicle charging infrastructure improvements permanently affixed to private or publicly-owned real property (the "Authorized Improvements"); and

**WHEREAS**, the Authority is in the process of amending the Authority Joint Powers Agreement (the "Authority JPA") to formally change its name to the Golden State Finance Authority; and

**WHEREAS**, the City of Suisun City is committed to development of renewable energy generation and energy efficiency improvements, reduction of greenhouse gases, and protection of the environment; and

**WHEREAS**, in the Act, the Legislature has authorized a parcel within the territory of the District to annex to the District and be subject to the special tax levy of the District only (i) if the city or county within which the parcel is located has consented, by the adoption of a resolution by the applicable city council or county board of supervisors, to the inclusion of parcels within its boundaries in the District and (ii) with the unanimous written approval of the owner or owners of the parcel when it is annexed (the "Unanimous Approval Agreement"), which, as provided in section 53329.6 of the Act, shall constitute the election required by the California Constitution; and

**WHEREAS**, the City wishes to provide innovative solutions to its property owners to achieve energy efficiency and water conservation and in doing so cooperate with Authority in order to efficiently and economically assist property owners the City in financing such Authorized Improvements; and

**WHEREAS**, the Authority has established the District, as permitted by the Act, the Authority JPA, originally made and entered into July 1, 1993, as amended to date, and the City, desires to become an Associate Member of the JPA by execution of the JPA Agreement, a copy of which is attached as Exhibit "A" hereto, to participate in the programs of the JPA and, to assist property owners within the incorporated area of the City in financing the cost of installing Authorized Improvements; and

**WHEREAS**, the City will not be responsible for the conduct of any special tax proceedings; the levy and collection of special taxes or any required remedial action in the case of delinquencies in the payment of any special taxes in connection with the District.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Suisun City as follows:

Section 1. Finds and declares that properties in the City's incorporated area will be benefited by the availability of the Authority CFD No. 2014-1 (Clean Energy) to finance the installation of the Authorized Improvements.

Section 2. Consents to inclusion in the Authority CFD No. 2014-1 (Clean Energy) of all of the properties in the incorporated area within the City and to the Authorized Improvements, upon the request of and execution of the Unanimous Approval Agreement by the owners of such properties when such properties are annexed, in compliance with the laws, rules and regulations applicable to such program; and to the assumption of jurisdiction thereover by Authority for the purposes thereof.

Section 3. The consent of this City Council constitutes assent to the assumption of jurisdiction by Authority for all purposes of the Authority CFD No. 2014-1 (Clean Energy) and authorizes Authority, upon satisfaction of the conditions imposed in this resolution, to take each and every step required for or suitable for financing the Authorized Improvements.

Section 4. Hereby approves joining the JPA as an Associate Member and authorizes the execution by the City Manager or her designee of any necessary documents to effectuate such membership.

Section 5. City staff is authorized and directed to coordinate with Authority staff to facilitate operation of the Authority CFD No. 2014-1 (Clean Energy) within the City, and report back periodically to this City Council on the success of such program.

Section 6. This Resolution shall take effect immediately upon its adoption. The City Clerk is directed to send a certified copy of this resolution to the Secretary of the Authority.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Suisun City held on this 9th of June, 2015 by the following vote:

<b>AYES:</b>	Councilmembers:	_____
<b>NOES:</b>	Councilmembers:	_____
<b>ABSENT:</b>	Councilmembers:	_____
<b>ABSTAIN:</b>	Councilmembers:	_____

**WITNESS** my hand and the seal of said Agency this 9<sup>th</sup> of June, 2015.

\_\_\_\_\_  
Linda Hobson, CMC  
City Clerk

RESOLUTION NO. 2015-\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY  
CONSENTING TO THE INCLUSION OF PROPERTIES WITHIN THE CITY'S  
INCORPORATED AREAS IN THE CHF PACE PROGRAM TO FINANCE  
RENEWABLE ENERGY GENERATION, ENERGY AND WATER EFFICIENCY  
IMPROVEMENTS AND ELECTRIC VEHICLE CHARGING INFRASTRUCTURE  
AND APPROVING ASSOCIATE MEMBERSHIP IN CHF FOR  
YGRENE WORKS PACE PROGRAM**

**WHEREAS**, the California Home Finance Authority (“Authority”) is a joint exercise of powers authority established pursuant to Chapter 5 of Division 7, Title 1 of the Government Code of the State of California (Section 6500 and following) (the “Act”) and the Joint Power Agreement entered into on July 1, 1993, as amended from time to time (the “Authority JPA”); and

**WHEREAS**, the Authority is in the process of amending the Authority JPA to formally change its name to the Golden State Finance Authority; and

**WHEREAS**, Authority has established a property-assessed clean energy (“PACE”) Program (the “Authority PACE Program”) to provide for the financing of renewable energy generation, energy and water efficiency improvements and electric vehicle charging infrastructure (the “Improvements”) pursuant to Chapter 29 of the Improvement Bond Act of 1911, being Division 7 of the California Streets and Highways Code (“Chapter 29”) within counties and cities throughout the State of California that elect to participate in such program; and

**WHEREAS**, City of Suisun City (the “City”) is committed to development of renewable energy generation and energy and water efficiency improvements, reduction of greenhouse gases, and protection of the environment; and

**WHEREAS**, in Chapter 29, the Legislature has authorized cities and counties to assist property owners in financing the cost of installing Improvements through a voluntary contractual assessment program; and

**WHEREAS**, installation of such Improvements by property owners within the jurisdictional boundaries of the counties and cities that are participating in the Authority PACE Program would promote the purposes cited above; and

**WHEREAS**, the City wishes to provide innovative solutions to its property owners to achieve energy and water efficiency, and in doing so cooperate with Authority in order to efficiently and economically assist property owners within the City in financing such Improvements; and

**WHEREAS**, Authority has established the Authority PACE Program, which is such a voluntary contractual assessment program, as permitted by the Act, the Authority JPA, originally made and entered into July 1, 1993, as amended to date, and the City, desires to become an Associate Member of the JPA by execution of the JPA Agreement, a copy of which is attached as Exhibit “A” hereto, to participate in the programs of the JPA and to assist property owners within the jurisdiction of the City in financing the cost of installing Improvements; and

WHEREAS, the City will not be responsible for the conduct of any assessment proceedings; the levy and collection of assessments or any required remedial action in the case of delinquencies in the payment of any assessments or the issuance, sale or administration of any bonds issued in connection with the Authority PACE Program.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Suisun City as follows:

Section 1. Finds and declares that properties in the City's incorporated area will be benefited by the availability of the Authority PACE Program to finance the installation of the Improvements.

Section 2. Consents to inclusion in the Authority PACE Program of all of the properties in the jurisdictional boundaries of the City and to the Improvements, upon the request by and voluntary agreement of owners of such properties, in compliance with the laws, rules and regulations applicable to such program; and to the assumption of jurisdiction thereover by Authority for the purposes thereof.

Section 3. The consent of this City Council constitutes assent to the assumption of jurisdiction by Authority for all purposes of the Authority PACE Program and authorizes Authority, upon satisfaction of the conditions imposed in this resolution, to take each and every step required for or suitable for financing the Improvements, including the levying, collecting and enforcement of the contractual assessments to finance the Improvements and the issuance and enforcement of bonds to represent such contractual assessments.

Section 4. This City Council hereby approves joining the JPA as an Associate Member and authorizes the execution by the City Manager or her designee of any necessary documents to effectuate such membership.

Section 5. City staff is authorized and directed to coordinate with Authority staff to facilitate operation of the Authority PACE Program within the City, and report back periodically to this City Council on the success of such program.

Section 6. This Resolution shall take effect immediately upon its adoption. The City Clerk is directed to send a certified copy of this resolution to the Secretary of the Authority.

**PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Suisun City held on this 9th of June, 2015 by the following vote:

<b>AYES:</b>	Councilmembers:	_____
<b>NOES:</b>	Councilmembers:	_____
<b>ABSENT:</b>	Councilmembers:	_____
<b>ABSTAIN:</b>	Councilmembers:	_____

WITNESS my hand and the seal of said Agency this 9<sup>th</sup> of June, 2015.

\_\_\_\_\_  
Linda Hobson, CMC  
City Clerk

CALIFORNIA HOME FINANCE AUTHORITY

AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT

(Original date July 1, 1993 and as last amended and restated December 10, 2014)

THIS AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT ("Agreement") is entered into by and among the counties listed on Attachment 1 hereof and incorporated herein by reference. All such counties are referred to herein as "Members" with the respective powers, privileges and restrictions provided herein.

RECITALS

A. WHEREAS, the California Rural Home Mortgage Finance Authority ("CRHMFA") was created by a Joint Exercise of Powers Agreement dated July 1, 1993 pursuant to the Joint Exercise of Powers Act (commencing with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"). By Resolution 2003-02, adopted on January 15, 2003, the name of the authority was changed to CRHMFA Homebuyers Fund. The most recent amendment to the Joint Exercise of Powers Agreement was on January 28, 2004.

B. WHEREAS, the Members of CRHMFA Homebuyers Fund desire to update, reaffirm, clarify and revise certain provisions of the joint powers agreement, including the renaming of the joint powers authority, as set forth herein.

C. WHEREAS, the Members are each empowered by law to finance the construction, acquisition, improvement and rehabilitation of real property.

D. WHEREAS, by this Agreement, the Members desire to create and establish a joint powers authority to exercise their respective powers for the purpose of financing the construction, acquisition, improvement and rehabilitation of real property within the jurisdiction of the Authority as authorized by the Act.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Members individually and collectively agree as follows:

1. Definitions

Unless the context otherwise requires, the following terms shall for purposes of this Agreement have the meanings specified below:

**"Act"** means the Joint Exercise of Powers Act, commencing with Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including the Marks-Roos Local Bond Pooling Act of 1985, as amended.

**"Agreement"** means this Joint Exercise of Powers Agreement, as the same now exists or as it may from time to time be amended as provided herein.

**"Associate Member"** means a county, city or other public agency which is not a voting member of the Rural County Representatives of California, a California nonprofit corporation ("RCRC"), with legal power and authority similar to that of the Members, admitted pursuant to paragraph 4.d. below to associate membership herein by vote of the Board.

**"Audit Committee"** means a committee made up of the nine-member Executive Committee.

**"Authority"** means California Home Finance Authority ("CHF"), formerly known as CRHMFA Homebuyers Fund or California Rural Home Mortgage Finance Authority.

**"Board"** means the governing board of the Authority as described in Section 7 below.

**"Bonds"** means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other obligation within the meaning of the term "Bonds" under the Act.

**"Delegate"** means the Supervisor designated by the governing board of each Member to serve on the Board of the Authority.

**"Executive Committee"** means the nine-member Executive Committee of the Board established pursuant to Section 10 hereof.

**"Member"** means any county which is a member of RCRC, has executed this Agreement and has become a member of the Authority.

**"Obligations"** means bonds, notes, warrants, leases, certificates of participation, installment purchase agreements, loan agreements and other securities or obligations issued by the Authority, or financing agreements entered into by the Authority pursuant to the Act and any other financial or legal obligation of the Authority under the Act.

**"Program"** or **"Project"** means any work, improvement, program, project or service undertaken by the Authority.

**"Rural County Representatives of California"** or **"RCRC"** means the nonprofit entity incorporated under that name in the State of California.

**"Supervisor"** means an elected County Supervisor from an RCRC member county.

## 2. Purpose

The purpose of the Authority is to provide financing for the acquisition, construction, , improvement and rehabilitation of real property in accordance with applicable provisions of law for the benefit of residents and communities. In pursuit of this purpose, this Agreement provides for the joint exercise of powers common to any of its Members and Associate Members as provided herein, or otherwise authorized by the Act and other applicable laws, including assisting

in financing as authorized herein, jointly exercised in the manner set forth herein.

**3. Principal Place of Business**

The principal office of the Authority shall be 1215 K Street, Suite 1650, Sacramento, California 95814.

**4. Creation of Authority; Addition of Members or Associate Members**

a. The Authority is hereby created pursuant to the Act. As provided in the Act, the Authority shall be a public entity separate and distinct from the Members or Associate Members.

b. The Authority will cause a notice of this Agreement or any amendment hereto to be prepared and filed with the office of the Secretary of State of California in a timely fashion in the manner set forth in Section 6503.3 of the Act.

c. A county that is a member of RCRC may petition to become a member of the Authority by submitting to the Board a resolution or evidence of other formal action taken by its governing body adopting this Agreement. The Board shall review the petition for membership and shall vote to approve or disapprove the petition. If the petition is approved by a majority of the Board, such county shall immediately become a Member of the Authority.

d. An Associate Member may be added to the Authority upon the affirmative approval of its respective governing board and pursuant to action by the Authority Board upon such terms and conditions, and with such rights, privileges and responsibilities, as may be established from time to time by the Board. Such terms and conditions, and rights, privileges and responsibilities may vary among the Associate Members. Associate Members shall be entitled to participate in one or more programs of the Authority as determined by the Board, but shall not be voting members of the Board. The Executive Director of the Authority shall enforce the terms and conditions for prospective Associate Members to the Authority as provided by resolution of the Board and as amended from time to time by the Board. Changes in the terms and conditions for Associate Membership by the Board will not constitute an amendment of this Agreement.

**5. Term and Termination of Powers**

This Agreement shall become effective from the date hereof until the earlier of the time when all Bonds and any interest thereon shall have been paid in full, or provision for such payment shall have been made, or when the Authority shall no longer own or hold any interest in a public capital improvement or program. The Authority shall continue to exercise the powers herein conferred upon it until termination of this Agreement, except that if any Bonds are issued and delivered, in no event shall the exercise of the powers herein granted be terminated until all Bonds so issued and delivered and the interest thereon shall have been paid or provision for such payment shall have been made and any other debt incurred with respect to any other financing program established or administered by the Authority has been repaid in full and is no longer outstanding.

**6. Powers; Restriction upon Exercise**

a. To effectuate its purpose, the Authority shall have the power to exercise any and all powers of the Members or of a joint powers authority under the Act and other applicable provisions of law, subject, however, to the conditions and restrictions herein contained. Each Member or Associate Member may also separately exercise any and all such powers. The powers of the Authority are limited to those of a general law county.

b. The Authority may adopt, from time to time, such resolutions, guidelines, rules and regulations for the conduct of its meetings and the activities of the Authority as it deems necessary or desirable to accomplish its purpose.

c. The Authority shall have the power to finance the construction, acquisition, improvement and rehabilitation of real property, including the power to purchase, with the amounts received or to be received by it pursuant to a bond purchase agreement, bonds issued by any of its Members or Associate Members and other local agencies at public or negotiated sale, for the purpose set forth herein and in accordance with the Act. All or any part of such bonds so purchased may be held by the Authority or resold to public or private purchasers at public or negotiated sale. The Authority shall set any other terms and conditions of any purchase or sale contemplated herein as it deems necessary or convenient and in furtherance of the Act. The Authority may issue or cause to be issued Bonds or other indebtedness, and pledge any of its property or revenues as security to the extent permitted by resolution of the Board under any applicable provision of law. The Authority may issue Bonds in accordance with the Act in order to raise funds necessary to effectuate its purpose hereunder and may enter into agreements to secure such Bonds. The Authority may issue other forms of indebtedness authorized by the Act, and to secure such debt, to further such purpose. The Authority may utilize other forms of capital, including, but not limited to, the Authority's internal resources, capital markets and other forms of private capital investment authorized by the Act.

d. The Authority is hereby authorized to do all acts necessary for the exercise of its powers, including, but not limited to:

- (1) executing contracts,
- (2) employing agents, consultants and employees,
- (3) acquiring, constructing or providing for maintenance and operation of any building, work or improvement,
- (4) acquiring, holding or disposing of real or personal property wherever located, including property subject to mortgage,
- (5) incurring debts, liabilities or obligations,
- (6) receiving gifts, contributions and donations of property, funds, services and any other forms of assistance from persons, firms, corporations or governmental entities,
- (7) suing and being sued in its own name, and litigating or settling any suits or claims,
- (8) doing any and all things necessary or convenient to the exercise of its specific powers and to accomplishing its purpose
- (9) establishing and/or administering districts to finance and refinance the acquisition, installation and improvement of energy efficiency, water

conservation and renewable energy improvements to or on real property and in buildings. The Authority may enter into one or more agreements, including without limitation, participation agreements and implementation agreements to implement such programs.

e. Subject to the applicable provisions of any indenture or resolution providing for the investment of monies held thereunder, the Authority shall have the power to invest any of its funds as the Board deems advisable, in the same manner and upon the same conditions as local agencies pursuant to Section 53601 of the Government Code of the State of California.

f. All property, equipment, supplies, funds and records of the Authority shall be owned by the Authority, except as may be provided otherwise herein or by resolution of the Board.

g. Pursuant to the provisions of Section 6508.1 of the Act, the debts, liabilities and obligations of the Authority shall not be debts, liabilities and obligations of the Members or Associate Members. Any Bonds, together with any interest and premium thereon, shall not constitute debts, liabilities or obligations of any Member. The Members or Associate Members hereby agree that any such Bonds issued by the Authority shall not constitute general obligations of the Authority but shall be payable solely from the moneys pledged to the repayment of principal or interest on such Bonds under the terms of the resolution, indenture, trust, agreement or other instrument pursuant to which such Bonds are issued. Neither the Members or Associate Members nor the Authority shall be obligated to pay the principal of or premium, if any, or interest on the Bonds, or other costs incidental thereto, except from the revenues and funds pledged therefor, and neither the faith and credit nor the taxing power of the Members or Associate Members or the Authority shall be pledged to the payment of the principal of or premium, if any, or interest on the Bonds, nor shall the Members or Associate Members of the Authority be obligated in any manner to make any appropriation for such payment. No covenant or agreement contained in any Bond shall be deemed to be a covenant or agreement of any Delegate, or any officer, agent or employee of the Authority in an individual capacity, and neither the Board nor any officer thereof executing the Bonds or any document related thereto shall be liable personally on any Bond or be subject to any personal liability or accountability by reason of the issuance of any Bonds.

## **7. Governing Board**

a. The Board shall consist of the number of Delegates equal to one representative from each Member.

b. The governing body of each Member shall appoint one of its Supervisors to serve as a Delegate on the Board. A Member's appointment of its Delegate shall be delivered in writing (which may be by electronic mail) to the Authority and shall be effective until he or she is replaced by such governing body or no longer a Supervisor; any vacancy shall be filled by the governing body of the Member in the same manner provided in this paragraph b..

c. The governing body of each Member of the Board shall appoint a Supervisor as an alternate to serve on the Board in the absence of the Delegate; the alternate may exercise all the

rights and privileges of the Delegate, including the right to be counted in constituting a quorum, to participate in the proceedings of the Board, and to vote upon any and all matters. No alternate may have more than one vote at any meeting of the Board, and any Member's designation of an alternate shall be delivered in writing (which may be by electronic mail) to the Authority and shall be effective until such alternate is replaced by his or her governing body or is no longer a Supervisor, unless otherwise specified in such appointment. Any vacancy shall be filled by the governing body of the Member in the same manner provided in this paragraph c..

d. Any person who is not a member of the governing body of a Member and who attends a meeting on behalf of such Member may not vote or be counted toward a quorum but may, at the discretion of the Chair, participate in open meetings he or she attends.

e. Each Associate Member may designate a non-voting representative to the Board who may not be counted toward a quorum but who may attend open meetings, propose agenda items and otherwise participate in Board Meetings.

f. Delegates shall not receive compensation for serving as Delegates, but may claim and receive reimbursement for expenses actually incurred in connection with such service pursuant to rules approved by the Board and subject to the availability of funds.

g. The Board shall have the power, by resolution, to the extent permitted by the Act or any other applicable law, to exercise any powers of the Authority and to delegate any of its functions to the Executive Committee or one or more Delegates, officers or agents of the Authority, and to cause any authorized Delegate, officer or agent to take any actions and execute any documents for and in the name and on behalf of the Board or the Authority.

h. The Board may establish such committees as it deems necessary for any lawful purpose; such committees are advisory only and may not act or purport to act on behalf of the Board or the Authority.

i. The Board shall develop, or cause to be developed, and review, modify as necessary, and adopt each Program.

## **8. Meetings of the Board**

a. The Board shall meet at least once annually, but may meet more frequently upon call of any officer or as provided by resolution of the Board.

b. Meetings of the Board shall be called, noticed, held and conducted pursuant to the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part I of Division 2 of Title 5 of the Government Code of the State of California.

c. The Secretary of the Authority shall cause minutes of all meetings of the Board to be taken and distributed to each Member as soon as possible after each meeting.

d. The lesser of twelve (12) Delegates or a majority of the number of current Delegates shall constitute a quorum for transacting business at any meeting of the Board, except

that less than a quorum may act to adjourn a meeting. Each Delegate shall have one vote.

e. Meetings may be held at any location designated in notice properly given for a meeting and may be conducted by telephonic or similar means in any manner otherwise allowed by law.

## 9. Officers; Duties; Official Bonds

a. The Board shall elect a chair and vice chair from among the Delegates at the Board's annual meeting who shall serve a term of one (1) year or until their respective successor is elected. The chair shall conduct the meetings of the Board and perform such other duties as may be specified by resolution of the Board. The vice chair shall perform such duties in the absence or in the event of the unavailability of the chair.

b. The Board shall contract annually with RCRC to administer the Agreement and to provide administrative services to the Authority, and the President and Chief Executive Officer of RCRC shall serve *ex officio* as Executive Director, Secretary, Treasurer, and Auditor of the Authority. As chief executive of the Authority, the Executive Director is authorized to execute contracts and other obligations of the Authority, unless prior Board approval is required by a third party, by law or by Board specification, and to perform other duties specified by the Board. The Executive Director may appoint such other officers as may be required for the orderly conduct of the Authority's business and affairs who shall serve at the pleasure of the Executive Director. Subject to the applicable provisions of any indenture or resolution providing for a trustee or other fiscal agent, the Executive Director, as Treasurer, is designated as the custodian of the Authority's funds, from whatever source, and, as such, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act. The Executive Director, as Auditor, shall have the powers, duties and responsibilities specified in Section 6505.5 of the Act.

c. The Legislative Advocate for the Authority shall be the Rural County Representatives of California.

d. The Treasurer and Auditor are public officers who have charge of, handle, or have access to all property of the Authority, and a bond for such officer in the amount of at least one hundred thousand dollars (\$100,000.00) shall be obtained at the expense of the Authority and filed with the Executive Director. Such bond may secure the faithful performance of such officer's duties with respect to another public office if such bond in at least the same amount specifically mentions the office of the Authority as required herein. The Treasurer and Auditor shall cause periodic independent audits to be made of the Authority's books by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act.

e. The business of the Authority shall be conducted under the supervision of the Executive Director by RCRC personnel.

## 10. Executive Committee of the Authority

a. Composition

The Authority shall appoint nine (9) members of its Board to serve on an Executive Committee.

b. Powers and Limitations

The Executive Committee shall act in an advisory capacity and make recommendations to the Authority Board. Duties will include, but not be limited to, review of the quarterly and annual budgets, service as the Audit Committee for the Authority, periodically review this Agreement; and complete any other tasks as may be assigned by the Board. The Executive Committee shall be subject to all limitations imposed by this Agreement, other applicable law, and resolutions of the Board.

c. Quorum

A majority of the Executive Committee shall constitute a quorum for transacting business of the Executive Committee.

**11. Disposition of Assets**

Upon termination of this Agreement, all remaining assets and liabilities of the Authority shall be distributed to the respective Members in such manner as shall be determined by the Board and in accordance with the law.

**12. Agreement Not Exclusive; Operation in Jurisdiction of Member**

This Agreement shall not be exclusive, and each Member expressly reserves its rights to carry out other public capital improvements and programs as provided for by law and to issue other obligations for those purposes. This Agreement shall not be deemed to amend or alter the terms of other agreements among the Members or Associate Members.

**13. Conflict of Interest Code**

The Authority shall by resolution adopt a Conflict of Interest Code as required by law.

**14. Contributions and Advances**

Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by any Member, Associate Member or any other public agency to further the purpose of this Agreement. Payment of public funds may be made to defray the cost of any contribution. Any advance may be made subject to repayment, and in that case shall be repaid in the manner agreed upon by the advancing Member, Associate Member or other public agency and the Authority at the time of making the advance.

**15. Fiscal Year; Accounts; Reports; Annual Budget; Administrative Expenses**

a. The fiscal year of the Authority shall be the period from January 1 of each year to and including the following December 31, except for any partial fiscal year resulting from a change

in accounting based on a different fiscal year previously.

b. Prior to the beginning of each fiscal year, the Board shall adopt a budget for the succeeding fiscal year.

c. The Authority shall establish and maintain such funds and accounts as may be required by generally accepted accounting principles. The books and records of the Authority are public records and shall be open to inspection at all reasonable times by each Member and its representatives.

d. The Auditor shall either make, or contract with a certified public accountant or public accountant to make, an annual audit of the accounts and records of the Authority. The minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California, and shall conform to generally accepted auditing standards. When an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member (and also with the auditor of Sacramento County as the county in which the Authority's office is located) within 12 months after the end of the fiscal year.

e. In any year in which the annual budget of the Authority does not exceed five thousand dollars (\$5,000.00), the Board may, upon unanimous approval of the Board, replace the annual audit with an ensuing one-year period, but in no event for a period longer than two fiscal years.

#### **16. Duties of Members or Associate Members; Breach**

If any Member or Associate Member shall default in performing any covenant contained herein, such default shall not excuse that Member or Associate Member from fulfilling its other obligations hereunder, and such defaulting Member or Associate Member shall remain liable for the performance of all covenants hereof. Each Member or Associate Member hereby declares that this Agreement is entered into for the benefit of the Authority created hereby, and each Member or Associate Member hereby grants to the Authority the right to enforce, by whatever lawful means the Authority deems appropriate, all of the obligations of each of the parties hereunder. Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative, and the exercise of one right or remedy shall not impair the right of the Authority to any or all other remedies.

#### **17. Indemnification**

To the full extent permitted by law, the Board may authorize indemnification by the Authority of any person who is or was a Board Delegate, alternate, officer, consultant, employee or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Delegate, alternate, officer, consultant, employee or other agent of the Authority. Such indemnification may be made against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Authority and, in the case of a criminal

proceeding, had no reasonable cause to believe his or her conduct was unlawful and, in the case of an action by or in the right of the Authority, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

## **18. Immunities**

All of the privileges and immunities from liabilities, exemptions from law, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activity of officers, agents or employees of any of the Members or Associate Members when performing their respective functions, shall apply to them to the same degree and extent while engaged as Delegates or otherwise as an officer, agent or other representative of the Authority or while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

## **19. Amendment**

This Agreement may be amended by the adoption of the amendment by the governing bodies of a majority of the Members. The amendment shall become effective on the first day of the month following the last required member agency approval. An amendment may be initiated by the Board, upon approval by a majority of the Board. Any proposed amendment, including the text of the proposed change, shall be given by the Board to each Member's Delegate for presentation and action by each Member's board within 60 days, which time may be extended by the Board.

The list of Members, Attachment 1, may be updated to reflect new and/or withdrawn Members without requiring formal amendment of the Agreement by the Authority Board of Directors.

## **20. Withdrawal of Member or Associate Member**

If a Member withdraws as member of RCRC, its membership in the Authority shall automatically terminate. A Member or Associate Member may withdraw from this Agreement upon written notice to the Board; provided however, that no such withdrawal shall result in the dissolution of the Authority as long as any Bonds or other obligations of the Authority remain outstanding. Any such withdrawal shall become effective thirty (30) days after a resolution adopted by the Member's governing body which authorizes withdrawal is received by the Authority. Notwithstanding the foregoing, any termination of membership or withdrawal from the Authority shall not operate to relieve any terminated or withdrawing Member or Associate Member from Obligations incurred by such terminated or withdrawing Member or Associate Member prior to the time of its termination or withdrawal.

## **20. Miscellaneous**

a. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

b. **Construction.** The section headings herein are for convenience only and are not to

be construed as modifying or governing the language in the section referred to.

c. **Approvals.** Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

d. **Jurisdiction; Venue.** This Agreement is made in the State of California, under the Constitution and laws of such State and is to be so construed; any action to enforce or interpret its terms shall be brought in Sacramento County, California.

e. **Integration.** This Agreement is the complete and exclusive statement of the agreement among the parties hereto, and it supersedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the parties relating to the subject matter of this Agreement.

f. **Successors; Assignment.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the Board.

g. **Severability.** Should any part, term or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

The parties hereto have caused this Agreement to be executed and attested by their properly authorized officers.

AS ADOPTED BY THE MEMBERS:

Originally dated July 1, 1993

Amended and restated December 10, 1998

Amended and restated February 18, 1999

Amended and restated September 18, 2002

Amended and restated January 28, 2004

Amended and restated December 10, 2014

*[SIGNATURES ON FOLLOWING PAGES]*

COUNTY OF \_\_\_\_\_

By: \_\_\_\_\_

Dated: \_\_\_\_\_

Name:

Title:

Attest:

By \_\_\_\_\_

Clerk of the Board of Supervisors

**PLEASE SEND TO:**

California Home Finance Authority  
1215 K Street, Suite 1650  
Sacramento, CA 95814]

ATTACHMENT 1  
CALIFORNIA HOME FINANCE AUTHORITY MEMBERS

As of December 10, 2014

Alpine County  
Amador County  
Butte County  
Calaveras County  
Colusa County  
Del Norte County  
El Dorado County  
Glenn County  
Humboldt County  
Imperial County  
Inyo County  
Lake County  
Lassen County  
Madera County  
Mariposa County  
Mendocino County  
Merced County  
Modoc County  
Mono County  
Napa County  
Nevada County  
Placer County  
Plumas County  
San Benito County  
Shasta County  
Sierra County  
Siskiyou County  
Sutter County  
Tehama County  
Trinity County  
Tuolumne County  
Yolo County  
Yuba County





**FACT SHEET**

**Identity**

Golden State Finance Authority (GSFA), is a joint powers authority and a duly constituted public entity and agency, existing under and by virtue of Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California.

Golden State Finance Authority (GSFA) was formerly known as California Rural Home Mortgage Finance Authority or CRHMFA Homebuyers Fund, (CHF). A formal name change is pending.

**Founded** 1993

**Headquarters** Sacramento, California

**Joint Powers Authority (JPA)**

**Membership**

**Member Counties (33)**

Alpine County	Lake County	Plumas County
Amador County	Lassen County	San Benito County
Butte County	Madera County	Shasta County
Calaveras County	Mariposa County	Sierra County
Colusa County	Mendocino County	Siskiyou County
Del Norte County	Merced County	Sutter County
El Dorado County	Modoc County	Tehama County
Glenn County	Mono County	Trinity County
Humboldt County	Napa County	Tuolumne County
Imperial County	Nevada County	Yolo County
Inyo County	Placer County	Yuba County

**Associate Member Counties (21)**

Alameda County	Sacramento County	Solano County
Contra Costa County	San Bernardino County	Sonoma County
Fresno County	San Diego County	Stanislaus County
Kern County	San Francisco County	Tulare County
Kings County	San Joaquin County	Ventura County
Monterey County	San Luis Obispo County	Independent Cities
Orange County	San Mateo County	Finance Authority
Riverside County	Santa Cruz County	(ICFA)

**Associate Member Cities (2)**

Palmdale (Los Angeles County)	San Jose (Santa Clara County)
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Golden State Finance Authority (GSFA) was formerly known as California Rural Home Mortgage Finance Authority or CRHMFA Homebuyers Fund (CHF). A formal name change is pending.

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**Mission**

To provide a source of financing for individuals and families without resources to purchase a home or make energy efficiency improvements.

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**What We Do**

Offer a variety of affordable housing programs, including but not limited to mortgage loan programs with low down payment requirements and competitive interest rates, down payment assistance in the form of grants or second mortgages, mortgage credit certificate tax credit programs for homebuyers, and competitive financing options for energy efficiency improvement projects.

Programs are available within GSFA Member and Associate Member regions, as well as statewide, depending on the individual program.

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**Californian's Served**

Over the past 20 years GSFA has helped more than 47,300 individuals and families purchase homes and 1,275 homeowners make energy efficiency home upgrades.

---

**Market Leadership**

From January 1993 to the present, GSFA has:

- Assisted 47,300 individuals and families to purchase homes in California;
  - Provided \$57.6 million in down payment assistance grants;
  - Participated in over \$6.7 billion in loan financing of first and second mortgages;
  - Issued over \$2.7 billion in tax exempt and taxable mortgage revenue bonds; and
  - Helped 1,275 homeowners energy upgrade their residential property(ies).
-

**Activating a clean energy district creates green jobs, increases economic investment, helps local contracting firms grow and reduces energy costs for property owners. Finding the right partner for your community's program is the key.**

Ygrene's team of national financial experts, top operational managers and locally connected coordinators will develop a clean energy district that generates measurable results. Quickly and effectively.



**FOR  
LOCAL GOVERNMENT**

**ECONOMIC STIMULUS**

Ygrene's program achieves the triple bottom line. It creates jobs, builds the economy, and reduces our carbon impact.

**CONSUMER PROTECTION**

All contractors must be licensed & bonded with the state of California and are trained & certified by Ygrene. All projects require local permits and customers approve work before directing payment to contractor.

**ZERO COST TO TAXPAYERS**

Because Ygrene pays for all costs including district implementation, staffing and marketing, and provides all project funding, there is zero cost to the jurisdiction or local taxpayers.

**DEDICATED TEAM**

Ygrene fully staffs all of our programs with local account managers, a dedicated government liason, centralized customer service reps, underwriters and other professionals.



**FOR  
PROPERTY OWNERS**

**WIDE RANGE OF PROJECTS**

Property owners can finance thousands of different energy and water improvements.

**LONG-TERM FINANCING**

Payments for financing are at affordable fixed rates over five-to-30 year terms.

**NO IMPACT ON CREDIT**

Improvements are paid through the property tax bill, so it doesn't impact the property owner's credit or balance sheet, and the payment stays with the property if sold.

**NO UPFRONT COSTS**

Program application and pre-approval can happen within 30 minutes and there are no upfront costs.



**FOR  
CONTRACTORS**

**INCREASED BUSINESS**

An effective PACE program can dramatically increase business for energy contractors.

**TRAINING AND CERTIFICATION**

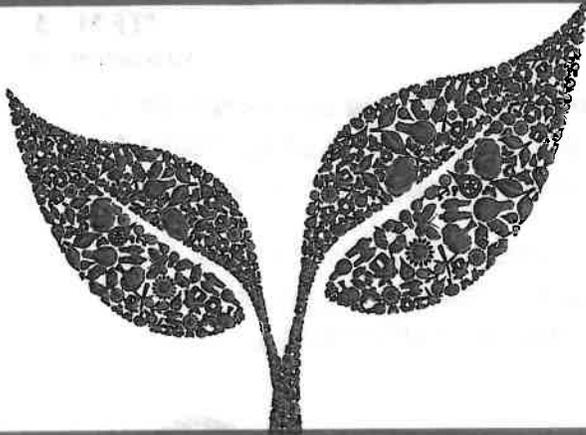
Ygrene provides contractors with all the necessary training to effectively represent PACE financing to property owners. Once training is complete, contractors receive their certification confirming their ability to participate in the program.

**EASY PROJECT MANAGEMENT**

Ygrene's software tools allow contractors to easily manage jobs and approvals.

**READY FUNDING**

Ygrene's fully-funded district ensure that project payment is quick and convenient.



**Local green jobs, energy savings, millions in local economic investment and a cleaner environment - these are the benefits of having Ygrene Works in your community.**

## THE UNIQUE YGRENE WORKS MODEL

### CONSUMER PROTECTION

All contractors must be licensed and bonded with the state of California and are trained and certified by Ygrene. All projects require local permits and customers approve work before directing payment to the contractor.

### ECONOMIC STIMULUS

Ygrene's program achieves the triple bottom line. It creates jobs, builds the economy, and reduces our carbon impact.

### ENVIRONMENTAL BENEFIT

From solar panels to cool roofs to insulation, Ygrene is ready to fund thousands of environmentally friendly energy saving projects in your community.

### DEDICATED TEAM

Ygrene manages every aspect of your community's clean energy district, with supervision from government staff - a true turn-key operation with a dedicated team that won't impact your local budget.

### ZERO COST TO TAXPAYERS

Because Ygrene pays for all costs including district implementation, staffing and marketing, and provides all project funding, there is zero cost to local taxpayers.

**For more information call 707.236.6608 or email [info@Ygrene.us](mailto:info@Ygrene.us)**



**Santa Rosa’s Ygrene to expand clean energy financing program – *Press Democrat, Santa Rosa, CA, Jan. 21, 2015***

Santa Rosa’s Ygrene Energy Fund is seeking to expand its clean energy financing program statewide, including in Sonoma County.



The company announced Wednesday it is partnering in a statewide effort with the Golden State Finance Authority, a joint powers agency formed by 33 rural counties. Together the two entities hope to offer property owners throughout California special financing for residential, commercial, industrial and agricultural energy-saving projects.

**Ygrene accelerates to statewide PACE – *North Bay Business Journal, Sonoma, CA, Jan. 21, 2015***



SANTA ROSA — Ygrene Energy Fund, which sets up and manages property-assessed clean energy project financing for local governments, on Wednesday said it has teamed with a large public agency provider of home purchase and retrofit loans to expand its program statewide.

Because Golden State Finance Authority, formerly California Home Finance Authority or CRHMFA Homebuyers Fund, is a joint-powers agency, the considerable cost and hassle in staff time and documentation required to prepare, set up and run a PACE district is cut to the point that locales can immediately opt in to the new Ygrene Works program, according to Mike Lemyre, Ygrene vice president of district development.

**Energy retrofit program, launched in Sacramento, goes statewide – *Sacramento Bee, Sacramento, CA Jan. 21, 2015***



A novel program to encourage property owners to make their buildings more energy efficient, launched two years ago in Sacramento, is going statewide. Ygrene Energy Fund, a Santa Rosa company that finances green-energy programs, said Wednesday that it is partnering with the Golden State Finance Authority to bring its Ygrene Works financing program to the rest of California. The Golden State authority, which just changed its name from the California Home Finance Authority, is a public agency that provides financial assistance to homebuyers.

**New California Partnership Launches Statewide PACE Program - *Renewable Energy World, Nashua, NH, Jan. 26, 2015***

Reducing energy use by enhancing energy efficiency has long been viewed as “low-hanging fruit” in the drive to lower energy bills, boost economic productivity and reduce greenhouse gas emissions. Home and property owners, agricultural, commercial and industrial businesses, and energy sector players have been looking for ways to finance and make energy-efficiency upgrades and retrofits more affordable and accessible.



**Solar loan competition heats up in Southern California - *UT San Diego, San, Diego, CA, Jan. 29, 2015***



Santa Rosa-based lender Ygrene is trying to expand its footprint in the San Diego-area market for green home-improvement loans, taking on three well-established providers.

Ygrene specializes in so-called PACE financing — short for property assessed clean energy — that is paid back through property tax assessments and can be passed on to the next property owner. Property-assessed loans can be spent on a host of energy- and water-conservation upgrades to homes and businesses.

## AGENDA TRANSMITTAL

**MEETING DATE:** June 9, 2015

**CITY AGENDA ITEM:** Fiscal Year 2015-16 Annual Budget Workshop, Presentation of Conceptual Fiscal Year 2015-16 Budget Strategy – (Bragdon/Anderson/Garben).

**FISCAL IMPACT:** There would be no fiscal impact at this time.

**BACKGROUND:** The FY 2015-16 Annual Budget will be presented to the City Council at the Budget Hearing on June 23, 2015. As a prelude to preparing the full budget document for FY 2015-16, this item provides a summary and overview of the Recommended FY 2015-16 Annual Budget, with an emphasis on the General Fund. This provides the Council with the opportunity to give staff feedback about the proposed budget prior to the formal public hearing on the budget.

**STAFF REPORT:** For the first time in many years, staff is able to recommend the appropriation of monies to begin to address some of the pent up demands that have built up since the recession and elimination of redevelopment. This is good. However, staff likewise recognizes that there are a number of unknowns that can have a negative impact on our financial position. Therefore, for the most part, the areas where recommendations are made to increase budget appropriations are one-time in nature.

It is also with great pleasure that we are able to present to you a structurally balanced budget. All municipal budgets, by law, have to be balanced. But a structurally balanced budget, where ongoing revenues cover or exceed ongoing expenditures, is the ultimate goal. Over the past few years, through the Walmart bridging strategy, the City has relied on one-time monies to fund ongoing expenditures because we knew that the ongoing revenue generated by Walmart would ultimately cover these ongoing expenditures, which it does. The alternative would have been to cut the operating budget another 10% on top of the severe reductions already taken. This would have seriously impacted our ability to meet the basic service needs of the community.

Even though we can, in good faith, recommend to begin to increase expenditures in selected areas, it is important to recognize that these efforts are only a beginning. The unmet demands, which are discussed in more detail, remain significant and daunting. This situation becomes more challenging if, for example, the City were to lose its lawsuit against the State Department of Finance, or if health or retirement costs jump significantly and unexpectedly.

With that all said, things are truly beginning to look up. With Walmart opening, the recent lease agreement with Cepeda International and an increase in development interest in Suisun City, we are positioned to prosper if we are able to seriously address many of the unfunded needs in this community; needs that are both ongoing and one-time in nature.

**PREPARED BY:**  
**REVIEWED/APPROVED BY:**

Budget Team, Bragdon, Anderson, Garben  
Suzanne Bragdon, City Manager

To facilitate review of the proposed General Fund budget and supporting business strategy, this report is organized as follows:

- FY 2015-16 Proposed General Fund Budget Highlights
- Highlight of Departmental Funding Recommendations
- Unfunded Needs
- Structural Analysis
- Bottom-Line.

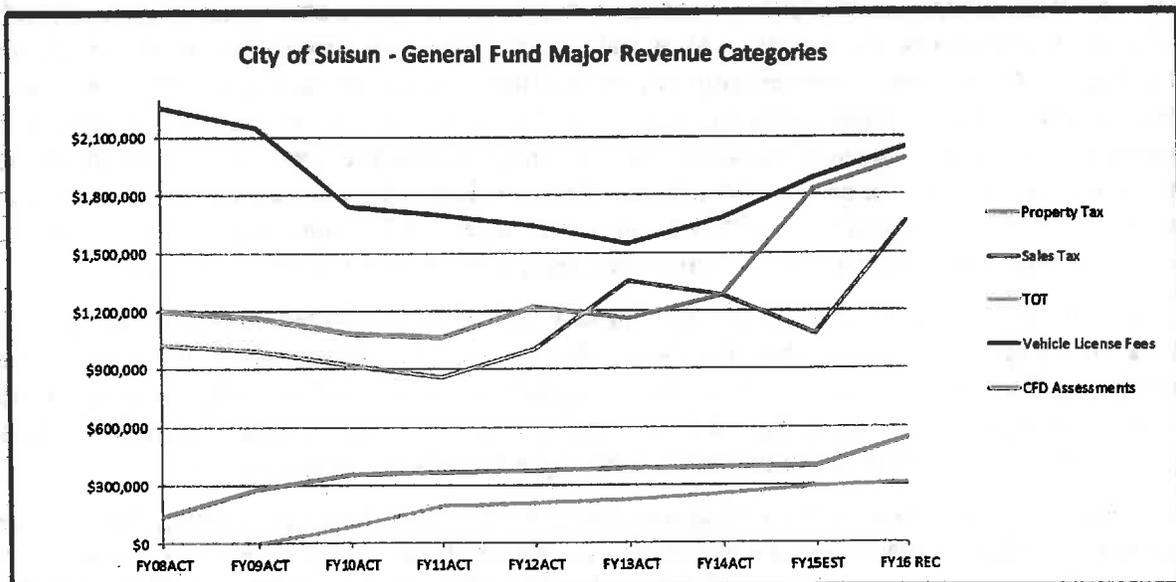
Attachments to this report include GF revenue and expenditure detail and assumptions; GF structural analysis; unfunded positions; and an assessment of facility maintenance needs.

### FY 2015-16 PROPOSED GENERAL FUND BUDGET HIGHLIGHTS

The General Fund Cash Position Summary with Notes is included as **Attachment 1**. It includes General Fund revenue and expenditure information by category for four fiscal years: FY 2012-13 Actual through FY 2015-16 Recommend. Comments are provided in the final column to explain changes between the June 30, 2015 estimate (column 5) and the recommended FY 2015-16 budget (column 6.)

#### General Fund Revenue Assumptions

Total General Fund revenues projected for FY 2015-16 amount to nearly \$11 million. This is an increase of nearly \$1.5 million over the FY 2014-15 Estimated budget. Details are included in Attachment 1. Trends of the City's key revenue sources are depicted graphically below. These include property tax, sales tax, TOT, vehicle license fees and CFD Assessments.



The assumptions behind these adjustments as we look at FY 2015-16 include:

- Assessed value increase Citywide of 8.35% as provided by HdL.
  - Trend line for property tax shows a steep increase over four-year period: \$1.2 million in FY 2012-13, \$1.3 million in FY 2013-14, \$1.8 million FY 2014-15 (est.), to almost \$2 million for FY 2015-16.
- Similar climb in Motor Vehicle License Fee revenues from \$2.3 million in FY 2012-13 up to nearly \$3.0 million in FY 2015-16.
- Sales tax increase of 55% (YES 55%!!), which includes a conservative assumption of \$400,000 for Walmart. This assumption was likewise provided by HdL.
- TOT increase of 5% over the FY 2014-15 estimate, resulting in a slight increase over the assumed “stabilized rate” or \$300,000.
  - Great news is that TOT revenues increased 14.58% between current and prior year!
  - This figure *does not* include assumptions for the operation of a First Class Sports Facility by Cepeda International, although it is assumed at a minimum, with two tournaments a month, the City is positioned to generate another \$50,000 in TOT revenue.
- Increase in CFDs of almost 25% or \$275,400, which represents Walmart and 39 Summerwood residential units.

#### General Fund Expenditure Assumptions

Total operating expenditures projected for FY 2015-16 amount to \$10.8 million. This represents an increase of roughly \$700,000 over the FY 2014-15 Estimated budget. It does not include transfers out for MADs, major CIP, operational contingencies or reserves. Details are included in Attachment 1. Highlights include:

- Remaining 2.5% employee concession restored.
  - \$140,000 from GF; \$45,000 from other funds.
- Increase in PERS costs of nearly 25% or \$286,900 due to decisions made by the PERS board to move toward full funding in a shorter period.
- Health insurance increase of 8% effective January 1, 2016.
- Slight decrease in Workers’ Comp rates (6.3% or \$25,400).
  - This is good news considering that rates climbed 55% when the FY 2014-15 Annual Budget was developed. The reduction is due to a tremendous amount of work has been done to close out cases in the past year or so.
- Liability & Property self-insurance (ABAG) rates in line with last year’s adopted budget of \$290,000.
- Restoration of Interdepartmental Charges (IDC’s) by almost 14%, or \$110,000 to begin the process of restoring the declining reserves in these accounts which were relied upon during lean years.

The PERS jump of nearly 25% is significant, but was anticipated as CalPERS moves to address unfunded liability over a shorter timeframe. The more significant changes to the PERS structure, which are illustrated in the following table, include:

- Different PERS benefit and associated rate between Classic (i.e., existing PERS employees) and PEPRA (i.e., new employees entering the PERS retirement system.)
- A reduction in the PERS % rate for all Classic employees between FY15 and FY16
- The addition of a flat figure to address unfunded liability for Classic employees, which is subject to increase annual based on unfunded liability of the prior year.

What these numbers show is a significant difference in PERS rates between Classic and PEPRA employees – especially in the sworn areas; a reduction in the PERS percentage applied to employee salaries between the new approach (FY16) and prior year; but a significant flat figure to address unfunded liability. By combining the FY16 percent rate to employee salaries and the flat dollar amount for the unfunded liability, these bottom-line costs are 25% over FY15 costs.

### CalPERS Employer Contribution Rates

Bargaining Group	FY 15 Actual	FY 16 Actual Rate	FY 16 Actual UL
Miscellaneous (Classic)	13.900%	8.512%	\$286,290
Miscellaneous (PEPRA)	6.250%	6.250%	
Safety Fire (Classic)	29.413%	12.212%	\$52,580
Safety Fire (PEPRA)	9.500%	9.500%	
Safety Police (Classic)	44.443%	18.524%	\$527,487
Safety Police (PEPRA)	11.500%	11.500%	

### HIGHLIGHT OF DEPARTMENT FUNDING RECOMMENDATIONS

During the initiation of the budget process, as part of the mid-year update, a number of unmet needs--both ongoing and one-time--were identified. As a reference point, this information is included in the next section of this report.

With the opening of Walmart, an improving economy as reflected in increased property and TOT revenues, and the positive impact of new development on CFDs, property and/or sales taxes, the proposed FY 2015-16 Budget does include recommendations to begin addressing some of the more urgent unmet needs.

With a number of budgetary unknowns--both expenses and revenues--most of the unmet needs recommended to be addressed in the FY 2015-16 Budget are one-time in nature and, where appropriate, non-General Fund. These recommendations include increased resources to address both infrastructure/facilities needs and Departmental operational needs.

### Infrastructure and Facility Maintenance/Repair

A total of \$340,000, from three different funds, is recommended to be allocated to begin addressing the following needs:

- |   |           |
|---|-----------|
| ○ Dredging-Supplemental (General Fund):                             | \$100,000 |
| ○ City Hall Maintenance/dry rot, dome, roof (Public Facility Fund): | 100,000   |
| ○ Joe Nelson/flooring, minor stage repairs (Park Development Fund): | 70,000    |
| ○ Harbor Theater, General Fund:                                     | 70,000    |

These recommended allocations do not, by any means, address fully the maintenance/repair needs of these facilities, nor the many other facilities around the community. **Attachment 4** provides a more detailed assessment of facility maintenance needs. A total of 10 facilities have been assessed including:

- City Hall
- Police Department
- Harbor Master Building
- North Basin Restrooms
- Boat Ramp Restrooms
- Joe Nelson Recreation Center
- Corporation Yard
- PD Substation
- Lawler House
- Harbor Theater.

For each facility, maintenance needs are organized by ADA, High Priority, Medium Priority and, as applicable, furnishings. An estimated cost for each need is also identified. The areas recommended for repair are generally those that if not repaired, i.e., dry rot, will cause further and more costly damage in the long-run.

In the next major section of this report, “Unmet Needs” identifies the short and longer-term needs identified during the mid-year update and initiation of the FY16 budget process. Costs associated with the dredging have increased dramatically from what was presented earlier, hence the recommendation to allocate \$100,000 from the General Fund to address the looming shortfall. This project has been analyzed more fully since the mid-year update, resulting in options for the Council to consideration. We anticipate bringing back a full assessment of dredging for Council consideration in July 2015.

### Departmental Operational Needs

Departmental requests to support operations, above the restoration of the 2.5% concession and restoration of the six PTO workdays per year, are identified below by Department. Recognizing that the restoration of positions result in ongoing costs, the proposed budget continues to be cautious, beyond the restoration of the 2.5% employee concession, and focuses on one-time allocation of monies to address staffing needs for one more year; at least until we learn of the outcome of the City’s lawsuit with the State Department of Finance, the stability of Walmart Revenues, the resulting economic benefit from Cepeda International, viability of a new tax measure and the outcome of various development activities and inquiries.

## Police

The Police Department has two areas recommended for change:

- Restoration of SRO
- Implementation of “Back to Basic” Campaign.

Both are described in more detail below.

**Restoration of SRO** – The School Resource Officer position will be restored to a full-time position. The position will be funded 100% through new and reserve funds from the Fairfield-Suisun Unified School District for nearly 4 of 5 years. In year 5, 20% of the position will be funded. The assignment will increase the consistency and level of service provided to the local schools, especially Crystal Middle School. Since the SRO will be filled by an experienced police officer, it will provide growth and development opportunities for this employee which benefits the department. Finally, the full-time SRO will be able to support ancillary youth related programs within the agency, including the cadet program, as well as conduct alcohol and tobacco enforcement sting operations.

**Back to Basic Campaign** – One of the department’s primary goals is to focus on the core elements of community policing, including increasing community interaction, and getting “back to basics”. A strong relationship with the community increases the effectiveness of an otherwise limited police force, in terms of the number of staff. The increased effectiveness can be measured through increased case closure, crime reduction/prevention, reduced recidivism and improved community satisfaction. In order to facilitate getting back to basics, the department is proposing to do the following:

- Creating a “Special Operations Sergeant, Assignment” to provide direct oversight and first-line supervision of Investigations, Code Enforcement, Property & Evidence, SRO and, as staffed, Traffic. This is a working supervisor assignment in that the incumbent will spend time working alongside the personnel in the assigned units. The primary area this will occur is in Investigations, which is currently staffed with a solo detective. The creation of this assignment will improve the capabilities and capacity of this unit when it comes to investigating major crimes and performing follow up. Finally, this position will be responsible for managing some ancillary programs, including the body worn cameras, social media outreach and the cadet program.
- Creating an “Acting Sergeant, Assignment” to back-fill the Special Operations Sergeant and ensure there is a sergeant assigned to each of the four shifts. As a rotating assignment, this will provide a unique opportunity for qualified personnel to gain valuable experience and training. As one part of an evolving succession plan, this creates a pipeline of qualified candidates for future positions and at the same time increases the overall level of leadership within the organization.
- Increasing the level of service delivery to the community and increased community interaction. This will include, but is not limited to the implementation of walking beats during a portion of an officer’s shift. Officers will be provided the necessary training, tools and guidance to ensure they are able to provide the highest level of basic law enforcement services; from traffic enforcement and proactive stops to resolving disputes and criminal activity, and conducting thorough investigations. A key to facilitating this is

the creation of the “Special Operations Sergeant, Assignment”, which will free up the patrol sergeants to train, mentor and more closely and directly supervise their officers. The “Acting Sergeant, Assignment” ensures the consistency of a sergeant on every shift.

The above assignments will not result in an additional increase in the budget and will be funded within the existing budgetary allotment.

## **Fire**

The most significant adjustment for the Fire Department in the upcoming year is the delivery of a new Fire Engineer. Approved in the FY 2014-15, costs will hit in proposed FY 2015-16 Budget.

## **Development Services**

Two recommendations are proposed for Development Services. These include:

- Addition of a temporary employee to primarily support Planning and Economic Development efforts (\$30,000). This temporary position maximizes the efficiency of our one in-house Associate Planner so that he is able to focus on work commiserate with his higher level of knowledge, experience and training, which minimizes outside consultant costs. Specific types of responsibilities for this position include:
  - Provide front counter planning service;
  - Improve response times to applicants;
  - Research, collect and analyze certain data requests for Economic Development projects;
  - Process basic planning applications;
  - Maintain and update databases and project logs for Planning and Economic Development divisions.
  - Prepare materials and document process to assist in creating a more streamlined and efficient development application process.
- One-time seed money for economic development activities (\$50,900).

## **Recreation and Community Services**

Recreation and Community Services Department staff has done a yeoman’s job with the level of cuts and reduced staffing that has occurred over the years. Given further transitions that are underway, including the operation of the Sports Complex by Cepeda International, and temporary assistance needs in the upcoming six + months relative to the management of the PICH grant, the management of the Lawler Park Phase 2 project and documentation of current departmental policies, rules and regulations, the following is proposed in this Department for the next 12 months:

- Retain an experienced annuitant (980 hours) to replace the work currently assumed by the part-time position overseeing the operations of the Community Services Department (part-time; no net cost).

- Supplement with contract specific support equivalent to one day per week (i.e., PICH, Lawler Ranch Park Construction, documentation of departmental policies/procedures), with a GF Cost of \$12,300.

These costs combined amount to \$63,260, which is significantly less than a full-time, fully benefited Department Director at \$159,300. This short-term transition positions us to a full-time department director as our revenues stabilize and we are more aware of the outcome of threats that we currently face.

### **Public Works**

With the retirement of the current Public Works/Building Director in mid-July 2015, we are in transition as to what the ultimate staffing configuration for the department will look like. The selection of a successor Department Director will guide the direction we go. As budgetary decisions need to be made prior the conclusion of this retirement process, it is recommended that a contingency of \$40,000 be included in the budget for unknown staffing and organizational needs. Use of monies in this contingency will require action by the City Council.

### **Administrative Services**

The recommendations for Administrative Services include the following areas:

- \$115,000 to update user fees, impact fees, and assess voter approved tax measure in new fiscal year, and complete the cost allocation plan and ROW study initiated in current fiscal year.
- Employee recognition/morale programs (i.e., awards banquet, Citywide training, etc.) for \$18,000.

### **Resulting “Unmet” Staffing Needs**

Staffing reached a high-water mark of 93 full-time permanent employees in FY 2008-09. The proposed budget would increase staffing by one full-time position (Police-SRO) or 77 fulltime positions, and a 20% increase in executive management support in the Recreation and Community Services Department. Front counter support is likewise increased in Development Services through a fulltime temporary employee.

These adjustments are small as compared with the strain the organization is feeling with **the loss of nearly 20 percent of the staff.** (Please see **Attachment 3** for further details.) Overall these frozen positions represent avoided costs of roughly \$1.9 million. About \$1 million (or 55 percent) of those avoided costs are in the General Fund.

### **UNFUNDED NEEDS: A RECAP**

The short- and mid-term needs resulting from deferred maintenance, reduced equipment replacement funding and extending the life and use of vehicles and equipment longer, are significant and daunting. The table below was provided as part of the FY 2014-15 Mid-Year Fiscal Review to provide an order of magnitude of the issues we face. Rough cost estimates for needs in the next one to two years, and needs beyond three years were included. Costs

associated with staffing were also been identified, recognizing that the services we provide to the community are, for the most part, people-driven.

<b>OVERVIEW OF PRIORITY UNMET SHORT- AND MID-TERM CAPITAL &amp; RESOURCE NEEDS **</b>		
Annual Needs	Annual street maintenance & repair	\$1,000,000(a)
	Annual building maintenance & repair	\$40,000
	Restoring employee hours/concessions	\$160,000
	Selective restoration of frozen positions	\$600K to \$1,200,000
Short-Term (1 to 2 Years)	Deferred building maintenance and repair	\$550,000
	Replacement Playground Equipment	\$200,000
	Acquisition of replacement fire engine (#2)	\$550,000
	Pierce Island Prep to support future dredging	\$100K - \$500,000
	Shortfall, 20% Emergency Reserve (if lose DOF)	\$1,580,000
	Addressing succession planning for 2 or 3 Execs	TBD
Mid-Term (3 to 5 Years)	Brush Engine Type 4 and Command SUV	\$220,000
	New Police communications system	\$400,000
	New Fire communications system	\$400,000
	New Accounting/budget/payroll/HR/UBC system	\$350,000
	Potential dredging shortfall	\$600K - \$1.2M
	Unfunded liability GF, leave balances (retirees; partially offset by salary savings)	\$480,000
<p><b>**Note:</b> This list is meant to be illustrative, not exhaustive (consider parking lot surfacing/stripping, structural issues with promenade parking lot, storm drain system, sidewalks, landscaping, etc.) These costs are being updated for the Budget Hearing. Likewise, grants do come around to address a myriad of needs – they just aren't "confirmable" for long-range planning purposes. (a) Supplemented by grant funding.</p>		

It is important to recognize that very few communities are able to address all of their capital and facility needs at any one snapshot in time. The importance of this listing is for Council and the community to start determining priorities. Based on the discussion by Council on these and other interests that arise, costs will be refined and financial strategies developed through the budget process.

**CURRENT UNKNOWNNS**

Numerous unknowns exist that could have positive and negative impacts on the bottom line; hence the budget recommendations developed to date are generally conservative. The unknowns of significance for the future, generally in order of priority, include:

- Whether the \$1,750,000 RDA loan repayment (which nets out at roughly \$1.5 million) will be lost to the state in the DOF lawsuit. And if lost, will it be possible to pay in multiple installments versus a single installment.
- Timely resolution of the Main Street West Fourth Amendment of the DDA.

- The further impact of PERS actions to address full funding; note that the hit for the new fiscal year is nearly a 25% increase.
- The actual increase in Health Insurance costs, which will not be known until this fall, may or may not exceed the 8.0% assumption beginning January 1, 2016.
- The impact of the Affordable Care Act on temporary employees working over 30 hours per week, the implementation of which has been extended.
- The positive impact of new development opportunities – short and longer term - including Walmart (will they meet or exceed targets?) Jubilee Estates, Cepeda, MSW, and other development opportunities being explored (i.e., Post Office site, 30-acres, east of Walters.)

## STRUCTURAL ANALYSIS

**Attachment 2** provides an analysis of ongoing revenues versus ongoing costs. The FY 2014-15 budget was adopted with an anticipated structural deficit of \$759,100 related primarily to the delay in the completion of the Walmart project. As shown in **Attachment 2**, the FY 2014-15 estimated structural deficit has decreased to approximately \$200,700, largely as a result of an increase in property tax revenues attributed to a significant increase in assessed values.

Looking ahead to FY 2015-16, ongoing revenues are projected to outpace ongoing expenditures by approximately \$313,000 resulting in a structural surplus. ***NOTE: This does not mean there is an additional \$313,000 to program in the budget beyond the recommendations outline herein; rather that if the proposed one-time GF appropriations were not approved, there is room to appropriate over \$300,000 in ongoing costs (minus any ongoing costs included in the budget, i.e., the restoration of the 2.5% employee concession.)***

FY 2015-16 is projected to generate the first structural surplus in the General Fund since FY 2008-09. However, it's important to note that if the City loses its lawsuit against the DOF, General Fund reserves would drop from the budget reserves equivalent to slightly more than 20% of operations, down to about \$413,800 (or 3.82%) in FY 2015-16. Because of this, among other unknowns, the proposed budget is conservative in incurring additional ongoing costs. No one wants to be put back in the position of having to “cut, cut, cut” in every budget cycle. It is not good for the organization, employee morale or the community.

The anticipated structural surplus is largely the result of the first full fiscal year of ongoing Walmart revenues, coupled with growth from property taxes, and revenues from anticipated development such as Jubilee (formerly Zephyr Estates) and Greyhawk; offset by increased one-time expenditures to catch up on deferred maintenance, complete necessary studies for potential revenue enhancements, and ensure a smooth transition in several key staffing positions. Although the proposed budget does start to deal with some the short-term unfunded needs, it is important to note the City is still operating with and suffering from the consequences associated with the staffing cuts implemented to balance previous budgets.

## BOTTOM LINE

As presented in the proposed FY 2015-16 budget, we are able to get through the upcoming budget year with a structural surplus, while restoring the last of the employee concessions,

making some headway on major facilities needs that if were not addressed would cause further structural issues and supplementing some of the most impacted staffing areas.

The three looming challenges--short and long-term--include:

- DOF lawsuit.
- Unmet infrastructure needs.
- Staffing including positions and compensation in order to recruit and retain quality employees.

Into the new fiscal year, staff will be refining assessments of the viability and need for tax increases and/or updates of other revenue sources.

As presented at the mid-year update in March, we are finally feeling some positive impacts of an improving economy. For the third year in a row, the City is expected to see some improvement in its revenue position including modest increases in both property taxes and sales taxes. On top of those modest gains, FY 2015-16 will be the first full year of the impacts of the Walmart Superstore.

In terms of financial challenges, however, there are still a number of unknowns that we are dealing with. The process of unwinding redevelopment is not complete, with \$1.75 million still at risk as we make our way through the lawsuit against the DOF in the City's attempt to retain these General Fund resources. We are working through implementation requirements of the Affordable Care Act, the second round of changes to CalPERS calculations, which are anticipated to start hitting in FY 2015-16, as well as the increases in the minimum wage.

For the upcoming fiscal year, this means a status quo budget in terms of personnel (numbers and compensation package), with an improving revenue picture able to offset cost increases outside of our control (e.g., health insurance, retirement, utilities, gas, etc.).

## NEXT STEPS

Based on City Council discussions on these items and strategies, the formal budget document will be prepared and presented for adoption through a Public Hearing at the June 23, 2015 City Council meeting. The comprehensive budget documented will be provided to Council during the latter part of the week of June 15<sup>th</sup>.

Recognizing the vulnerability that the City faces based on the uncertainty of the lawsuit with the State Department of Finance and the other noted unknowns, staff will work on a recommended strategy to address the worst case scenario we face: the loss of our \$1.75 million lawsuit against the State DOF. This will be presented and submitted to Council as part of the Public Hearing on the adoption of the FY 2015-16 Budget.

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**RECOMMENDATION:** It is recommended that the City Council receive the staff presentation and provide staff with feedback about the proposed FY 2015-16 Annual Budget.

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**ATTACHMENTS:**

1. General Fund Cash Position Summary with Notes.
2. General Fund Structural Analysis.
3. Unfilled Vacant Positions.
4. Assessment of Facility Maintenance Needs.

Budget Activity	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Amended	Mid-Year FY 2014-15 Estimated	Big Picture FY 2014-15 Estimated	Big Picture FY 2015-16 Recommend	
<b>RESOURCES</b>							
Beginning Balance	\$ 4,658,202	\$ 3,623,079	\$ 2,851,200	\$ 3,160,800	\$ 3,160,800	\$ 2,374,300	
Local Taxes							
Property Tax	\$ 1,162,743	\$ 1,278,503	\$ 1,316,800	\$ 1,581,700	\$ 1,835,500	\$ 1,988,200	HdL projects 8.35% increase in A/V City-wide. HdL projections including Walmart. Over \$300,000 is now stabilized. Mostly Franchise Taxes with steady growth.
Sales Tax	\$ 1,353,938	\$ 1,278,473	\$ 1,208,200	\$ 1,106,000	\$ 1,083,000	\$ 1,663,400	
TOT	\$ 221,629	\$ 257,453	\$ 275,000	\$ 292,200	\$ 295,000	\$ 309,800	
Other Taxes	\$ 791,644	\$ 824,941	\$ 818,600	\$ 818,600	\$ 818,800	\$ 835,200	
Subtotal Taxes	\$ 3,529,954	\$ 3,639,370	\$ 3,618,600	\$ 3,798,500	\$ 4,032,300	\$ 4,796,600	
Licenses & Permits	\$ 327,813	\$ 489,461	\$ 478,500	\$ 341,000	\$ 382,000	\$ 465,700	Residential projects expected to pull permits. Fairly constant experience.
Fines/Forfeitures	\$ 241,116	\$ 226,999	\$ 243,000	\$ 202,700	\$ 207,900	\$ 212,500	
Use of Money/Interest Earnings	\$ 185,024	\$ 201,742	\$ 193,300	\$ 193,300	\$ 193,300	\$ 193,300	Increase due SSWA lease revenue.
Intergovernmental	\$ 2,322,995	\$ 2,439,173	\$ 2,669,300	\$ 2,758,600	\$ 2,699,700	\$ 2,956,800	8.35% increase in MVLV over FY 15.
Charges for Services	\$ 781,415	\$ 1,039,751	\$ 925,300	\$ 802,000	\$ 778,300	\$ 787,000	Residential projects expected to pull permits.
Intragovernmental/Transfers In	\$ 1,153,474	\$ 1,021,857	\$ 1,255,200	\$ 1,249,400	\$ 1,120,800	\$ 1,396,200	Increase in CFD due to Walmart & residential construction.
Misc. Revenues	\$ 137,412	\$ 15,469	\$ 23,200	\$ 112,600	\$ 118,200	\$ 20,200	One-time Post RDA payments in FY 15.
Subtotal Revenues & Transfers	\$ 8,679,203	\$ 9,073,822	\$ 9,406,400	\$ 9,458,100	\$ 9,532,500	\$ 10,965,000	
<b>TOTAL RESOURCES</b>	<b>\$ 13,337,405</b>	<b>\$ 12,696,901</b>	<b>\$ 12,257,600</b>	<b>\$ 12,618,900</b>	<b>\$ 12,693,300</b>	<b>\$ 13,339,300</b>	
<b>USE OF RESOURCES</b>							
Personnel Services							
Salaries & Wages	\$ 3,914,692	\$ 3,839,486	\$ 4,066,900	\$ 3,921,600	\$ 3,917,400	\$ 4,125,400	Remaining 2.5% concession restored. OT down due to stabilizing SCPD staffing.
Overtime	\$ 357,742	\$ 232,897	\$ 205,000	\$ 245,900	\$ 232,900	\$ 202,100	
Employee Benefits	\$ 2,094,481	\$ 2,117,445	\$ 2,249,900	\$ 2,159,700	\$ 2,205,600	\$ 2,528,800	PERS increases for Unfunded Liability payments.
Payroll Taxes	\$ 376,403	\$ 351,753	\$ 526,800	\$ 500,200	\$ 493,700	\$ 469,000	Slight decrease in WC rates.
Subtotal Personnel Services	\$ 6,743,318	\$ 6,541,581	\$ 7,048,600	\$ 6,827,400	\$ 6,849,600	\$ 7,325,300	
Services & Supplies	\$ 1,966,823	\$ 1,833,157	\$ 1,902,600	\$ 1,840,300	\$ 1,777,900	\$ 1,862,400	SCPD fleet costs, animal control, etc.
Interdepartmental Charges	\$ 626,476	\$ 686,721	\$ 795,600	\$ 795,600	\$ 795,600	\$ 903,500	Higher risk, fleet, & IT IDCs after drawing down reserves.
Non-Recurring Costs	\$ 150,679	\$ 195,490	\$ 503,700	\$ 435,200	\$ 680,700	\$ 728,000	FY 16 Bldg repairs, fiscal studies, fire truck. FY 15 RDA hab.
Subtotal Operating Expenditures	\$ 9,487,296	\$ 9,256,949	\$ 10,250,500	\$ 9,898,500	\$ 10,103,800	\$ 10,819,200	
Transfers Out	\$ 227,030	\$ 232,104	\$ 240,400	\$ 305,900	\$ 175,300	\$ 274,100	Primarily to MADs.
Major CIP	\$ -	\$ 47,036	\$ 39,900	\$ 40,000	\$ 39,900	\$ 39,900	City's share of County Animal Shelter.
Operational Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	Organizational staffing contingency for PW transition.
Reserves	\$ -	\$ -	\$ 1,726,800	\$ -	\$ -	\$ 2,163,800	Emergency Reserve up from 16.9% in FY 15 to 20.0% in FY 16.
Subtotal Non-Operating Expenditures	\$ 227,030	\$ 279,140	\$ 2,007,100	\$ 345,900	\$ 215,200	\$ 2,517,800	
Ending Balance	\$ 3,623,079	\$ 3,160,812	\$ -	\$ 2,374,500	\$ 2,374,300	\$ 2,300	Reserves in excess of 20% Emergency Reserve.
<b>TOTAL USE OF RESOURCES</b>	<b>\$ 13,337,405</b>	<b>\$ 12,696,901</b>	<b>\$ 12,257,600</b>	<b>\$ 12,618,900</b>	<b>\$ 12,693,300</b>	<b>\$ 13,339,300</b>	
<b>Reserves Recap</b>							
Emergency Reserves	\$ 2,371,824	\$ 2,314,200	\$ 2,562,600	\$ 2,474,600	\$ 2,526,000	\$ 2,163,800	FY 16 Recommend Emergency Reserve equals 20%.
Bridging Reserve	\$ 2,200,000	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -	
Total Reserves	\$ 4,571,824	\$ 3,414,200	\$ 2,562,600	\$ 2,474,600	\$ 2,526,000	\$ 2,163,800	
Actual (Estimated) Carryover	\$ 3,623,079	\$ 3,160,812	\$ 1,726,800	\$ 2,374,500	\$ 2,374,300	\$ 2,166,100	
Cash Surplus (Deficit)	\$ (948,745)	\$ (253,388)	\$ (835,800)	\$ (100,100)	\$ (151,700)	\$ 2,300	Reserves in excess of 20% Emergency Reserve.
Reserve as a Percent of Operating	48.19%	36.88%	25.00%	25.00%	25.00%	20.00%	

GENERAL FUND STRUCTURAL ANALYSIS

ATTACHMENT 2

Budget Activity	Column 1	Column 2	Column 3	Column 4
	FY 2013-14 Actual	FY 2014-15 Estimated	FY 2015-16 Recommend	Comments
<b>Revenues</b>				
<b>Rev. &amp; Transfers In (No Beg. Bal.)</b>	\$ 9,073,822	\$ 9,532,500	\$ 10,965,000	
Less: UB&C and Building Fees	\$ -	\$ -	\$ (95,100)	UB&C, Fire, and Building Fees.
Less: One-Time RDA Property Tax	\$ -	\$ -	\$ (100,000)	City share of RDA funds swept up by DOF.
Less: Fund 903 share of Hsg Element	\$ -	\$ (18,800)	\$ -	SA share of Housing Element.
Less: Non Dept Misc Revenues	\$ -	\$ (100,700)	\$ -	PG&E Project, Bond Issuance Fee, Settlement
Less: Sales Tax In-Lieu	\$ (199,000)	\$ -	\$ -	One-Time catch up of misallocated STI.
Less: Walmart Dev. Fees	\$ (262,431)	\$ -	\$ -	One-Time Walmart permit fees.
<b>Subtotal One-time Revenues</b>	<u>\$ (461,431)</u>	<u>\$ (119,500)</u>	<u>\$ (195,100)</u>	
<b>Ongoing Revenues</b>	<b>\$ 8,612,391</b>	<b>\$ 9,413,000</b>	<b>\$ 10,769,900</b>	
<b>Expenditures</b>				
<b>Expenditures (No Reserves)</b>	\$ 9,536,089	\$ 10,319,000	\$ 11,133,200	
Less GP Update/ Planning Studies	\$ (47,020)	\$ (54,100)	\$ (20,600)	General Plan Update, Zoning Ord. Update, etc.
Less: Housing Element/PMC	\$ -	\$ (77,200)	\$ (100,000)	Consultant costs for Housing Element/PMC.
Less: Fiscal Studies	\$ -	\$ (25,000)	\$ (115,000)	ROW, CAP, User Fee, Impact Fee Studies.
Less: Election Costs	\$ -	\$ (47,800)	\$ -	County Elections costs for City Election.
Less: RDA Dissolution Transfers	\$ -	\$ (343,100)	\$ -	\$73k Miller-Sorg, \$211k Cast Iron, \$59k MSW.
Less: Operating Contingencies	\$ -	\$ -	\$ (95,100)	UB&C, Fire, and Building covered by fees.
Less: Major Capital	\$ (47,036)	\$ (39,900)	\$ (39,900)	Transfers to CIP.
Less: Non-Recurring Legal	\$ (51,753)	\$ (17,500)	\$ (17,500)	One-time legal costs.
Less: Economic Dev project reserve	\$ -	\$ -	\$ (50,900)	Reserve for economic development projects.
Less: Organizational Contingency	\$ -	\$ -	\$ (40,000)	B&PW, R&CS, staffing contingency.
Less: Employee Awards	\$ -	\$ -	\$ (15,000)	One-time catch-up on employee awards.
Less: Harbor Theatre & City Hall	\$ -	\$ -	\$ (70,000)	Deferred maintenance projects.
Less: R&CS transition costs	\$ -	\$ -	\$ (12,300)	Mick Jessop transition costs.
Less: GF contribution to dredging.	\$ -	\$ -	\$ (100,000)	GF contribution to marina dredging project.
<b>Subtotal One-time Expenditures</b>	<u>\$ (145,809)</u>	<u>\$ (604,600)</u>	<u>\$ (676,300)</u>	
<b>Ongoing Expenditures</b>	<b>\$ 9,390,280</b>	<b>\$ 9,714,400</b>	<b>\$ 10,456,900</b>	
<b>Structural Surplus/(Deficit)</b>	<u>\$ (777,889)</u>	<u>\$ (301,400)</u>	<u>\$ 313,000</u>	

**FROZEN POSITIONS**

**ATTACHMENT 3**

<b>Job Class by Bargaining Group</b>	<b>FTEs</b>	<b>Comp Top Step Hrly Rate</b>	<b>Benefits Rate</b>	<b>Annual Comp</b>	<b>Annual Avoided Costs</b>	<b>Percent of Total</b>	<b>General Fund Costs</b>	<b>GF % of Total</b>
<u>Executive Management</u>								
PW Director/City Engineer	1.00	\$ 58.57	31.88%	\$ 160,666				
Community Development Director	1.00	\$ 52.22	31.88%	\$ 143,247				
Rec & Com Svcs Director	1.00	\$ 52.22	31.88%	\$ 143,247				
					\$ 447,159	23.76%	\$ 315,005	16.74%
<u>SCMPEA</u>								
Financial Services Manager	1.00	\$ 43.51	31.88%	\$ 119,354				
Police Support Svcs Manager	1.00	\$ 41.76	31.88%	\$ 114,554				
Project Manager	1.00	\$ 38.00	31.88%	\$ 104,239				
Management Analyst I/II	1.00	\$ 34.47	31.88%	\$ 94,556				
Recreation Supervisor	1.00	\$ 26.27	31.88%	\$ 72,062				
					\$ 504,765	26.82%	\$ 338,833	18.00%
<u>SCEA</u>								
Public Works Inspector	1.00	\$ 30.76	35.96%	\$ 86,987				
Youth Svcs Specialist	1.00	\$ 28.70	35.96%	\$ 81,162				
Fleet Mechanic	1.00	\$ 23.83	35.96%	\$ 67,390				
Maintenance Worker I/II	1.00	\$ 22.70	35.96%	\$ 64,194				
Maintenance Worker I/II	1.00	\$ 22.70	35.96%	\$ 64,194				
Com. Svc. Officer I/II (SR2S)	1.00	\$ 20.42	35.96%	\$ 57,747				
Account Clerk I/II	1.00	\$ 19.72	35.96%	\$ 55,767				
					\$ 477,441	25.37%	\$ 124,876	6.63%
<u>SCPOA</u>								
Police Officer	1.00	\$ 37.89	36.87%	\$ 107,865				
Police Officer (CHRP Grant)	1.00	\$ 36.08	36.87%	\$ 102,713				
					\$ 107,865	5.73%	\$ 107,865	5.73%
<b>Subtotal Permanent Fulltime</b>	<b>17.00</b>				<b>\$ 1,537,231</b>	<b>81.68%</b>	<b>\$ 886,580</b>	<b>5.73%</b>
<u>Unrepresented</u>								
Consultant	0.43	\$ 65.00	7.95%	\$ 63,151				
Contract Engineer	0.46	\$ 65.00	7.95%	\$ 67,136				
Part-Time Admin Assistant I	0.88	\$ 17.87	20.87%	\$ 39,536				
Part-Time Division Chief	0.31	\$ 41.76	24.65%	\$ 33,564				
Part-Time Maint Worker I	0.48	\$ 14.80	21.49%	\$ 17,952				
Part-Time PW Employees	2.23	\$ 14.80	21.49%	\$ 83,401				
Office Assistant	0.90	\$ 21.45	0.00%	\$ 40,154				
	<u>5.69</u>				\$ 344,894	18.32%	\$ 148,747	7.90%
<b>TOTAL</b>	<b>22.69</b>				<b>\$ 1,882,125</b>	<b>100.00%</b>	<b>\$ 1,035,327</b>	<b>55.01%</b>



**ATTACHMENT 4 – ASSESSMENT OF FACILITY MAINTENANCE NEEDS**

# Facility Inspection Report

**Date Inspected:** 01/22/2015  
**Inspected By:** John Bryan & Kevin Moirano  
**Facility:** City Hall  
**Location:** 701 Civic Center Blvd.

Area	Description	Estimated Cost
<b>ADA Issues:</b>		
Back door	Ramps	\$ 25,000.00
Front entry	Ramps	\$ 75,000.00
		\$ 100,000.00
<b>High Priority Issues:</b>		
Front of buidng	Dry rot	\$ 10,000.00
Building rear	Dry rot trellis	\$ 12,000.00
Building rear	Dry rot on building	\$ 10,000.00
Building rear	Building flood lights (in landscape for building)	\$ 1,500.00
All windows	Lobby & Council windows - need to reseal	\$ 5,000.00
Entire building	Re-paint	\$ 30,000.00
Top of building	Dry rot	\$ 25,000.00
HVAC wells	Reroof	\$ 15,000.00
		\$ 108,500.00
<b>Medium Priority Issues:</b>		
HVAC	New system	\$ 15,000.00
Entire building	Downspouts and gutters	\$ 5,000.00
Housing window	Holds moisture	\$ 500.00
Entry lights	Light covers	\$ 100.00
Building rear	Screen replacement	\$ 300.00
Metal roof	Pressure wash & repaint	\$ 7,000.00
Building front	Front lobby double doors	\$ 25,000.00
		\$ 52,900.00
<b>Furnishings:</b>		
Lobby	Replace carpet	\$ 2,000.00
Lobby	New chairs	\$ 1,000.00
Council Chambers	New tables	\$ 2,000.00
		\$ 5,000.00
<b>Total</b>		<b>\$ 266,400.00</b>















# Facility Inspection Report

**Date Inspected:** 01/22/2015  
**Inspected By:** John Bryan & Kevin Moirano  
**Facility:** Lawler House  
**Location:** 718 Main St.

Area	Description	Estimated Cost
<b>ADA Issues:</b>		
<b>High Priority Issues:</b>		
Building outside	Replace gutters	\$ 5,000.00
Solarium	Repair dry rot	\$ 30,000.00
Building outside	Repair/replace fascia board on 2nd & 3rd floor	\$ 1,000.00
Deck	Repair dry rot on overhang post	\$ 1,500.00
Building inside	Replace casing & door jam on 2nd floor	\$ 300.00
Inside solarium	Dry rot on building	\$ 8,000.00
Building inside	Replace 3rd floor landing	\$ 500.00
Building outside	Solarium removal	\$ 20,000.00
Roof	Repair skylight	\$ 2,000.00
		\$ 68,300.00
<b>Medium Priority Issues</b>		
HVAC	System replacement	\$ 10,000.00
		\$ 10,000.00
<b>Total</b>		<b>\$ 78,300.00</b>





## AGENDA TRANSMITTAL

**MEETING DATE:** June 9, 2015

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**CITY AGENDA ITEM:** Council Adoption of Resolution No. 2015-\_\_: Approving a Vision Statement and a Preferred Land Use Alternative for the Downtown Waterfront Specific Plan Update.

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**FISCAL IMPACT:** The Downtown Waterfront Specific Plan Update project is fully funded through a \$163,000 grant. The City's required match for this project is \$21,118. Staff time to administer the grant, manage the work of outside consultants and lead public outreach activities is being used to meet the match requirement.

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**BACKGROUND:** The City Council directed staff to update the Downtown Waterfront Specific Plan by authorizing the City Manager to apply for grant funding and subsequently authorizing the City Manager to enter into a the contract with AECOM for the update.

The update of the DWSP must be completed and adopted by May 2016. Between now and the completion date, major decision points to be made by the Council include:

- Vision and Alternatives Analysis. (June 2015).
- Draft Specific Plan Review and Comment. (Summer 2015-Early 2016).
- Final Specific Plan. (Spring 2016 with Completion by May 2016).

The focus of this report is on the "Vision" and "Preferred Land Use Alternative". The consultant, working with staff, has prepared an exhibit that takes the direction received from the May 5, 2015 City Council meeting and titled it "Preferred Land Use Alternative" for City Council adoption.

Feedback that has gone into the recommendations and concepts contained in this report include, most recently:

- City Council discussion and direction regarding the "Vision" for the Downtown Waterfront Specific Plan (February 2015);
- Public survey consisting a number of questions related to the future vision of the Specific Plan area;
- Public "hands-on" workshop where participants identified the types of development and uses envisioned area-by-area within the Specific Plan area (Meeting, April 6, 2015; see Attachment 2 for the feedback generated by 18 participants broken into 3 separate discussion groups); and
- Planning Commission review and consideration of the public feedback received to date, as well as their thoughts for potential land uses and transportation improvements in the Specific Plan area (Public Hearing, April 14, 2015).

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**PREPARED BY:**  
**REVIEWED BY:**  
**APPROVED BY:**

John Kearns, Associate Planner  
 Jason Garben, Development Services Director  
 Suzanne Bragdon, City Manager

- City Council direction provided to staff at the May 5, 2015 City Council meeting.

The Vision and Preferred Land Uses form the foundation from the Downtown Waterfront Specific Plan development.

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**STAFF REPORT:** The purpose of this item is for the City Council to approve a “Vision Statement” and a “Preferred Land Use Alternative” based on the Council discussion and direction on May 5, 2015.

With approval of a Preferred Land Use Alternative, the project consultant will prepare the Draft Updated Downtown Waterfront Specific Plan, which will come back to the Planning Commission and City Council before undertaking the environmental analysis and finalizing the plan. Consistent with initial discussions with the Council when this grant-funded project was approved, the focus of planning efforts is to update and build from the existing DWSP versus starting from scratch.

### **Vision Statement**

A vision statement expresses the community’s hopes, dreams, and expectations for current and future generations. It is based on public and decision-maker input and avoids planning jargon to promote broad understanding. An effective vision should inspire decision makers and the public alike. It should be broad, forward looking, long-range, and represent a consensus of community ideas. A vision should focus on positive themes and the “big picture.” The vision should not address details of parcel-specific land uses. The vision should tell a compelling story about the future (What DO we want for our future?) and not focus on the negative (What DON’T we want?).

The ideas presented in a vision will define the future form, character, and layout, but are also important to the social and economic development of the community and natural resources. Even with a single vision, the City can choose several paths toward that desired future. That is why we developed the vision statement first, shared this with the public and decision makers, and then discussed a range of alternatives. City staff and the City’s consulting partner, AECOM, will refer to the vision statement during preparation of the Specific Plan. For that reason, the topics addressed in the future vision are very important for relevance to the Specific Plan Update.

Staff prepared the “Vision Statement” which builds from the existing “Specific Plan Concepts” and incorporates input received from the Public, Planning Commission and direction received from the City Council at the May 5, 2015 meeting (included as Exhibit A of the Resolution).

### **Preferred Land Use Alternative**

Working from the current DWSP, the updated and unfolding Vision for the area, and public feedback, ten undeveloped and underdeveloped areas/districts of the Specific Plan area have been identified – District A through District I. The Council provided direction to staff on each of these areas/districts for incorporation into the Preferred Land Use Alternative at the May 5, 2015 regular meeting of the City Council. The Preferred Land Use Diagram is provided as Exhibit B to the resolution, and Attachment 2 provides an overview of the direction provided to staff regarding each Districts A through I.

Regarding the possibility of improved connection between Suisun City and Fairfield, staff has met with Fairfield staff and will continue these conversations moving forward. At this point, there is not anything new to report to the Council and staff recommended that an item be brought back in the future. Proceeding with adoption of the Vision and Preferred Land Use Alternative does not preclude the possibility of improvements to the connection between Suisun City and Fairfield.

The Preferred Land Use Alternative Diagram focuses on areas the City anticipates would experience land use change between present and 2035. Areas not highlighted could experience development as well, but since they are built out, the level of change would be relatively less. In addition, areas not highlighted in the Diagram would have land use designations that are similar to that in the existing Downtown Waterfront Specific Plan.

### **Next Steps**

In addition to the broad land use direction provided to staff through the Preferred Land Use Alternative, future components of the Specific Plan that will require input and consideration of the City Council will include items such as:

- Design Standards and Guidelines.
- Parking Analysis and Management Concepts.
- Infrastructure Development and Budget.

A draft of the Specific Plan document is expected to be complete for Council consideration in late 2015. Thus, staff anticipates the aforementioned components requiring input from the City Council will occur throughout this Summer and early Fall. The Specific Plan must be completed and adopted by the City Council by May of 2016 pursuant to the requirements of the grant that is funding this effort.

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**STAFF RECOMMENDATION:** It is recommended that the City Council adopt Resolution No. 2015-\_\_: Approving a Vision Statement and a Preferred Land Use Alternative for the Downtown Waterfront Specific Plan.

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### **ATTACHMENTS:**

1. Resolution No. 2015-\_\_: Approving a Vision Statement and a Preferred Land Use Alternative for the Downtown Waterfront Specific Plan Update.
2. Preferred Land Use Alternative Direction.



**RESOLUTION NO. 2015-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY  
APPROVING A VISION STATEMENT AND A PREFERRED LAND USE  
ALTERNATIVE FOR THE DOWNTOWN WATERFRONT SPECIFIC PLAN UPDATE**

**WHEREAS**, the Suisun City Downtown Waterfront Specific Plan project (“SPU”) was initiated June 17, 2014; and

**WHEREAS**, meetings to solicit public comment on SPU land use were held on April 6, 2015, April 14, 2015, and May 5, 2015; and

**WHEREAS**, the City staff and consultants have developed land use alternatives for consideration by the public, the Planning Commission, and the City Council; and

**WHEREAS**, pursuant to California Government Code section 65090, the City Council held a duly noticed public hearing on the GPU land use alternatives on May 5, 2015; and

**WHEREAS**, the City Council received certain evidence on May 5, 2015, and on June 9, 2015, considered approval of the Downtown Waterfront Specific Plan Vision Statement, attached hereto as “Exhibit A”.

**WHEREAS**, the City Council received certain evidence on May 5, 2015 and on June 9, 2015 considered approval of the proposed preferred land use alternative, attached hereto as “Exhibit B”.

**NOW, THEREFORE, BE IT RESOLVED THAT** from the facts and testimony presented, the City Council has determined that the approval of the proposed preferred land use alternative is consistent with the direction provided by the City Council at the May 5, 2015 meeting and will not be detrimental to property or improvements in the City or to the public health, safety, or general welfare, and is consistent with good planning practice.

**BE IT FURTHER RESOLVED THAT THE CITY COUNCIL** approves the proposed Vision Statement, Exhibit A, and Preferred Land Use Alternative, Exhibit B, for use in the further development of the SPU.

**PASSED AND ADOPTED** by a Regular Meeting of said City Council of the City of Suisun City duly held on Tuesday, the 9<sup>th</sup> of June 2015, by the following vote:

<b>AYES:</b>	Councilmembers:	_____
<b>NOES:</b>	Councilmembers:	_____
<b>ABSENT:</b>	Councilmembers:	_____
<b>ABSTAIN:</b>	Councilmembers:	_____

**WITNESS** my hand and the seal of said City this 9<sup>th</sup> day of June 2015.

\_\_\_\_\_  
Linda Hobson, CMC  
City Clerk

## **EXHIBIT A**

### **Downtown Waterfront Specific Plan “Vision Statement”**

1. Downtown Suisun City is a unique waterfront community with a marina; traditional Downtown commercial main street and historic residential neighborhoods within “Old Town,” and a South Waterfront district under development, west of the marina; and a civic center area and the Whispering Bay and Victorian Harbor residential neighborhoods, east of the marina.
2. Downtown Suisun is pleasant to live in and at the same time serves as a local and regional destination, supporting shopping, entertainment, hospitality, tourism, and recreation. The changes in the region around Suisun City have created the opportunity for the Downtown to evolve and develop into a place that attracts new residents, jobs, businesses, and shoppers.
3. The entire Downtown needs to be focused on maximizing waterfront access on the Suisun Channel, which is its major and central feature and on improving public access to the train depot, another key asset in Downtown Suisun.
4. The Waterfront should maintain its extraordinary mix of natural wetlands and urban edge.
5. The historic Suisun train depot and Amtrak station, on the north end of Main Street, should serve as a transit gateway into Downtown Suisun City.
6. The circulation system should be enhanced to support safer and more convenient access between homes and destinations and between Downtown Suisun City and Downtown Fairfield – for pedestrians, cyclists, transit users, and motorists.
7. The Downtown needs a cohesive Open Space system that enhances the pedestrian experience and supports community access.
8. Gateways to the Downtown Waterfront area, including from Highway 12 and from the Amtrak station should be enhanced to ensure a positive visual first impression.
9. Development adjacent to the historic residential area should be compatible in scale and architectural themes.
10. Where feasible and consistent with building codes, existing buildings should be re-purposed with more economically viable uses that contribute to Downtown vibrancy.



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**Preferred Land Use Alternative Direction**

<b>Planning District A</b>	
This area contains approximately 10 acres of land including the former Crystal Middle School site and vacant property south of Cordelia Street. The district is largely surrounded by the Historic Residential neighborhood and high-density housing South of Cordelia Street.	
<b>General Plan Designation</b>	Residential Medium; EIR Analyzed
<b>1999 Specific Plan</b>	Public Facility/Open Space
<b>Development Concepts</b>	<ol style="list-style-type: none"> <li>1. Gateway from Cordelia; Medium-Density single-family homes similar to Old Town &amp; Harbor Park; green-space.</li> </ol>

<b>Planning District B</b>	
This area contains approximately 6 acres of land including area west of Main Street that largely consists of tilt-up buildings and/or yard space and parking (commonly referred to as Benton Ct.	
<b>General Plan Designation</b>	Mixed-Use/High-Density Housing to support Housing Element
<b>1999 Specific Plan</b>	Commercial Service
<b>Development Concepts</b>	<ol style="list-style-type: none"> <li>1. Four to six stories, vertical Mixed-Use with housing above retail/service/artisan-crafters; public parking garage.</li> </ol>

<b>Planning District C - North</b>	
This area contains approximately 6 acres of land. The <u><i>northern portion</i></u> includes undeveloped property (commonly referred to as “Denver Curve”). The southern portion includes the Park ‘n Ride property; currently owned by CalTrans, the development of this property would require maintaining the current parking spaces (here or elsewhere) to support the Train Depot.	
<b>General Plan Designation</b>	Mixed Use; EIR Analyzed
<b>1999 Specific Plan</b>	N/A; area added to updated Specific Plan
<b>Development Concepts</b>	<ol style="list-style-type: none"> <li>1. Three to four story condominiums/townhouses; public parking garage.</li> </ol>
<b>Planning District C - South</b>	
This area contains approximately 6 acres of land. The northern portion includes undeveloped	

property (commonly referred to as “Denverton Curve”). The <u>southern portion</u> includes the Park ‘n Ride property; currently owned by CalTrans, the development of this property would require maintaining the current parking spaces (here or elsewhere) to support the Train Depot.	
<b>General Plan Designation</b>	Mixed Use/High Density Housing to support Housing Element
<b>1999 Specific Plan</b>	Public Facility/Open Space
<b>Development Concepts</b>	<ol style="list-style-type: none"> <li>1. Three to four story Mixed Use Development above public parking including residential and a mix of other uses (i.e., visitor-serving lodging, retail, service and/or office uses.)</li> </ol>

<b>Planning District D</b>	
Identified as a potential at-grade connection between the downtowns of Fairfield and Suisun City (Union Avenue to Main Street.) Vehicular connection would improve development viability of vacant and underdeveloped parcels within the PDA.	
<b>General Plan Designation</b>	N/A
<b>1999 Specific Plan</b>	N/A
<b>Development Concepts</b>	<ol style="list-style-type: none"> <li>1. At-grade vehicular, pedestrian and bicycle crossing.</li> <li>2. At-grade pedestrian and bicycle crossing.</li> <li>3. No change. Maintain pedestrian/bicycle overpass.</li> </ol>
<b><u>*Further Discussion Needed</u></b>	

<b>Planning District E</b>	
This area encompasses 30+/- acres. Owned by the City’s Housing Authority, this site is commonly referred to as “the thirty acre site.” A majority of the site is developable, with the exception of the far western portion. Future circulation includes the extension of Railroad Avenue from Marina Boulevard to Main Street.	
<b>General Plan Designation</b>	Mixed Use Commercial; EIR analyzed 100% commercial
<b>1999 Specific Plan</b>	N/A; area added to update Specific Plan
<b>Development Concepts</b>	<ol style="list-style-type: none"> <li>1. Lifestyle Center;</li> <li>2. Priority uses – boutique grocery, restaurants, independent movie theater; or</li> <li>3. “Big Box” (sales tax focus).</li> </ol>

<b>Planning District F</b>	
This area includes approximately 10 acres of land at the southwest corner of Highway 12 and Marina Boulevard; adjacent to the Marina Center and across from medium density residential.	
<b>General Plan</b>	Mixed Use/High Density Residential to support Housing Element
<b>1999 Specific Plan</b>	General Commercial
<b>Development Concepts</b>	<ol style="list-style-type: none"> <li>1. Two to three stories, Horizontal Mixed Use (i.e., High-Density Housing, with design transition consistent with look of houses south of Lotz Way, and retail/service.</li> </ol>

<b>Planning District G</b>	
This area includes approximately 6 acres of land east of Marina Boulevard and between Highway 12 and Driftwood Drive.	
<b>General Plan Designation</b>	Single-Family Residential; EIR Analyzed
<b>1999 Specific Plan</b>	Low-Density Residential
<b>Development Concepts</b>	<ol style="list-style-type: none"> <li>1. Single-Family Residential.</li> </ol>

<b>Planning District H - West</b>	
This area includes approximately 22 acres south of the terminus of Civic Center Boulevard, Whispering Bay Boulevard, and Marina Boulevard. Currently, there is a mix of undeveloped property ( <u>west-side</u> ) and underutilized (i.e. storage) on the eastern-side.	
<b>General Plan Designation</b>	Medium-Density Residential; EIR Analyzed
<b>1999 Specific Plan</b>	Low-Density Residential
<b>Development Concepts</b>	<ol style="list-style-type: none"> <li>1. Three-story Medium-Density Residential to maximize water views; extension of public promenade.</li> </ol>
<b>Planning District H - East</b>	
This area includes approximately 22 acres south of the terminus of Civic Center Boulevard, Whispering Bay Boulevard, and Marina Boulevard. Currently, there is a mix of undeveloped	

property (west) and underutilized (i.e. storage) on <u>eastern edge</u> . Opportunity to support City's "Bay Area Water Trail" designation.	
<b>General Plan Designation</b>	Medium-Density Residential/Destination Tourism; EIR Analyzed
<b>1999 Specific Plan</b>	Low-Density Residential
<b>Development Concepts</b>	1. Three-story Medium-Density "higher end" Residential to maximize water views; extension of public promenade.

<b>Planning District I</b>	
This area includes 6 acres south of the Delta Cove Subdivision and west of the Suisun Slough. The land includes the boat launch parking lot. Opportunity to support "Bay Water Trail" designation.	
<b>General Plan Designation</b>	Destination Tourism; EIR Analyzed
<b>1999 Specific Plan</b>	Waterfront Commercial and Public Facilities/Open Space
<b>Development Concepts</b>	1. Mix of restaurants and services catering to those launching vessels; facilities to expand leisure enjoyment of the water (i.e., fishing docks, facilities for non-motorized boat uses, showers, etc.); and extension of public promenade. Lodging also works if destination draw.

<b>Planning District J – North (east of current hotel)</b>	
This area includes approximately 5 acres of land south of Lotz Way and west of Civic Center Boulevard. <u>North side</u> is east of Hampton Inn hotel and south side is directly adjacent to waterfront. The area also includes the north basin.	
<b>General Plan Designation</b>	Mixed Use; EIR Analyzed
<b>1999 Specific Plan</b>	Commercial/Office/Retail
<b>Development Concepts</b>	1. Full-Service Hotel with Conference/ Meeting Space. Commercial/Office/Retail if supporting above.

<b>Planning District J – South (east of water)</b>	
This area includes approximately 5 acres of land south of Lotz Way and west of Civic Center Boulevard. North side is east of Hampton Inn hotel and <u>south side</u> is directly adjacent to waterfront. The area also includes the north basin.	

<b>General Plan Designation</b>	Mixed Use; EIR Analyzed
<b>1999 Specific Plan</b>	Commercial/Office/Retail
<b>Development Concepts</b>	1. Medium-Density residential.

<b>Planning District J – Water/North Basin</b>	
<p>This area includes approximately 5 acres of land south of Lotz Way and west of Civic Center Boulevard. North side is east of Hampton Inn hotel and south side is directly adjacent to waterfront. The area also includes the north basin.</p>	
<b>General Plan Designation</b>	N/A
<b>1999 Specific Plan</b>	Marina Berths
<b>Development Concepts</b>	1. Any of the following: Visitor dock to support non-motorized boating; expand leisure uses of the water, Expansion of Marina Berths, “Boat Lodging.”

