

# City of Isleton

## City Council Staff Report

DATE: June 14, 2022

ITEM#: 4.A

CATEGORY: Communications

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### CITY COUNCIL COMMUNICATIONS

#### SUMMARY

City has received the following communications:

- A. Ruby Fowler – Town Hall request.
- B. Knee Deep GHAD Article.
- C. Grand Jury letter regarding County Board of Supervisors.

#### FISCAL IMPACT

None

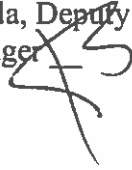
#### RECOMMENDATION

Information only.

#### ATTACHMENT

- Ruby Fowler – Town Hall request email.
- Knee Deep GHAD Article

Prepared and Submitted by: Yvonne Zepeda, Deputy City Clerk \_\_\_\_\_  
Reviewed by: Charles Bergson, City Manager \_\_\_\_\_







**AGENDA ITEM REQUEST**  
*All requests will be reviewed by City Manager*

Name: Ruby Fowler Date: 5/31/2022

Address: PO Box 393

City: Isleton State: CA Zip: 95641

Phone: 206-372-4836 E-mail: rubyfowler@gmail.com

**City Council Meeting / Planning Commission Meeting**

(Please Circle One)

Date Requested: June 14, 2022 City Council Meeting  
Agenda Item(s)

Requested:

- 1.) Establishment of Monthly Town Hall Meetings
- 2.) Establishment of a Citizen Advisory Committee to the City Council
- 3.) \_\_\_\_\_

**Please provide detailed description of the item(s) that you will be discussing with the City Councilmember's.**

- 1.) Because the public comment/public hearing component of Council meetings is considered by many to be a woefully inadequate forum for residents/business owners to express and discuss in depth their views and concerns regarding issues we would like to establish monthly town hall meetings to be conducted by residents/business owners with the participation of at least council member.
- 2.) From out of the open discourse of the town hall meetings with the participation of at least one city council member, we would like to form a Citizen Advisory Committee to advance pressing issues to the council and city governance level.
- 3.) In the spirit of collaboration, we would like the city council to sanction the town hall meetings, commit to working through any outstanding issues identified in the process, provide free access to the community center as the venue for the town hall meetings.

S/ Ruby Fowler  
Requestor's Signature

5/31/2022  
Date

\_\_\_\_\_  
City Clerk / Staff Member

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Date



## R I S K

## Overhauling Insurance for the New Normal

by John Hart | May 18, 2022



*Art: Alyson Wong.*

In the era of global warming, an invisible force, as primal in its way as atmospheric chemistry, is coming to bear on human pocketbooks and decisions. “It doesn’t matter if you don’t believe in climate change,” observes Nick VinZant, senior research analyst for an outfit called QuoteWizard. “Your insurance company does.”

California woodland dwellers can attest to that. The dire summers of recent years have made fire policies harder to get. Between 2015 and 2019, the California Department of Insurance reports, almost 350,000 policies in rural areas were canceled. The substitute coverage of last resort, known as the FAIR Plan, is widely panned as inadequate. Regulators seem to face a choice between two bad things: letting people suffer or subsidizing risky behavior by keeping insurance too available and cheap.

This could be a false dichotomy, though, as a new experiment in flood insurance seeks to prove.

The little city of Isleton, on Brannan-Andrus Island in the heart of the Delta, needs better defenses against unruly rivers and rising tides. Its inhabitants also need more, and more affordable, flood insurance. Now local leaders have set their feet on a path that may help Isleton — and many places like it — achieve both these things at once.

Jargon alert. The plan brings together two innovations: community-benefit insurance and something called a Geologic Hazard Abatement District, or GHAD. Community-benefit insurance was devised with poorer parts of the world in mind. In this model, insurance is extended not to a set of individuals but to a local government or other organization, which serves as middleman to a populace — all of which, or most of which, is covered with no need for individual underwriting or contract.

The Geologic Hazard Abatement District, a uniquely Californian critter authorized in 1979, provides a way of organizing against environmental dangers. Most of these districts cover areas afflicted with landslides. Each such district must prepare a Plan of Control and can tax its residents in various ways to execute it.

The threat at Isleton, as in other Delta “legacy communities,” comes not from the hills but from the waters. It has flooded at least five times since its

founding in 1874. The levees it depends on are deficient; the cost of a thorough upgrade, daunting. Even a heavy rain can overtax storm drains that lie below sea level. The whole island is classified by FEMA as an A district, meaning that flood insurance is required in order to take out a mortgage. The many residents who do not have mortgages, on the other hand, are seldom insured at all.

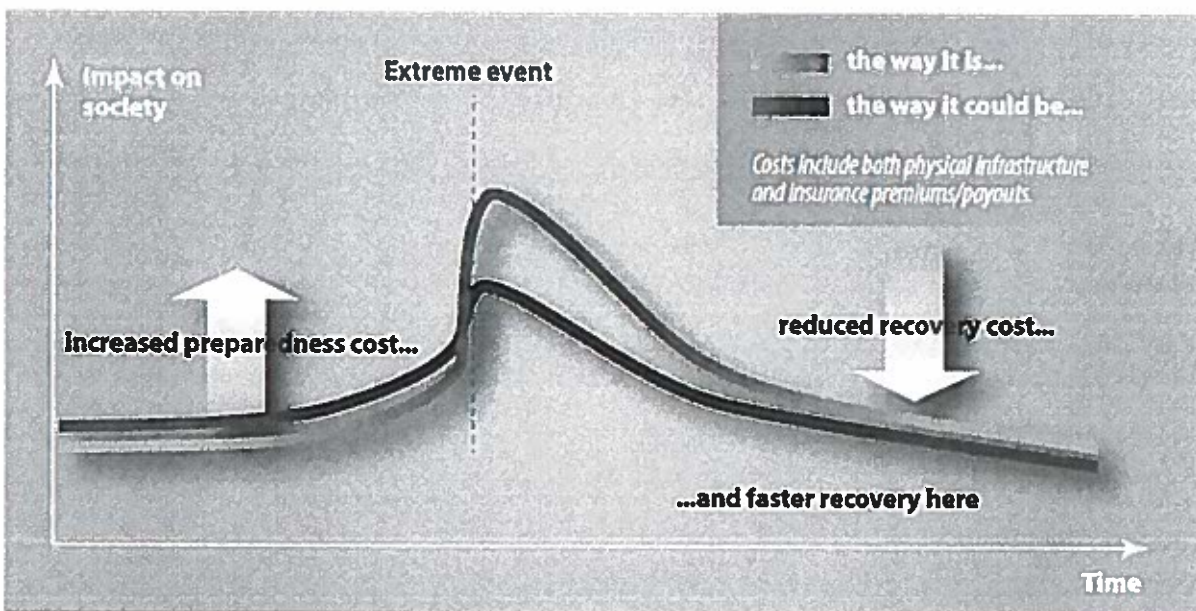


*Isleton home on stilts, as required for A district homes in search of insurance. Photo: Amber Manfree.*

On March 29, five Isleton citizens met for the first time as the board of the Delta Region GHAD, setting not one precedent but three. This is the first such district in a rural area. It is the first one formed to deal with flood danger. And it is the first such district with plans to enter the insurance business.

As its name signals, its backers are betting that its formula will appeal to areas well beyond the narrow limits of the originating town. (GHADs don't have to be contiguous, and can cross county lines.) The state is watching, too. "The State Department of Insurance is keen on this," notes Isleton city manager Charles Bergson. "The Department of Conservation is keen."

This recipe being tested here is the creation of several chefs. One is a former flood bureaucrat named Kathleen Schaefer. As regional engineer for the Federal Emergency Management Agency (FEMA), she understood the traditional system as well as anyone, and didn't like it much. She found its procedures cumbersome, its attitudes often hidebound. In charge of new and more accurate flood-zone mapping, she saw the spreading distress as more and more acres were shifted to the dreaded map category A. "We marched through," she says, "like Sherman to the sea."



Redrawn for KDT. Original source: WEF 2011.

One thing Schaefer realized at FEMA is that flood insurance premiums in California are actually *too high*. While the National Flood Insurance Program as a whole is deeply in the red, that's essentially because of eastern hurricanes. Flood damage in this state is chronic but rarely catastrophic. In



fact, Californians pay much more in premiums than they collect in benefits. In addition, premiums paid to the feds help support the agency, a “load” that doubles the core insurance cost. (All insurers have such charges, but not on anything like the FEMA scale.)

Out of government and a PhD candidate at UC Davis, Schaefer began a search for a better way. It involves some high-powered partners. For five years she has conferenced weekly with colleagues from the insurance firm Epic Brokers, the engineering firm ENGE0, and later the global engineering company Munich RE.

That addition was significant. Until recently, it was just about illegal for insurers other than FEMA to cover flood risk. This has changed. Certain specialized “RE” companies, formed to insure insurers themselves against extraordinary losses, have ventured into the general insurance field. Much more sophisticated risk analysis has calmed underwriters’ nerves. And policies now can be “securitized,” lumped into bonds of a sort that attract investors — people who accept the risk of occasional large losses as the price of many profitable years.

At Isleton, many details remain to be set. “We’re starting it slow,” Bergson says. The new district will have to support itself, and that means charges of some sort. If plans work out, everyone will be insured at one of three levels: a basic plan designed to provide ready cash in an emergency; a moderate plan sized and priced to reflect typical California losses; and a “concierge” plan more resembling traditional insurance. Fees attached to policies, and perhaps property taxes as well, will help support the GHAD. Under California’s Proposition 218, the Right to Vote on Taxes Act, not much can happen without an election. The new board has just begun to feel its way.



*Isleton's historic downtown sits well below sea level already. Photo: Amber Manfree.*

For the district to fulfill its mission, it must, of course, live up to its name and primary purpose: it must accelerate the solutions to Isleton's flooding problems. A long list of improvements is under study. Near the top is construction of an elevated "flood fight" berm and road to help in the next emergency. By bringing some of its own money to the work, the district will have a better chance of snagging funds from the state and the feds. Its insurer, too, might kick in, choosing to invest in prevention in hopes of spending less on cure.

Insurance is a complicated subject, and a rather abstract one. It is always tempting to talk about physical works instead. Schaefer urges us to think of insurance as another kind of infrastructure. "A key part of resilience," she says, "is having money after the event."

Schaefer and two more colleagues, the eminent wetlands scientist Stuart Siegel and architect and developer Jeffrey Rhoads, have been working quietly with another at-risk community: the Canal neighborhood of San Rafael. Here

again an underserved population is physically and financially at risk. Here too, a Geological Hazard Abatement District might be the tool to address both problems at once. But that is a story for another issue of *KneeDeep Times*.

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## More

- Pricing Climate Risk (KneeDeep Times, 2022)
- California Climate Insurance
- Isleton Flood Risk Reduction

SHARE:       

## < PREVIOUS

Cruising the San Pablo Spine: Video

## ABOUT THE AUTHOR



John Hart

is an environmental journalist and author of sixteen books and several hundred other published works. He is also the winner of the James D. Phelan Award, the Commonwealth



winner of the James D. McLaughlin Award, the Commonwealth Club Medal in Californiana, and the David R. Brower Award for Service in the Field of Conservation. He writes on California water policy and history, and on other topics intertwined with climate change.

RELATED POSTS



**Royally Flooded: Dispatches from the Highest Tides**

January 19, 2022



**Purple Air Warnings Not Enough**

October 26, 2021



**Residents Readied to Shape Future of Oakland's Shores**

November 18, 2021



**Retreat By Any Other Name**

April 18, 2022



SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SACRAMENTO  
Grand Jury

RECEIVED

6/16/22

JUN 06 2022

Deanna Hanson  
Foreperson

Tina Bonilla

Francis Bremson

Christina Budwine

Jeannine English

Stephen Holland

Rachel Kaldor

Gregg Magaziner

Barbara Marquez

Douglas Scott  
McDonald

Brian McElroy

Patricia Murray-Turner

James Parvis

Marc Remis

Jill Sherrill

Ken Smith

Olivia Washington

Norval Wellsfry

Gregory Williams

June 2, 2022

Eric Pene, Mayor  
City of Isleton  
P.O. Box 716  
Isleton, CA 95641

Re: Grand Jury Status Review – Sacramento County Board of Supervisors Non-Responsive to Covid-19 Investigation

On behalf of the 2021-2022 Sacramento County Grand Jury, I am providing to members of the Sacramento County Board of Supervisors (Board), the enclosed report. This Status Review provides an evaluation of the Board's response to the Findings and Recommendations contained in the Grand Jury's report, "Sacramento County Board of Supervisors Abandons Responsibility for Covid-19 Cares Act Spending" issued in February 2022.

This Status Review will be released to the public on June 7, 2022 and is being provided to you in advance of its general release pursuant to Penal Code section 933.05, subdivision (1), which provides:

*A grand jury shall provide to the affected agency a copy of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report. It is very important that you comply with this confidentiality requirement.*

Because the Status Review contains no findings or recommendations, the Penal Code, which also prescribes the obligations of a governing board or elected county official with regard to responding to the grand jury's findings and recommendations, does not apply. Should you choose to respond, keep in mind that your response will be a matter of public record and widely read by both community members and local media. Therefore, it is important that your responses be as clear and specific as possible.

Please send any response you choose to provide addressed to Honorable Michael Bowman, Presiding Judge, Sacramento County Superior Court, 720 9<sup>th</sup> Street, Sacramento, CA 95814, with a copy to

Ms. Erendira Tapia-Bouthillier, Grand jury.

This Grand Jury report and the responses will be posted on the Grand Jury's website (Grand Jury Reports: Sacramento Superior Court (ca.gov)). We would appreciate receiving an electronic

copy, as well as a signed hard copy, of any response you may provide. You may email a copy to [TapiaE@saccourt.ca.gov](mailto:TapiaE@saccourt.ca.gov).

Sincerely,



Deanna Hanson, Foreperson  
2021-2022 Sacramento County Grand Jury

# **SACRAMENTO COUNTY GRAND JURY STATUS REVIEW:**

## **SACRAMENTO COUNTY BOARD OF SUPERVISORS NON-RESPONSIVE TO COVID-19 INVESTIGATION**

A critical investigative report into the distribution and use of more than \$181 million federal Coronavirus Aid, Relief and Economic Security (CARES) Act funding by the Sacramento County Board of Supervisors (Board) was released by the Sacramento County Grand Jury in February 2022. Titled, “SACRAMENTO COUNTY BOARD OF SUPERVISORS ABANDONS RESPONSIBILITY FOR COVID-19 CARES ACT SPENDING,” the Grand Jury found that the Board abdicated its leadership and oversight responsibilities to the County Executive for at least five months into the pandemic emergency.

In its report, the Grand Jury provided evidence that the Board handed off important pandemic response decision-making and CARES Act funding responsibility to its County Executive without requiring him to provide regular public updates or conduct community outreach. The deep concern plainly stated in the February 2022 Grand Jury report continues.

The Board’s responses to the Grand Jury report reflects their continuing refusal to acknowledge or accept responsibility for any deficiencies of leadership, accountability or engagement during a countywide emergency. The Board unfortunately cloaks itself in bureaucratic, misleading, and at times inaccurate statements. The record of Board sessions showing the actions NOT taken to publicly account for use of emergency funding, engaging with local residents and businesses, and even with its own agency heads, stands on its own, and is documented in the Grand Jury report. It was this pattern of lack of leadership, engagement and oversight that was contained in the Grand Jury’s report, and the basis of its Findings and Recommendations.

The Board of Supervisors did not demand regular public briefings on emergency response activities and emergency funding utilization. To be clear, and as the Grand Jury has reported, the County Office of Emergency Services, and the Office of Public Health were prepared and responsive, and homeless population COVID-19 containment efforts were effective. However, the Board failed to provide a public forum to explain what was going on between County government services and County residents given the unprecedentedly widespread impact of the pandemic.

This was the focus of the Grand Jury report; the Board of Supervisors should have been, and must become, an engaged and active overseer of County government operations and residents’ well-being, especially during all-encompassing public emergencies. Shrinking behind the letter, rather than following the spirit of federal relief funding intended for community relief; relying solely on one or two County executives rather than initiating regular and public briefings by agency directors. These were the deficiencies the Grand Jury found and still hope to see corrected.

A new County CEO initiated a 2022-2023 Community Engagement Plan to more adequately address allocation of relief funding received after 2020. However, the Board seems to have

**Sacramento County Grand Jury Status Review:  
Sacramento County Board of Supervisors  
Non-Responsive to Covid-19 Investigation**

missed the point of the Grand Jury report: County Executives and plans come and go, but Sacramento residents deserve its elected leaders to maintain watchful and engaged oversight of County government activities and services.

**The following elected officials and City Managers are being provided with a copy of this Status Review since they were either required or invited to respond to the original investigative report. No response to this Status Review is required.**

- Don Nottoli, Chair  
Sacramento County Board of Supervisors  
700 H Street, Suite 2450  
Sacramento, CA 95814
- Rich Desmond, Vice Chair  
Sacramento County Board of Supervisors  
700 H Street, Suite 2450  
Sacramento, CA 95814
- Phil Serna, Supervisor  
Sacramento County Board of Supervisors  
700 H Street, Suite 2450  
Sacramento, CA 95814
- Patrick Kennedy, Supervisor  
Sacramento County Board of Supervisors  
700 H Street, Suite 2450  
Sacramento, CA 95814
- Sue Frost, Supervisor  
Sacramento County Board of Supervisors  
700 H Street, Suite 2450  
Sacramento, CA 95814
- Scott Jones, County Sheriff  
Sacramento County Sheriff's Department  
4500 Orange Grove Avenue  
Sacramento, CA 95841
- Jason Behrmann, City Manager  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758
- Kerri Howell, Mayor  
City of Folsom
- Ann Edwards, County Executive  
Sacramento County  
700 H Street, Room 7650  
Sacramento, CA 95814
- Darrell Steinberg, Mayor  
City of Sacramento  
915 I St., 5<sup>th</sup> Floor  
Sacramento, CA 95814
- Howard Chan, City Manager  
City of Sacramento  
915 I Street  
Sacramento, CA 95814
- Porsche Middleton, Mayor  
City of Citrus Heights  
6237 Fountain Square Dr.  
Citrus Heights, CA 95621
- Christopher W. Boyd, City Manager  
City of Citrus Heights  
6360 Fountain Square Drive  
Citrus Heights, CA 95621
- Bobbie Singh-Allen, Mayor  
City of Elk Grove  
8401 Laguna Palms Way  
Elk Grove, CA 95758
- Eric Pene, Mayor  
City of Isleton  
P.O. Box 716  
Isleton, CA 95641
- Charles Bergson, City Manager  
City of Isleton



**Sacramento County Grand Jury Status Review:  
Sacramento County Board of Supervisors  
Non-Responsive to Covid-19 Investigation**

50 Natoma St.  
Folsom, CA 95630

P.O. Box 716  
Isleton, CA 95641

- Elaine Andersen, City Manager  
City of Folsom  
50 Natoma St.  
Folsom, CA 95630
- Garrett Gatewood, Mayor  
City of Rancho Cordova  
2729 Prospect Park Drive  
Rancho Cordova CA 95670
- Shawn Farmer, Mayor  
City of Galt  
380 Civic Drive  
Galt, CA 95632
- Cyrus Abhar, City Manager  
City of Rancho Cordova  
2729 Prospect Park Drive  
Rancho Cordova CA 95670
- Lorenzo Hines Jr., City Manager  
City of Galt  
380 Civic Drive  
Galt, CA 95632



# City of Isleton

City Council  
Staff Report

DATE: June 14, 2022

ITEM#: 5.A

CATEGORY: Consent Calendar

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## MINUTES OF THE REGULAR CITY COUNCIL MEETINGS OF MAY 24, 2022

### SUMMARY

A. Review of the Regular City Council Meetings of May 24, 2022.

### FISCAL IMPACT


There is no fiscal impact associated with this action.

### RECOMMENDATION

A. City Council review and approve the draft minutes of the Regular City Council Meeting on May 24, 2022.

### ATTACHMENTS

- Minutes of May 24, 2022.

Reviewed by: Charles Bergson, City Manager   
Submitted and prepared by: Yvonne Zepeda, Deputy City Clerk 



## CITY OF ISLETON

### Regular City Council Meeting Minutes

Tuesday, May 24, 2022 at 6:30pm

208 Jackson Boulevard

Isleton, California 95641

You can call in to join our public meeting

### TELECONFERENCE OR IN PERSON MEETING

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This meeting will be held via teleconference or in person, pursuant to Executive Order N-29-20 issued by the State of California Executive Order by Governor Gavin Newsom on March 17, 2020. All members of the public interested in participating in this Zoom meeting can dial in by phone at 408-638-0968 (do not put a 1 before the number), Personal Meeting ID 337-903-7904# (for Personal ID just hit #) and then Passcode 123456#. For computer log-in, follow the link below.

Join Zoom Meeting

<https://us02web.zoom.us/j/3379037904?pwd=cWdVNkN5aHUxcjVwRGR1M1BpajcwZz09>

Meeting ID: 337 903 7904

Passcode: 123456

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#### 1. OPENING CEREMONIES

- A. Welcome & Call to Order – Vice Mayor Pamela Bulahan called to order at 6:32pm.
- B. Pledge of Allegiance
- C. Roll Call

PRESENT: Councilmember's Paul Steele, Iva Walton, Kelly Hutson, Vice Mayor Pamela Bulahan, Mayor Eric Pene, City Manager Charles Bergson and Deputy City Clerk Yvonne Zepeda.

#### 2. AGENDA CHANGES OR DELETIONS

ACTION: None.

#### 3. PUBLIC COMMENT

This is an opportunity for the public to speak to the Council on any item other than those listed for public hearing on this Agenda. Speakers are requested to use the podium in front of the Council and to begin by stating their name, whether they reside in Isleton and the name of the organization they represent if any. The Mayor may impose a time limit on any speaker depending on the number of people wanting to speak and the time available for the rest of the Agenda. In the event comments are related to an item

**AMERICANS WITH DISABILITIES ACT NOTICE:** In compliance with the Americans with Disabilities Act, persons needing a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, may contact Deputy City Clerk Yvonne Zepeda, at (916) 777-7770, by fax at (916) 777-7775 or by email to [Yvonne.zepeda@cityofisleton.com](mailto:Yvonne.zepeda@cityofisleton.com) at least 48 hours prior to the meeting.

**GOV. CODE § 54957.5 NOTICE:** Public records related to an agenda item that are distributed less than 72 hours before this meeting are available for public inspection during normal business hours at Isleton City Hall located at 101 Second Street, Isleton, California 95641.

scheduled on the Agenda, speakers will be asked to wait to make their comments until that item is being considered.

**ACTION:** Public Comments Aleida Suarez question regarding planning commission. Shuana P. parking enforcement and Del Rio Manager and Trash on First St. Michelle Burke – Del Rio compliance down stairs.

#### **4. COMMUNICATION**

**A. Sacramento Environmental Commission – Recommendation to Support the California Plastic Waste Reduction Regulations Initiative.**

**ACTION:** Agendize considering endorsing support of California Plastic Waste Reduction Regulations Initiative.

#### **5. CONSENT CALENDAR**

**A. SUBJECT:** Approval of Minutes of the Regular City Council Meeting of May 10, 2022.

**RECOMMENDATION:** City Council review and approve draft minutes of the Regular City Council meeting of May 10, 2022.

**ACTION:** Councilmember Iva Walton motion to approve draft minutes of the Regular City Council meeting of May 10, 2022. Councilmember Paul Steele second the motion. **AYES:** Councilmember’s Paul Steele, Iva Walton, Kelly Hutson, Vice Mayor Pamela Bulahan, Mayor Eric Pene. **NOES:** None. **ABSTAIN:** None. **ABSENT:** None. **PASSED** 5-0.

**B. SUBJECT:** Ordinance No. 2022-004, Development Agreement DA 2022-01, 402 Jackson Blvd., WTO Essentials, Inc.

**RECOMMENDATION:** Hold the second reading of Ordinance No. 2022-004 by title only, waive further reading and adopt ordinance.

**ACTION:** Tabled 2<sup>nd</sup> reading of Ordinance No. 2022-004 by title only, need property interest document.

#### **6. PUBLIC HEARING**

**A. SUBJECT:** None.

#### **7. OLD BUSINESS**

**A. SUBJECT:** Extension for Law Enforcement services between the County of Sacramento and the City of Isleton for Fiscal Year June 30, 2023.

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**RECOMMENDATION:** It is recommended that the City Council approve the Sacramento County Sheriff's Contract extension for Fiscal Year June 30, 2023.

**ACTION:** Councilmember Paul Steele motion to approve the Sacramento County Sheriff's Contract extension for Fiscal Year June 30, 2023. Vice Mayor Pamela Bulahan second the motion. **AYES:** Councilmember's Paul Steele, Iva Walton, Kelly Hutson, Vice Mayor Pamela Bulahan, Mayor Eric Pene. **NOES:** None. **ABSTAIN:** None. **ABSENT:** None. **PASSED 5-0.**

- B. SUBJECT:** Flood Risks Reduction Feasibility Study for the Delta Legacy Community of Isleton, Draft.

**RECOMMENDATION:** It is recommended that the City Council receive the Draft Flood Risk Reduction Feasibility Study for Delta Legacy Community of Isleton.

**ACTION:** City Council received the Draft Flood Risk Reduction Feasibility Study for Delta Legacy Community of Isleton for review. Jeff Twitchell will present Draft Flood Risk Reduction Feasibility Study on June 14, 2022.

- C. SUBJECT:** Prop 68 Per Capita Grant Wilson Park (CIP 24-02) project review.

**RECOMMENDATION:** Staff is requesting review and comment on Wilson Park Rehabilitation Project (CIP 24-02) to include Skate and Dog Park.

**ACTION:** City Council approved to amend Prop 68 Per Capita Grant Wilson Park Rehabilitation Project (CIP 24-02) to include Skate and Dog Park, to add Skate Park and Ball Park and Dog Park in scope of work.

## **8. NEW BUSINESS**

- A. SUBJECT:** California American Water arsenic levels and report.

**RECOMMENDATION:** California American Water to discuss arsenic levels and report.

**ACTION:** Received presentation report from Nichole Baxter and Audie Foster regarding water arsenic levels. For any citizen's to call and report anything wrong with the water. Call 1-888-237-1133 any time, as we will investigate any complaints or water issues. To set tour of water plant site for City Councilmember's.

## **9. COUNCIL REPORTS AND COMMITTEE UPDATES**

- A. Councilmember Kelly Hutson – Concerns with permitting. Projects and no permits. Red Tags. Temp-power, no plan and no permits.**

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- B. Councilmember Paul Steele – Delta Protection Comm. Environmental Impact Study in July. Boat to tour the Delta. Cyclone rake to mulch the leaves and help public works out.
- C. Councilmember Iva Walton – Amnesty program. Tire marks on road-power wash-received 125k from Don Notolli. Meeting with Jean regarding crawdad festival. Chamber meeting. America is 246 years old.
- D. Vice Mayor Pamela Bulahan – SACOG Meeting, green houses, concerned by pass on Grant Rd. and Hwy. Land Use meeting next Thursday.
- E. Mayor Eric Pene – None.

## 10. STAFF GENERAL REPORTS AND DISCUSSION

- A. City Manager Report – Del Rio – Draft invoice policy for discussion and adopt a policy. We don't invest our reserve.
- B. Fire Chief Report – Absent.
- C. Code Enforcement Report – Absent.

## 11. CLOSED SESSION

- 11.1 Government Code Section §54956.9 (A). Pending Litigation Hotel Del Rio.  
ACTION: Nothing to report.

## 12. ADJOURNMENT

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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MAYOR, Eric Pene

ATTEST:

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DEPUTY CITY CLERK, Yvonne Zepeda

**AMERICANS WITH DISABILITIES ACT NOTICE:** In compliance with the Americans with Disabilities Act, persons needing a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, may contact Deputy City Clerk Yvonne Zepeda, at (916) 777-7770, by fax at (916) 777-7775 or by email to [Yvonne.zepeda@cityofisleton.com](mailto:Yvonne.zepeda@cityofisleton.com) at least 48 hours prior to the meeting.

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# City of Isleton

City Council  
Staff Report

DATE: June 14, 2022

ITEM#: 5.B

CATEGORY: Consent

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**ORDINANCE NO. 2022-004 DEVELOPMENT AGREEMENT DA 2022-01, 402 JACKSON BLVD, WTO ESSENTIALS, INC.**

## SUMMARY

WTO Essentials, Inc, Charles Smith, owner/contact, has submitted an application for a conditional use permit to occupy a portion of a commercial building located at 402 Jackson Boulevard to operate a cannabis manufacturing and distribution facility. The City Council approved Conditional Use Permit CUP 01-22 and conducted first reading of Ordinance 2022-004 for the related Development Agreement DA 2022-01 for this project on May 10, 2022. To make this use permit and development agreement operational, the City Council will need to hold the second reading of the ordinance. Additional information regarding this project, including the original staff report for the Planning Commission and/or City Council is available upon request of staff.

## FISCAL IMPACT

There is no fiscal impact associated with this review and action.

## RECOMMENDATION

Hold the second reading of Ordinance No. 2022-004 by title only, waive further reading and adopt ordinance.

## ATTACHMENTS

Ordinance 2022-004 Approving Development Agreement DA 2022-01

Submitted by: Charles Bergson, City Manager





**ORDINANCE NO. 2022-004**

**AN UNCODIFIED ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ISLETON APPROVING DEVELOPMENT AGREEMENT DA 2022-01 WITH WTO ESSENTIALS, INC., FOR PROPERTY LOCATED AT 402 JACKSON BLVD., ISLETON, CA 95641**

**WHEREAS**, the State of California enacted California Government Code section 65864, et seq. to authorize municipalities to enter into development agreements with those having an interest in real property to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development in connection with the development of real property within its jurisdiction; and

**WHEREAS**, WTO Essentials, Inc. (“Developer”) leases the real property located at 402 Jackson Blvd., City of Isleton, County of Sacramento (“Subject Property”); and

**WHEREAS**, Developer intends to develop commercial cannabis operations on the Subject Property in a manner consistent with the California cannabis laws, the City’s municipal code, and Project Approvals (“Project”); and

**WHEREAS**, the Planning Commission of the City of Isleton recommends approval of Conditional Use Permit CUP 01-22 and Development Agreement DA 2022-01 (attached hereto as Exhibit A) by Resolution PC 01-22 on April 13, 2022 to allow Developer to engage in commercial cannabis operations at the Subject Property; and

**WHEREAS**, this Ordinance shall be effective upon the City Council’s approval of the Conditional Use Permit CUP 01-22, which was approved during a duly noticed public hearing by the City Council on April 26, 2022, subject to second reading of this Ordinance by the City Council.

**NOW, THEREFORE**, the City Council of the City of Isleton does hereby ordain as follows:

**Section 1. Purpose.** The purpose of this ordinance is to approve execution of the Development Agreement between the City and Developer following the City Council’s independent review and consideration.

**Section 2. Authority.** This ordinance is authorized pursuant to Government Code section 65864, et seq.

**Section 3. Findings.** In adopting this ordinance, the City Council makes the following findings:

- (a) The proposed Development Agreement will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area or detrimental to the general welfare of the residents of the City as a whole; and
- (b) The proposed Development Agreement will not adversely affect the orderly development of property or preservation of property values; and
- (c) The proposed Development Agreement is consistent with the provisions of Government Code section 65864, et seq.; and

(d) The Planning Commission recommended approval of the Development Agreement.

**Section 4. Enactment.** The City Council hereby approves the Development Agreement between the City and the Developer which is attached hereto as Attachment 1, and authorizes the Mayor to execute the Development Agreement on behalf of the City.

**Section 5. Severability.** If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

**Section 6. Execution.** The Mayor shall sign and the City Clerk shall attest to the passage of this ordinance.

**Section 7. Effective Date and Publication.** This ordinance shall take effect thirty (30) days after its adoption. The City Clerk is hereby directed to publish this ordinance within fifteen (15) days after its passage in a newspaper of general circulation published in the City of Isleton or to post it in at least three (3) public locations in the City of Isleton.

The foregoing Ordinance was introduced and adopted before the City Council of the City of Isleton, at the regular meeting of the 10th day of May, 2022 and finally adopted at a regular meeting of said Council on the 14th day of June, 2022, by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

\_\_\_\_\_  
Eric Pene, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Yvonne Zepeda, City Clerk

\_\_\_\_\_  
Andreas Booher, City Attorney

Attachment 1 – Proposed Development Agreement

Attachment 1

OFFICIAL BUSINESS  
Document entitled to free recording  
Government Code Section 6103

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

City of Isleton  
101 2<sup>nd</sup> St.  
Isleton, CA 95641  
Attn: City Clerk

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(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

DEVELOPMENT AGREEMENT  
BY AND BETWEEN  
THE CITY OF ISLETON  
AND WTO ESSENTIALS, INC.  
402 JACKSON BLVD

## DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is made and entered into between the CITY OF ISLETON, a municipal corporation ("City"), and WTO Essentials, Inc. ("Developer"). City and Developer are hereinafter collectively referred to as the "Parties" and singularly as "Party."

### RECITALS

- A. **Authorization.** To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Government Code section 65864 et seq. (the "Development Agreement Law"), which authorizes the City and any person having a legal or equitable interest in the real property to enter into a development agreement, establishing certain development rights in the Property, which is the subject of the development project application.
- B. **Public Hearing.** On April 13, 2022, the City's Planning Commission, serving as the City's planning agency for purposes of development agreement review pursuant to Government Code section 65867, considered this Agreement and recommended approval of this Agreement to the City Council.
- C. **Environmental Review.** On May 10, 2022, the City Council determined that the Project (as defined herein) is exempt from environmental review in accordance with Section 15301 for Existing Facilities of the California Environmental Quality Act, Guidelines.
- D. **Need for Services and Facilities.** Development and operation of the Project will result in a need for municipal services and facilities, including police and fire protection services.
- E. **Contribution to Costs of Facilities and Services.** Developer agrees to make the quarterly payments set forth herein, which payment may be used by the City for any legal purpose. City and Developer recognize and agree that but for Developer's quarterly payments City would not and could not approve use of the Property for the Project as provided by this Agreement. City's approval of this Agreement is in reliance upon and in consideration of Developer's agreement to make the payments required hereunder.
- F. **Public Benefits.** Development of the Project will result in significant public benefits, as more fully described hereinafter, including, without limitation:
  1. The provision of opportunities for employment;
  2. Implementation of Crime Prevention Through Environmental Design ("CPTED") development principles during the operation and maintenance of the Property; and
  3. The furtherance of the economic development goals and objectives of the City.
- G. **Developer Assurances.** In exchange for the benefits to the City in the preceding Recitals, together with the other public benefits that will result from the development of the Property, Developer will receive by this Agreement assurance that it may proceed with the Project in accordance with the items set forth herein.

- H. **Consistency with General Plan.** Having duly examined and considered this Agreement and having held properly noticed public hearings hereon, in City Ordinance No. 2018-02, the City found that this Agreement satisfies the Government Code Section 65867.5 requirement of general plan consistency.

NOW, THEREFORE, in consideration of the above Recitals and mutual promises, conditions and covenants of the Parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

#### **AGREEMENT**

1. **Definitions.** In this Agreement, unless the context otherwise requires, terms have the following meaning. Capitalized terms within the Exhibits not defined below have the meaning set out in the Exhibits.
  - 1.1. "Adopting Ordinance" means Ordinance No. 19-05, adopted by the City Council March 12, 2019, which approves this Development Agreement as required by the Development Agreement Law.
  - 1.2. "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.
  - 1.3. "Authorized Operator" means a fully-licensed operator engaged by the Developer and approved by the City to operate portions of the Project on behalf of the Developer.
  - 1.4. "CEQA" means the California Environmental Quality Act, as set forth at California Public Resources Code, Division 13, commencing at Section 21000 and the CEQA Guidelines as set forth in Title 14 of the California Code of Regulations commencing at Section 15000.
  - 1.5. "City" means the City of Isleton, including its agents, officers, employees, representatives and elected and appointed officials.
  - 1.6. "City Manager" means the City Manager of the City of Isleton, or his or her designee.
  - 1.7. "Conditional Use Permit" means the Conditional Use Permit for the Project approved by the Planning Commission on \_\_, 2019, as that Conditional Use Permit may be modified or amended from time-to-time.
  - 1.8. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of an entity's management or policies, whether through the ownership of voting securities, by contract, or otherwise.
  - 1.9. "Development Agreement Law" means Government Code section 65864 et seq. and the procedures and requirements for the consideration of development agreements contained in Ordinance No. 2018-02. In the event of a conflict, the requirements of Government Code Section 65864 et seq. shall control.

- 1.10.** "Developer" means WTO Essentials, Inc. , together with any Successor duly approved by the City in accordance with the terms of this Agreement.
- 1.11.** "Effective Date" means that day on which the Adopting Ordinance shall be effective. The Adopting Ordinance shall be effective thirty (30) days after its adoption by the City Council, unless the Adopting Ordinance becomes subject to a qualified referendum, in which case, the Effective Date shall be the day after the referendum election, if the Adopting Ordinance is approved by a majority of the voters. Litigation filed to challenge the Adopting Ordinance or this Agreement shall not affect the Effective Date, absent a court order or judgment overturning or setting aside the Adopting Ordinance, or staying the Effective Date, or remanding the Adopting Ordinance to the City. Notwithstanding the foregoing, this Agreement shall not become effective until fully executed.
- 1.12.** "Facility" has the meaning of the term "commercial cannabis facility" set forth in Section 2301, Subsection G of the Municipal Code and includes the physical improvements to the Property used by Developer to conduct its operations.
- 1.13.** "Fees" means all charges, expenses, costs, monetary exactions and any other monetary obligations imposed on Developer by the City, other than assessments or regular or special taxes and shall not be limited to fees paid pursuant to this Agreement.
- 1.14.** "General Plan" means the General Plan of the City including the text and maps, as approved and updated by the City in 2014, plus any other General Plan amendments approved by the City on or before the Effective Date.
- 1.15.** "Gross Receipts from Operations" means total revenue derived, directly or indirectly, or actually received or receivable from operation of the Facility, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, or the fair market value thereof, for which a charge is made or credit allowed, whether or not such act or service is done as part of or in connection with the sale of materials, goods, wares or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:
- 1.15.1.** Cash discounts allowed and taken on sales;
- 1.15.2.** Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";
- 1.15.3.** Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;



- 1.15.4.** Such part of the sale price of property returned by purchasers upon rescission of a contract of sale as is refunded either in cash or by credit; and
- 1.15.5.** Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded. Interorganizational sales or transfers between or among the units of a parent-subsidary controlled group of corporations or other related legal entities as defined by 26 U.S.C. 1563(a)(1) or otherwise, or between or among the units of a brother-sister controlled group of corporations or other related legal entities as defined by 26 U.S.C. 1563(a)(2) or otherwise, whereby no Gross Receipts are generated or exchanged, directly or indirectly, pursuant to the interorganizational sales or transfers, discounted or otherwise.

The intent of this definition is to ensure that in calculating the payment required under Section 10.1, all sales of cannabis products shipped through or from the Facility are captured, regardless of whether the product is sold and/or shipped directly from the Facility to a consumer, retailer, or wholesaler within or outside the City limits of Isleton, or to another cannabis facility that then distributes the product to the consumer, retailer, or wholesaler within or outside the City of Isleton. This definition shall therefore be given the broadest possible interpretation consistent with this intent, as it does not pertain to a definition of "gross receipts" for purposes of a tax, subject to rules of apportionment under the Constitution of United States, Art. I, § 8, cl. 3, or the California Constitution. It is hereby recognized that the fee herein required to be paid by the Developer to the City of Isleton is in exchange for and pursuant to this Development Agreement, and not for the privilege of doing business within the City of Isleton or legally incident on those engaged in such business within the City of Isleton.

- 1.16.** "Commercial Property" means that certain real property located at 402 Jackson Blvd, in the City of Isleton, County of Sacramento. A legal description of the Commercial Property is contained in Exhibit B.
- 1.17.** "Law" means the case law, ordinances, statutes, rules, regulations, or any order, decree or directive of any court or any local, regional, state or federal government agency, unless the context suggests a different meaning.
- 1.18.** "Municipal Code" means the Municipal Code of the City of Isleton. As of May 1, 2018, the Isleton Municipal Code is in the process of being codified. Until such time as the City Council adopts the codified version of the Municipal Code, the draft Municipal Code, which is a compilation of the City's adopted ordinances shall be used as reference to the City's laws.
- 1.19.** "Planning Commission" means the City of Isleton Planning Commission.
- 1.20.** "Project" means the physical improvement and use of the Property as a cannabis manufacturing facility. The "Project" is further defined in Exhibit A to this Agreement, and supplemented by the provisions of this Agreement and the Public Safety and Security Plan.

- 1.21. "Project Approvals" means the entitlements that are the subject of this Agreement, consisting of the following land use approvals:
  - 1.21.1. A Conditional Use Permit; and
  - 1.21.2. This Development Agreement, as adopted on April 26, 2022, by City Ordinance No. 2022-004 (the "Adopting Ordinance").
- 1.22. "Property" means 402 Jackson Blvd. of the Commercial Property consisting of 3,500 square feet. A site plan showing the Property occupied by the Facility is contained in Exhibit C.
- 1.23. "Property Lease" means that certain Commercial Real Property Lease dated \_\_\_\_\_, between Delta Boyz Enterprises, LLC, as owner and WTO Essentials, Inc., lessor of the Property, and Developer, as lessee of the Property.
- 1.24. "Public Safety and Security Plan" has the meaning set forth in Section 10.2.1.
- 1.25. "Successor" or "Successor in Interest" means any subsequent entity or individual that acquires all or any portion of Developer's interest in the Property; provided, however, that no Successor shall acquire any rights pursuant to this Agreement unless and until that Successor is approved by the City and complies with all applicable requirements of Section 15 of this Agreement.
2. **Incorporation of Recitals.** The Recitals and all defined terms set forth above are hereby incorporated into this Agreement as if set forth herein in full.
3. **Description of the Project.** The Project consists of occupying an existing industrial building to operate a cannabis manufacturing business, producing cannabis cartridges and concentrates. Developer's operations are more fully described in Exhibit A. Developer shall ensure that the Project is operated in accordance with Exhibit A at all times. In the course of operating the Project, Developer may enter into an agreement with an Authorized Operator to operate the Project. The engagement of any Authorized Operator shall be reviewed by the City and require the prior written consent of the City. Any such agreement between the Developer and any Authorized Operator shall provide that:
  - 3.1. The Authorized Operator shall make payments in accordance with Section 10.1.1 of this Agreement; and
  - 3.2. The Authorized Operator shall be subject to the record keeping, reporting, and audit requirements described in Section 10.1.2 of this Agreement; and
  - 3.3. The Authorized Operator shall maintain all licensing necessary to operate those portions of the Project that the Authorized Operator has been engaged to operate.
4. **Description of Property.** The Property, which is the subject of this Agreement, is defined in Section 1.21.

5. **Relationship of City and Developer.** This Agreement is a contract that has been negotiated and voluntarily entered into by City and Developer. It is agreed among the parties that the Project is a private development and that the relationship of the Developer and City is and at all times shall remain solely that of the City as a regulatory body and the Developer as the property owner. The City and Developer hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the City and Developer undertaking a joint venture or partnership.
6. **Representations, Warranties and Acknowledgments.**
- 6.1. **Interest in Property.** Developer represents and warrants that as of the Effective Date, Developer is the lessee of the Property under the Property Lease, and as such holds a leasehold interest in and to the Property. Developer further represents that all persons holding legal or equitable interest in the Property have consented to the Agreement. Application says lease agreement is in file; didn't see.
- 6.2. **Authority.** The Parties represent and warrant that the persons signing this Agreement are duly authorized to enter into and execute this Agreement on behalf of their respective principals.
- 6.3. **Brokers.** The Parties agree that the City has had no dealings with any real estate broker or agent in connection with the negotiation of this Agreement, and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Agreement. In the event any real estate broker or agent shall come forward and claim the right to a commission or other form of compensation in connection with this Agreement, Developer shall indemnify, defend and hold harmless the City in accordance with Section 14.1.
- 6.4. **Procedures and Requirements.** The Parties acknowledge that this Agreement is subject to the procedures for approval, amendment and administration set forth in the Development Agreement Law.
7. **Effective Date and Term.**
- 7.1. **Effective Date.** The Effective Date of this Agreement means the date defined at Section 1.10 of this Agreement.
- 7.2. **Term.** The term of this Agreement shall commence on the Effective Date and shall continue in force until the first to occur of the following events: 1) this Agreement is terminated in accordance with terms set forth herein; or 2) Developer no longer has a legal interest in the Property or has ceased all operations on the Property.
- 7.3. **Termination by Mutual Consent.** This Agreement may be terminated in whole or in part by the mutual written consent of all the Parties.

- 7.4. **Termination for Failure to Obtain or Maintain Required State or Local Licenses.** If Developer fails to obtain or maintain in effect all state and local licenses required for the Project in accordance with Section 9.3.1, City may terminate this Agreement.
- 7.5. **Termination Resulting from Governmental Action.** In the event legal action is initiated or threatened by any governmental jurisdiction other than the City on the grounds that approval or implementation of this Agreement (or any part) constitutes a violation of state or federal law, and the parties are unable to reach agreement between themselves and the governmental jurisdiction on amendments to this Agreement that will resolve the dispute and still preserve the material terms of this Agreement, then either party may terminate this Agreement without compliance with the Default Procedures set forth in Section 13. If this Agreement is terminated pursuant to this section, Developer shall immediately cease operations at the Facility, the Conditional Use Permit shall be automatically terminated, and the Parties shall have no further rights or obligations under this Agreement (other than the rights under Section 14, which survive termination).
- 7.6. **Termination Upon Surrender or Revocation of Conditional Use Permit.** If the Developer voluntarily surrenders the Conditional Use Permit, or if the Conditional Use Permit is revoked by the City, then Developer shall immediately cease operations at the Property and this Development Agreement shall terminate automatically, without further action required by either party. In such an event, Developer waives the default procedures set forth in Section 13 of this Agreement, including the notice and cure rights contained therein, and the Parties shall have no further rights or obligations under this Agreement (other than the rights under Section 14, which survive termination).
- 7.7. **Effect of Termination.** This Agreement was entered into by the Parties for the limited purpose of setting forth certain terms and conditions concerning the proposed development and operation of the Project in a manner that is consistent with the Project Approvals. Accordingly, nothing contained herein is intended or shall be construed to grant to Developer any rights in connection with the future development or operations of the Property, except for those rights set forth in this Agreement.

8. **Development of the Project.**

- 8.1. **Development Rights.** This Agreement was entered into by the Parties for the limited purpose of setting forth certain terms concerning the development and use of the Property by Developer. Accordingly:
- 8.1.1. Developer acknowledges that it has no existing "vested rights" (as that term is used in California land use law) concerning the Property or the Project.
- 8.1.2. Nothing contained herein is intended or shall be construed to grant to Developer any rights in connection with the future development or use of the Property, and the Parties agree that development and use of the Property shall be governed by the land use and other regulations in effect at the time of development and operation.

8.1.3. Except as expressly provided herein, nothing contained in this Agreement is intended or shall be construed to affect in any way the permitted uses of the Property, the density and intensity of use, the maximum height and size of buildings, or the reservation or dedication of land for public purposes which shall continue to be governed by the City's General Plan, the City's zoning code, and all other entitlements and ordinances now existing or which may be amended or enacted in the future.

8.1.4. The City expressly reserves the right to adopt and apply regulations to protect the City and its citizens from immediate risks to health and safety. The Developer hereby agrees that any regulation imposed by the City with respect to flood protection adopted in response to federal, state, or local guidelines, regulations, or directives, including without limitation the implementation of a moratorium on development activities, shall be deemed necessary to protect the public health and safety.

8.2. **Referendum.** Developer acknowledges that the Adopting Ordinance, which is a legislative land use approval, is potentially subject to referendum. Notwithstanding anything in this Agreement to the contrary, Developer shall not acquire a vested right to any legislative land use approval (or to any amendment thereto): (1) while such approval or amendment is still potentially subject to referendum or (2) in the event that such approval or amendment is reversed by referendum.

9. **Applicable Rules, Regulations, Fees and Official Policies.**

9.1. **Rules Regarding Design and Construction.** Unless otherwise expressly provided in this Agreement, all other ordinances, resolutions, rules, regulations and official policies governing design, improvement and construction standards and specifications, applicable to the Project and to public improvements to be constructed by the Developer shall be those in force and effect at the time the applicable permit approval is granted.

9.2. **Uniform Codes Applicable.** Unless otherwise expressly provided in this Agreement, any improvements to the Property undertaken by Developer shall comply with the California Building Standards Codes, Title 24 of the California Code of Regulations, as adopted and amended by the City, as the same shall be in effect as of the time of approval of the permit in question. Such improvements shall also comply with the provisions of the California Mechanical, Plumbing, Electrical and Fire Codes, and City construction specifications, in effect at the time of approval of the appropriate permits for the improvements. If no permit is required for a given improvement, such improvement will be constructed in accordance with said Codes in effect in the City as of the commencement of construction of such improvement.

9.3. **Laws and Regulations Applicable to Cannabis Activities; Obtaining and Maintaining Required Licenses.**

9.3.1. **General.** Developer shall at all times comply fully with all existing and future state and local rules applicable to Developer's activities on the Property and shall

ensure such compliance by all of Developer's employees, contractors, vendors, customers, and members of the public invited or allowed access to the Property.

**9.3.2. Licensure of Operations.** Developer shall promptly apply for and obtain all State licenses required for the operations described in Exhibit A, as well as any local licenses required in the future by the City. Failure to obtain required state licenses within twelve (12) months following the date when the relevant state agencies begin accepting applications for such licenses, and failure to maintain required state or city licenses during the term of this Agreement, shall constitute a default under this Agreement and shall be grounds for termination.

**9.4. Fees, Dedications, Assessments and Taxes.**

**9.4.1. Payment of Development Impact and Other City Fees, Taxes, and Assessments.** Developer shall pay all impact and other City fees, taxes and assessments when due.

**9.4.2. Other Public Agencies.** Nothing in this Agreement is intended to govern the authority of other public agencies to impose fees.

**9.4.3. Public Works and Community Development.** Any public improvements and work performed by Developer in connection with the Project shall be to the satisfaction of the City Engineer and acceptance by the City Council (or by the City Engineer, if the City Council delegates authority to accept public improvements to the City Engineer).

**10. Additional Developer Obligations.**

**10.1. Payments to City.**

**10.1.1. Required Payment.** Developer and any Authorized Operator shall make quarterly payments to the City equal to one percent (1%) of Developer's and any Authorized Operator's Gross Receipts from Operations. Payments shall be made by the last day of the month following the end of each quarter (i.e., April 30<sup>th</sup> for the quarter running from January 1 through March 31). Payments shall be accompanied by such documentation as may be reasonably required by the City. The 1% fee on Developer's and any Authorized Operator's Gross Receipts is not a tax and is particularly not an indirect tax on any consumer such as a sales and use tax, but is rather a direct fee levied on the Gross Receipts of the Developer and any Authorized Operator as a condition of this Development Agreement that is not to be passed along to the ultimate consumer. If the Developer or any Authorized Operator chooses to pass the 1% fee along to any consumer, it shall be required to include such amounts collected from any consumer as Gross Receipts. This documentation will include (but may not be limited to) the transportation manifests for cannabis products received at or transported from the Facility, and an accounting of Gross Receipts from Operations during the previous quarter. Late payments shall include interest at a rate of ten percent (10%) per annum. Failure to make any payment required by this Agreement when

due shall be a material breach of the Agreement subject to Cure under the provisions of Section 13.3. Payments to the City shall be made by check, direct deposit, wire transfer or other electronic form of payment that originates from a legal financial channel that has been agreed to in advance by both parties. Upon request and with a minimum of ten (10) business days' notice prior to payment due date, alternative forms of payment, including cash, may be authorized at the City's discretion.

**10.1.2. Reporting of Gross Receipts from Operations.**

- (a) **Quarterly Receipts.** No later than the last day of the month following the end of each quarter, Developer shall deliver to City a report (the "Quarterly Report") showing (i) Gross Receipts from Operations for the immediate prior quarter received by Developer, and a cumulative total of all amounts of Gross Receipts from Operations received by Developer for the calendar year, (ii) a calculation of the quarterly payment due to City for the prior quarter, and (iii) a calculation of the cumulative total of all quarterly payments for the calendar year.
  
- (b) **Statements of Receipts.** Developer shall keep complete, accurate and appropriate books and records of all receipts from operations in accordance with generally accepted accounting principles. For purposes herein "books and records" shall mean all bookkeeping or accounting documents Developer utilizes in managing its business operations relating to the Project. Such books and records, as well as all other relevant documents as City shall reasonably require, shall, upon reasonable written notice, be open for inspection by City, its auditors or other authorized representatives. If, at any time during the Term, such books and records prove inadequate in the reasonable judgment of City to record the Gross Receipts from Operations as herein required, Developer shall, upon the written request of City, procure and maintain such books and records as shall be of a character and form adequate for such purpose. City shall have the right to audit and examine such books, records and documents and other relevant items in the possession of Developer, but only to the extent necessary for a proper determination of Gross Receipts from Operations, and all such books, records, documents and other items shall be held available for such audit and examination. Upon request by the City, Developer shall make all such books, records and documents available to the City, and provide removable copies thereof, within thirty (30) of the date of the City's request. The cost for any audit shall be shared equally by the Parties. Developer shall preserve such books, records, documents, and other items in Isleton for a period of not less than seven (7) years for the purpose of auditing or re-auditing these accounts upon reasonable notice; except that, if an audit is made within the seven-year period and Developer claims that errors or omissions have occurred, the books and records shall be retained and made available until those matters are

resolved. City shall keep strictly confidential all statements of revenue furnished by Developer and all other information concerning Developer's operation of the Premises obtained by City as a result of the inspection, audit and examination privileges of City hereunder, except as otherwise required by law. If City receives a request for such information pursuant to the Public Records Act (California Government Code Section 6250 et seq.), City shall provide Developer notice of any such request prior to disclosing any such information. Within seven (7) years after the receipt of any statement of receipts under this Agreement, City at any time shall be entitled to carry out an audit of such revenue either by City or agent to be designated by City. If it shall be determined as a result of such audit that there has been a deficiency in any payment due under this Agreement made on the basis of such statement, then such deficiency shall become immediately due and payable. If such statement of revenue for the relevant year shall be found to have understated receipts by more than two percent and City is entitled to any additional payment as a result of said understatement, then Developer shall, in addition, pay all of City's reasonable costs and expenses connected with such audit, including the expense incurred in retaining such agent; otherwise City shall bear the cost and expense of such audit.

- (c) Copies of Tax Filings. Developer shall provide City with copies of any reports Developer is required to provide to the County of Sacramento or the State of California for sales, use or other tax purposes.

**10.1.3. Applicability of Future Revenue Mechanisms**. During the term of this Agreement, if the City imposes an alternative revenue mechanism specifically related to cannabis operations (e.g. a cannabis tax), developer agrees to pay to City the greater of the payment required under such alternative revenue mechanism or the payment required by this Section. As used in this Section, "alternative revenue mechanisms" do not include taxes, fees, or assessments levied on or collected from both cannabis and non-cannabis operations. Payments required by revenue mechanisms that are not limited to cannabis operations shall be in addition to, and not in lieu of, payments under this Section.

## **10.2. Public Safety and Security**

**10.2.1. Public Safety and Security Plan**. Prior to acceptance of any cannabis product at the Facility, and prior to any manufacturing activities at the Facility, Developer shall have prepared and submitted to City a Public Safety and Security Plan ("Plan") acceptable to the City in the reasonable exercise of City's discretion. The Plan shall include and address all aspects of public safety and security, including but not limited to the following interior and exterior security and fire/life safety issues:

- (a) Physical security measures, including perimeter fencing, security cameras and other monitoring equipment, and internal security controls.



- (b) Implementation of CPTED (Crime Prevention Through Environmental Design) measures.
- (c) Protocols for loading and unloading, storage, and transportation of cannabis products.

At least annually, and at other times upon request by either party, Developer and City staff shall meet to review the Plan and operations of the Facility. Developer shall promptly revise the Plan to address deficiencies identified by Developer or the City (e.g. major incidents, high volume of calls for service, etc.) so that the Facility is operated at all times in a manner that ensures the safety and security of the public and Developer's employees, and the physical security of the Facility and products stored therein.

**10.2.2. Signage.** Signage for the Project and Facility shall conform to the requirements of the City's Sign Ordinance (Article 12, Section 1204 of the Municipal Code).

**10.2.3. Reporting of Incidents.** Developer shall promptly report to the police department breaches of security and criminal activities occurring at the Facility.

**10.3. Notification to City of Intent to Relocate.** Developer shall provide City with ninety (90) days written notice prior to relocating operations within or outside of the City. For relocations within the City, delays in notice may result in delays in issuing a new conditional use permit for the proposed new location.

11. **Amendment.** This Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures required by the Development Agreement Law.

12. **Annual Review of Agreement.**

12.1. **Review Date.** The annual review date of this Agreement (the "Review Date") as required by Development Agreement Law shall be approximately twelve (12) months from the Effective Date and every twelve (12) months thereafter.

12.2. **Procedures.** The procedures for annual review shall be as set forth in the Development Agreement Law.

12.3. **Fee for Annual Review.** The reasonable cost for the City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by the City in connection with the review.

13. **Default.**

13.1. **Default.** The failure of either party to perform any obligation or duty under this Agreement within the time required by this Agreement shall constitute an event of default. For purposes of this Agreement, a Party asserting that the other Party is in default

shall be referred to as the "Complaining Party" and the other Party shall be referred to as the "Defaulting Party."

- 13.2. **Notice.** The Complaining Party may not place the Defaulting Party in default unless it has first given written notice to the Defaulting Party, specifying the nature of the default and the manner in which the default may be cured, if known to the Complaining Party. Any failure or delay by the Complaining Party in giving such notice shall not waive such default or waive any of the Complaining Party's remedies.
- 13.3. **Cure.** The Defaulting Party shall have thirty (30) days from the receipt of notice to cure the default. In the case of monetary defaults (e.g. failure to make the payments required by Section 9.1.1), any default must be cured completely within this thirty (30) day period. In the case of non-monetary defaults, if the default cannot be reasonably cured within such time, the default shall be deemed cured if: (1) the cure is commenced at the earliest practicable date following receipt of notice; (2) the cure is diligently prosecuted to completion at all times thereafter; (3) at the earliest practicable date (but in no event later than thirty (30) days after receiving the notice of default), the Defaulting Party provides written notice to the Complaining Party that the cure cannot be reasonably completed within such thirty (30) day period; and (4) the default is cured at the earliest practicable date, but in no event later than one hundred twenty (120) days after receipt of the first notice of default.
- 13.4. **Remedies.** If the Defaulting Party fails to cure a default in accordance with the foregoing, the Complaining Party shall have the right to terminate this Agreement upon notice to the Defaulting Party and the Complaining Party may pursue all remedies available by law or in equity, including specific performance and injunctive relief.
- 13.5. **Additional Procedures and Remedies.** The Parties acknowledge that the foregoing default procedures and remedies are in addition to, and not in lieu of, the procedures and remedies set forth in Article 14, Section 1414 of the Municipal Code, and Developer waives the argument that any default taken against Developer is not valid for failing to comply with the procedures and remedies set forth in Article 14, Section 1414.
- 13.6. **Waiver of Damages.** Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that the City would not have entered into this Agreement had it been exposed to liability for damages from Developer, and that therefore, Developer hereby waives all claims for damages against the City for breach of this Agreement. Developer further acknowledges that under the Development Agreement Law, land use approvals (including development agreements) must be approved by the City Council and that under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waives all claims for damages against the City in the event that this Agreement or any Project Approval is: (1) not approved by the City Council or (2) is approved by the City Council, but with new changes, amendments, conditions or deletions to which Developer is opposed. Developer further acknowledges that as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be

constrained by contract, and Developer waives all claims for damages against the City in this regard.

- 13.7. **Effect of Termination of Agreement on Conditional Use Permit.** Developer agrees that termination of this Agreement in accordance with this Section 12 shall also result in the automatic termination of the Conditional Use Permit.

14. **Insurance and Indemnity.**

- 14.1. **Indemnification, Defense and Hold Harmless.** Developer shall indemnify, defend, and hold harmless to the fullest extent permitted by law, the City and its officer, officials, consultants and employees ("Indemnitees") from and against any and all claims, liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with the Project, the Project Approvals or the Property (including any challenge to the validity of any provision of this Agreement or the Project Approvals, or Developer's failure to comply with any of its obligations in this Agreement, or Developer's failure to comply with any current or prospective Law); provided, however, that Developer shall have no obligations under this section for such loss or damage which was caused by the sole negligence or willful misconduct of the City. This indemnification obligation shall survive this Agreement and shall not be limited by any insurance policy, whether required by this Agreement or otherwise.

14.2. **Insurance.**

- 14.2.1. **Public Liability and Property Damage Insurance.** At all times that Developer is constructing any improvements to the Property, Developer shall maintain in effect a policy of comprehensive general liability insurance with a per-occurrence combined single limit of one million dollars (\$1,000,000) and a deductible of not more than fifty thousand dollars (\$50,000) per claim. The policy so maintained by Developer shall name the City as an additional insured and shall include either a severability of interest clause or cross-liability endorsement.

- 14.2.2. **Workers' Compensation Insurance.** At all times that Developer is constructing any improvements, Developer shall maintain workers' compensation insurance for all persons employed by Developer for work at the Project site. Developer shall require each contractor and subcontractor similarly to provide workers' compensation insurance for its respective employees. Developer agrees to indemnify the City for any damage resulting from Developer's failure to maintain any such insurance.

- 14.2.3. **Evidence of Insurance.** Prior to commencement of construction of any improvements, Developer shall furnish City satisfactory evidence of the insurance required by this Sections 14 and evidence that the carrier is required to give the City at least fifteen (15) days prior written notice of the cancellation or reduction in coverage of a policy. The insurance shall extend to the City, its elective and appointive boards, commissions, officers, agents, employees and representatives and to Developer performing work on the Project. Developer shall additionally furnish City satisfactory evidence of the insurance coverage required under this

Section whenever a policy is renewed, changed without impact to coverage, or at City's request.

15. **Assignment and Transfers of Rights and Interest; Binding Effect on Successors.**

15.1. **Assignment.**

15.1.1. **Assignment of Rights Under Agreement.** Developer may not transfer or assign its interests under this Agreement, in whole or in part, without the prior written consent of the City, which may be withheld for any reason. No such assignment shall be effective until execution and delivery by Developer and the assignee of an assignment substantially in the form attached hereto as Exhibit D.

15.1.2. **Subsequent Assignments.** Any Successor may assign its rights under this Agreement by complying with the procedures set forth in this Agreement.

15.2. **Transfer of Control.** No change in Developer's leasehold interest or in the composition of Developer's leasehold interest shall be made, and no transfer of the Property Lease or any sublease of the Property shall be made, without providing the City with prior written notice. If the change, transfer or sublease changes Control over the use of the Property, the operations of Developer, or the actions or activities of Developer, then the prior written consent of the City must be obtained before the change, transfer or sublease, which consent may be withheld for any reason.

15.3. **Transferability to New Location.** In the event Developer moves operations from the Property to another location within the City, Developer agrees that the City may require that the rights and obligations set forth in this Agreement transfer to the new location. Developer and City agree to work cooperatively and collaboratively on any amendments to this Agreement that may be necessary in view of the transfer of Developer's operations to the new location.

15.4. **Runs with the Land.** Except as otherwise provided in this Agreement, and for so long as this Agreement remains in effect, all of the provisions, rights, terms, covenants, and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assignees, representatives, sub-lessees, and all other persons acquiring the Developer's interest in the Property, whether by operation of law or in any manner whatsoever; provided that no successor or assignee of Developer may obtain the benefits hereunder unless the City has consented to assignment of those rights as set forth in Section 14.1. All of the provisions of this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1466 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any leasehold interest in the Property: (a) is for the benefit of such properties and is a burden upon such properties; (b) runs with such properties; and (c) is binding upon each Party and each successive owner during its ownership of such leasehold interest in the Property or any portion thereof, and shall be a benefit to and a burden upon each Party and its property hereunder and each other person succeeding to an interest in such properties.

16. **Miscellaneous.**

- 16.1. **Estoppel Certificate.** Either Party may at any time request the other Party to certify in writing that: (1) this Agreement is in full force and effect; (2) this Agreement has not been amended except as identified by the other Party; and (3) to the best knowledge of the other Party, the requesting Party is not in default, or if in default, the other Party shall describe the nature and any amount of any such default. The other Party shall use its best efforts to execute and return the estoppel certificate to the requesting Party within thirty (30) days of the request. The City Manager shall have authority to execute such certificates on behalf of the City.
- 16.2. **Recordation.** This Agreement shall not be operative until recorded with the Sacramento County Recorder's office. Developer shall record this Agreement against the Property at its expense with the County Recorder's office within ten (10) days of the Effective Date and shall cause any amendment to this Agreement or any instrument affecting the term of this Agreement to be recorded within ten (10) days from date on which the same become effective. Any amendment to this Agreement or any instrument affecting the term of this Agreement which affect less than all of the Property shall contain a legal description of the portion thereof that is the subject of such amendment or instrument. Alternatively, Developer and City may execute the instrument entitled "Memorandum of Development Agreement" attached hereto as Exhibit E, which shall be recorded against the Property, in lieu of recording the entire Agreement.
- 16.3. **Notices.** All notices required by this Agreement or the Development Agreement Law shall be in writing and personally delivered or sent by certified mail, postage prepaid, return receipt requested.

Notice required to be given to the City shall be addressed as follows:

CITY OF ISLETON  
101 2<sup>nd</sup> St.  
Isleton, CA 95641  
Attn: Charles Bergson, City Manager  
(916) 777-7770

with copies to:

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD  
400 Capitol Mall, 27th Floor  
Sacramento, CA 95814  
Attn: Andreas Booher, City Attorney  
(916) 321-4500

Notice required to be given to the Developer shall be addressed as follows:

WTO Essentials, Inc.  
Attn: Charles Smith  
7889 Lichen Drive #104

Citrus Heights, CA 95621  
(916) 390-2982

Either Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address. All notices shall be deemed received on the earlier of the date of personal delivery or the date shown on the return receipt.

- 16.4. **References to Municipal Code.** This Agreement contains references to articles and sections of the City's Municipal Code. If, after the Effective Date, the City amends or renumbers its Municipal Code, then the references in this Agreement shall be understood to apply to the amended or renumbered Municipal Code.
- 16.5. **Construction of Agreement.** The provisions of this Agreement and the Exhibits hereto shall be construed as a whole according to their common meaning and not strictly for or against any party and consistent with the provisions hereof, in order to achieve the objectives and purpose of the parties hereunder. The captions preceding the text of each Article, Section, and subsection hereof are included only for convenience of reference and shall be disregarded in the construction and interpretation of this Agreement. Wherever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders and vice versa.
- 16.6. **Third Party Beneficiaries.** This Agreement is entered into for the sole benefit of the Parties and any Successors. No other party shall have any cause of action or the standing to assert any rights under this Agreement.
- 16.7. **Attorneys' Fees and Costs in Legal Actions by Parties to the Agreement.** Should any legal action be brought by either Party for breach of this Agreement or to enforce any provisions herein, each Party shall bear its own costs (including attorneys' fees) and neither Party shall be entitled to recover such costs from the other Party.
- 16.8. **Liability of City Officials.** No City official or employee shall be personally liable under this Agreement.
- 16.9. **Delegation.** Any reference to any City body, official or employee in this Agreement shall include the designee of that body, official or employee, except where delegation is prohibited by law.
- 16.10. **Severability.** Should any provision of this Agreement be found invalid or unenforceable by a court of law, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.
- 16.11. **Integration.** This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes any previous oral or written agreement. This Agreement may be modified or amended only by a subsequent written instrument executed by all of the Parties.

- 16.12. **Counterparts.** This Agreement may be signed in one (1) or more counterparts, and will be effective when the Parties have affixed their signatures to counterparts, at which time the counterparts together shall be deemed one (1) original document; provided, however, that all executed counterparts are provided to the City Clerk.
- 16.13. **Interpretation.** The Parties acknowledge that this Agreement has been negotiated by both Parties and their legal counsel and agree that this Agreement shall be interpreted as if drafted by both Parties.
- 16.14. **Inconsistency.** In the event of any conflict or inconsistency between the provisions of this Agreement and the Project Approvals or Exhibits, this Agreement shall prevail.
- 16.15. **Incorporation.** The Recitals, Exhibits, and all defined terms in this Agreement are part of this Agreement.
- 16.16. **Applicable Law and Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of California without regard to principles of conflicts of law. In the event of litigation arising under this Agreement, venue shall reside exclusively in the Superior Court of the County of Sacramento or, in the event of federal litigation, the Eastern District of California.
- 16.17. **Time of the Essence.** Time is of the essence of this Agreement.

*(Signatures on Next Page)*

IN WITNESS WHEREOF, the Parties hereto are executing this Agreement on the dates set forth below, to be effective as of the Effective Date.

"CITY"

CITY OF ISLETON,  
Municipal corporation

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

Name: [Eric Pene]

Its: Mayor

Dated: [date]

"DEVELOPER"

WTO Essentials, Inc.

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

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: [date]

ATTEST:

\_\_\_\_\_  
Yvonne Zepeda, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Andreas Booher, City Attorney

List of Exhibits:

- Exhibit A: Project Description
- Exhibit B: Legal Description of the Property
- Exhibit C: Site Plan Showing Location of the Facility on the Property
- Exhibit D: Memorandum of Development Agreement



## **Exhibit A**

### **Project Description**

WTO Essentials, Inc. ("Developer") proposes to develop and operate a legal cannabis manufacturing and distribution facility within 4,200 portion, Unit B, of an existing 6,800 square foot commercial building at 402 Jackson Blvd, in Isleton, California (APN 157-0073-031 pursuant to a City-issued Conditional Use Permit 01-22.

**Exhibit B**

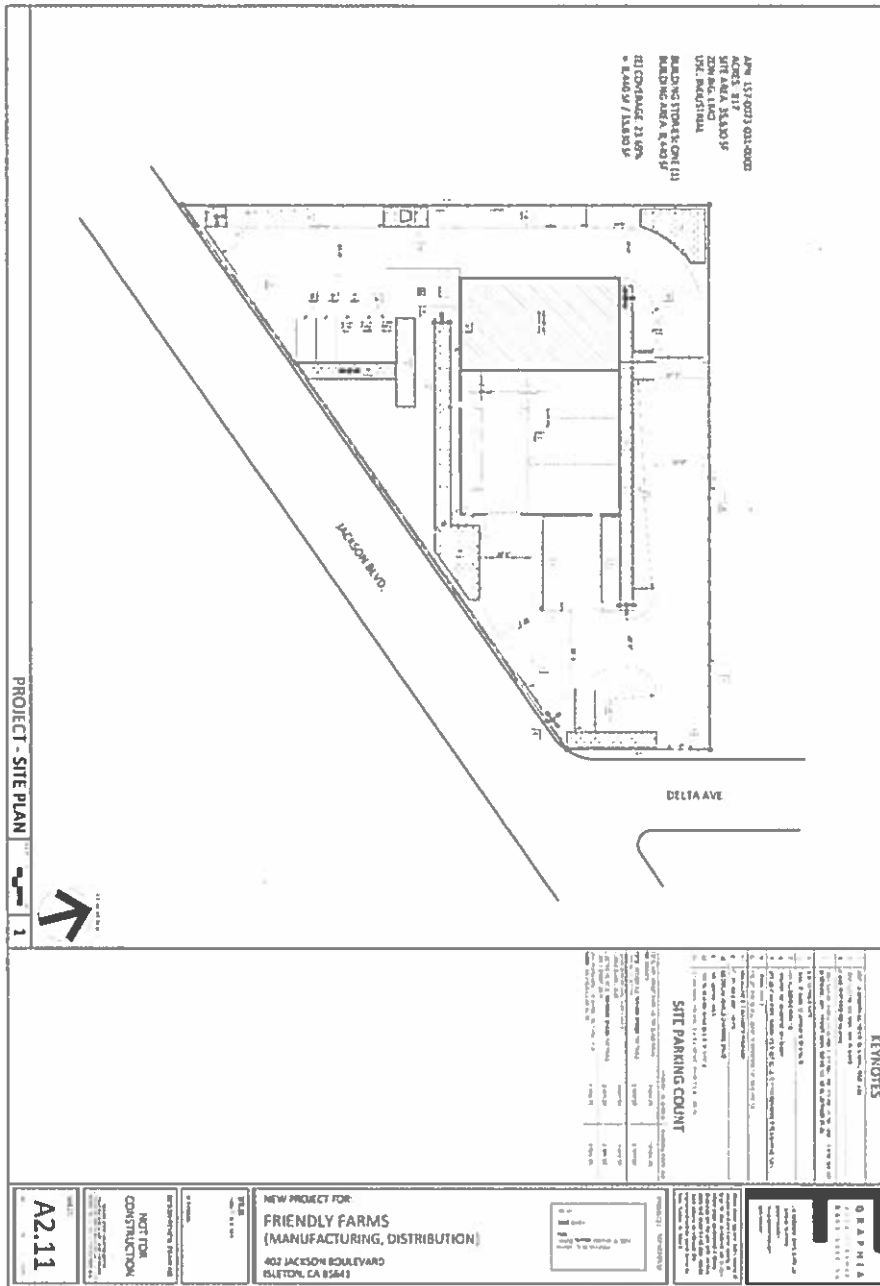
**Legal Description of the Property**

Real property in the City of Isleton, County of Sacramento, State of California, described as follows:

Lots 1 and 2 Block 17, Lots 6,7,8,9, and 10, Block 16, City of Isleton, Containing 35,630 square feet (M/L). AP# 157-0073-031.

**Exhibit C**

**Site Plan Showing Location of the Facility and the Property**



**Exhibit D**

**Memorandum of Development Agreement**

Recording Requested by and

When Recorded Return to:

City of Isleton  
101 2<sup>nd</sup> St.  
Isleton, CA 95641

No recording fee required pursuant to  
Government Code Section 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**MEMORANDUM OF DEVELOPMENT AGREEMENT  
WTO Essentials, Inc.**

THIS MEMORANDUM OF DEVELOPMENT AGREEMENT ("Memorandum") is made this \_\_\_ day of \_\_\_\_\_, 2022, by and between the CITY OF ISLETON, a municipal corporation ("City"), WTO Essentials, Inc. ("Developer"), and [owner's name] ("Owner"), [A1]collectively referred to as the "Parties." [Developer is the lessee under the terms of that certain unrecorded lease dated \_\_\_\_\_ 2022, by and between Developer and Owner. OR Developer is the owner of the of the real property described below.]

City and Developer are Parties to that certain "Development Agreement" approved by Ordinance 2022-004 (the "Development Agreement"), the terms and conditions of which are hereby incorporated by this reference as if set forth in full herein. The Development Agreement applies to the development and operation of a "Facility" (as defined in the Development Agreement) that is located on certain real property situated in the County of Sacramento, State of California, and legally described as follows (the "Property"):

[See Exhibit A]

"CITY"

"DEVELOPER"

CITY OF ISLETON,  
a municipal corporation

WTO Essentials, Inc.

By: \_\_\_\_\_  
Name: [Eric Pene]  
Its: Mayor  
Dated: [date]

By: \_\_\_\_\_  
Name: Charles Smith  
Its: \_\_\_\_\_  
Dated: [date]

"OWNER"

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Dated: [date]

**RECORDATION OF THIS CERTIFICATE IS THE RESPONSIBILITY OF THE REQUESTING PARTY.**

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

Acknowledgment

State of California        }  
County of Sacramento    }

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

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

Witness my hand and official seal.

\_\_\_\_\_, Notary Public

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

Acknowledgment

State of California        }  
County of Sacramento    }

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

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

Witness my hand and official seal.

\_\_\_\_\_, Notary Public

## **Exhibit A to Memorandum of Agreement**

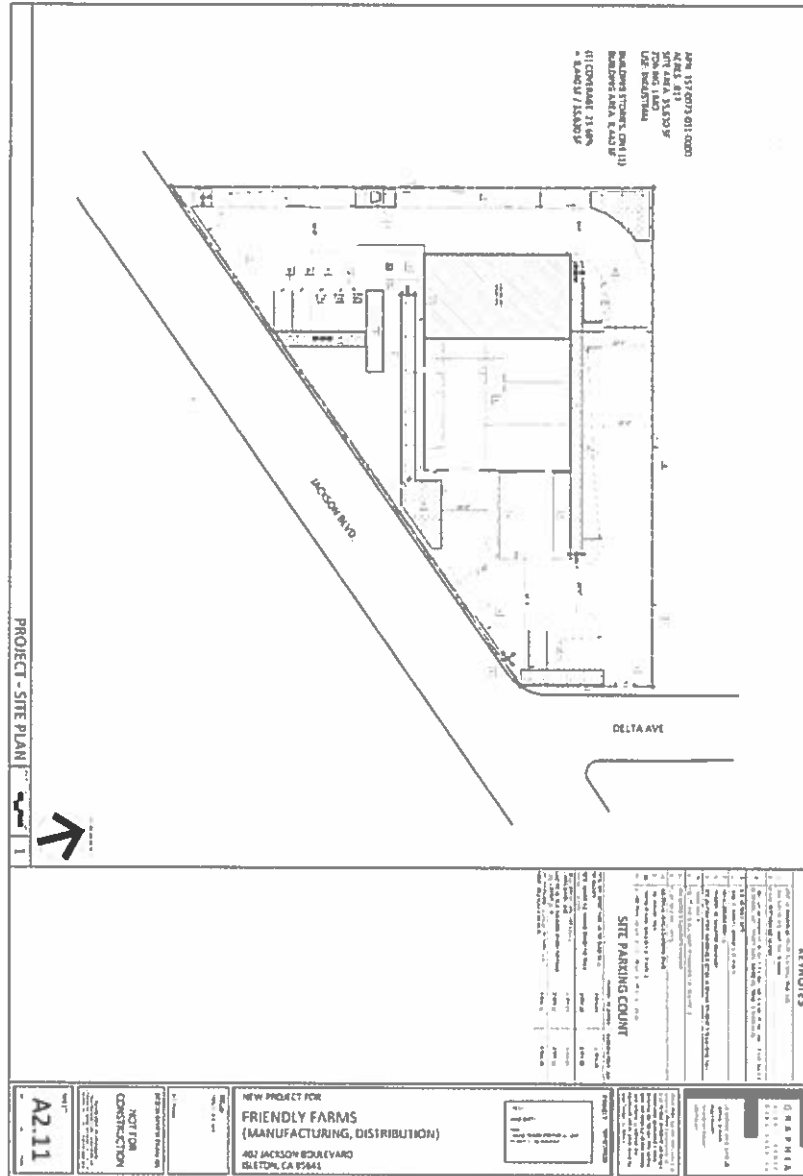
### **Legal Description**

Real property in the City of Isleton, County of Sacramento, State of California, described as follows:

Lots 1 and 2 Block 17, Lots 6,7,8,9, and 10, Block 16, City of Isleton, Containing 35,630 square feet (M/L). AP# 157-0073-031.



Exhibit A to Memorandum of Agreement (continued)



DATE: 12/20/2013 09:11:00AM  
 DRAWN BY: J. S. S. S.  
 CHECKED BY: J. S. S. S.  
 PROJECT: FRIENDLY FARMS (MANUFACTURING, DISTRIBUTION)  
 402 JACKSON BOULEVARD  
 SUITE 100  
 SHELTON, CA 95764

**REMARKS**

1. ALL DIMENSIONS ARE IN FEET AND INCHES.
2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
3. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
4. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE ROAD UNLESS OTHERWISE NOTED.
5. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE RAILROAD UNLESS OTHERWISE NOTED.
6. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE AIRWAY UNLESS OTHERWISE NOTED.
7. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE CANAL UNLESS OTHERWISE NOTED.
8. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE DITCH UNLESS OTHERWISE NOTED.
9. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE TRENCH UNLESS OTHERWISE NOTED.
10. ALL DIMENSIONS ARE TO THE CENTERLINE OF THE EASEMENT UNLESS OTHERWISE NOTED.

**SITE PARKING COUNT**

TYPE	NUMBER	PERCENTAGE
Handicapped	2	1.0%
Other	18	9.0%
<b>Total</b>	<b>20</b>	<b>10.0%</b>

**NOTICE TO CONSTRUCTION**

**A211**

**NEW PROJECT FOR FRIENDLY FARMS (MANUFACTURING, DISTRIBUTION)**  
 402 JACKSON BOULEVARD  
 SHELTON, CA 95764

**DATE:** 12/20/2013 09:11:00AM  
**DRAWN BY:** J. S. S. S.  
**CHECKED BY:** J. S. S. S.



# City of Isleton

## City Council Staff Report

DATE: June 14, 2022

ITEM#: 6.A

CATEGORY: Public Hearings

**RESOLUTION NO. 19-22 OF THE CITY COUNCIL OF THE CITY OF ISLETON, CALIFORNIA, CONFIRMING THE LEVY AND COLLECTION OF ASSESSMENTS FOR THE CITY OF ISLETON VILLAGE ON THE DELTA LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 2007-1 FOR FISCAL YEAR 2022-2023 PURSUANT TO THE PROVISIONS OF THE LANDSCAPING AND LIGHTING ACT OF 1972 OF THE CALIFORNIA STREETS AND HIGHWAY CODE.**

### **BACKGROUND**

Village on the Delta Landscaping and Lighting Assessment District (LLAD) was created in 2007 as a means to provide the maintenance for the landscaping and lighting for the Village on the Delta development. The assessments began in 2017. Assessments and costs are reviewed annually.

At its May 10, 2022 meeting the City Council declared its intent to levy and collect annual assessments, preliminarily approved the Engineer's Report and set the time and date of the public hearing for the subject Landscaping and Lighting District. Council directed that the annual escalation to be is 4%.

Staff is at this time presenting City Council with Resolution 19-22 to hold a public hearing and confirm the levy assessment for fiscal year 2022-23.

### **DISCUSSION**

As started last year the degree of landscaping and required maintenance varies for different areas of the development, this year's assessment continues the split between East and West assessment rates. The fourteen (14) Western-most properties with more landscaping will be assessed \$414.05 per lot. The four (4) Eastern properties will be charged \$373.21. Vacant lots will levied \$242.61 and Empty lots \$19.42.

### **FISCAL IMPACT**

This assessment will generate the funds necessary to landscape and light the Village on the Delta development by properly assessing the properties and allocating the appropriate funds. The level of revenue to be generated for the upcoming fiscal year is approximately \$24,000. The US Department of Labor 2019 Consumer Price Index for the past twelve months, Western Region is 8.7%.

## RECOMMENDATION

It is recommended that the City Council adopt Resolution 19-22, confirming the levy and collection of assessments for the City of Isleton Village on the Delta Landscaping and Lighting Assessment District No. 2007-1 for Fiscal year 2022-23 Pursuant to the Provisions of the Landscaping and Lighting Act of 1972 of the California Streets and Highway Code.

Prepared by Charles Bergson, City Manager  
Submitted by Yvonne Zepeda, Deputy City Clerk

A handwritten signature in blue ink, appearing to read "Bergson", is written over the printed name of Charles Bergson.

## ATTACHMENT

1. City of Isleton Resolution 19-22
2. LLAD 2007-1, FY 2022-23 Budget Analysis
3. Consumer Price Index, West Region March 2022, US Bureau of Labor Statistics

**RESOLUTION NO. 019-22**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ISLETON, CALIFORNIA, CONFIRMING THE LEVY AND COLLECTION OF ASSESSMENTS FOR THE CITY OF ISLETON VILLAGE ON THE DELTA LANDSCAPING AND LIGHTING ASSESSMENT DISTRICT NO. 2007-1 FOR FISCAL YEAR 2022-2023 PURSUANT TO THE PROVISIONS OF THE LANDSCAPING AND LIGHTING ACT OF 1972 OF THE CALIFORNIA STREETS AND HIGHWAY CODE.**

(Pursuant to the Landscaping & Lighting Act of 1972)

**WHEREAS**, the City Council intends to levy and collect assessments within the City of Isleton Village on the Delta Landscaping and Lighting Assessment District No. 2007-1 during the Fiscal Year 2021-22 and land to be assessed is located in the City of Isleton, Sacramento County; and

**WHEREAS**, the annual Engineer's Report is filed outlining the proposed budgets, the description of the proposed improvements and/or changes, the boundaries of the assessment district, any zones therein and the proposed assessments upon assessable lots and parcels within the assessment district as required by the Landscape and Lighting Act of 1972; and

**WHEREAS**, each year the City Council has adopted a resolution confirming diagrams and assessment, and ordering levy of the assessment in the Assessment District for that fiscal year (Resolution No.2017-12 and 2017-14); and,

**WHEREAS**, the components and the operation and maintenance to be made to the improvements for the upcoming fiscal year 2022-23 in LLAD 2007-1 are generally described as follows: landscaping in the public rights-of-way and public landscape easements between the property and State Route 160, adjacent to the Village on the Delta, landscaping in the public rights-of-way and public easements between the property and Sixth Street, a share of public park maintenance costs for parks serving the development including two basin parks along Sixth Street, maintenance of public street lights along and within the boundaries of the Village on the Delta, and maintenance of the storm water lift station and associated elements; and

**WHEREAS**, the City's levy of an annual assessment at the prior year's rate in the Assessment District is not subject to the specific procedural requirements under California Constitution, article 13D, section 4, and complies with those provided in Streets and Highways Code sections 22620 through 22631, and Government Code sections 53753; and,

**WHEREAS**, all interested persons are referred to the Engineer's Report for a full and detailed description of the improvement , the proposed operation and maintenance costs, the boundaries of the LLAD and the proposed assessments upon assessable lots and parcels of land within the LLAD; and

**WHEREAS**, for Fiscal Year 2022-23, the annual assessment per East residential equivalent dwelling unit is \$373.21, per West residential equivalent dwelling unit \$414.05, per vacant lot \$242.61, per empty lot \$19.42 and the annual assessment per live/work unit is no longer assessed; and

**WHEREAS**, that the Isleton City Clerk gave the Notice of Hearing as required by the Landscaping and Lighting Act of 1972 for said public hearing; and

**NOW, THEREFORE BE IT RESOLVED** that the City Council of the City of Isleton hereby notices the intention to levy and collect the annual assessments with the City of Isleton Village on the Delta Landscaping and Lighting Assessment District No. 2007-1 during the Fiscal Year 2022-23; and

**BE IT FURTHER RESOLVED** that in order to take inflation into account, the City Council approves the allowance for an annual increase to estimated assessments in accordance with the annual Consumer Price Index as applied to the San Francisco-Oakland-San Jose county Area for All Urban Consumers as developed by the United States Bureau of Labor Statistics for a similar period of time;

**BE IT FURTHER RESOLVED** that this Resolution is adopted pursuant to Section 22610 and 22620 et al of the California Streets and Highway Code.

**PASSED, APPROVED, AND ADOPTED** this \_\_\_\_ day of \_\_\_\_ 2022, by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

\_\_\_\_\_  
**MAYOR, Eric Pene**

**ATTEST:**

\_\_\_\_\_  
**DEPUTY CITY CLERK, Yvonne Zepeda**

EXHIBIT A

LIST OF PROPERTY OWNERS

CITY OF ISLETON  
Village on the Delta

Landscaping and Lighting Assessment District No 2017-1

Assessment Program No	Assessor's Parcel No.	Property Owner's Name	
1	157-0280-001	DEL VALLE CAPITAL CORP INC	AV
2	157-0280-002	DEL VALLE CAPITAL CORP INC	AV
3	157-0280-003	DEL VALLE CAPITAL CORP INC	AV
4	157-0280-004	DEL VALLE CAPITAL CORP INC	AV
5	157-0280-005	DEL VALLE CAPITAL CORP INC	AV
6	157-0280-006	DEL VALLE CAPITAL CORP INC	AV
7	157-0280-007	DEL VALLE CAPITAL CORP INC	AV
8	157-0280-008	DEL VALLE CAPITAL CORP INC	AV
9	157-0280-009	DEL VALLE CAPITAL CORP INC	AV
10	157-0280-010	DEL VALLE CAPITAL CORP INC	AV
11	157-0280-011	DEL VALLE CAPITAL CORP INC	AV
12	157-0280-012	DEL VALLE CAPITAL CORP INC	AV
13	157-0280-013	DEL VALLE CAPITAL CORP INC	AV
14	157-0280-014	DEL VALLE CAPITAL CORP INC	AV
15	157-0280-015	DEL VALLE CAPITAL CORP INC	AV
16	157-0280-016	DEL VALLE CAPITAL CORP INC	AV
17	157-0280-017	DEL VALLE CAPITAL CORP INC	AV
18	157-0280-018	DEL VALLE CAPITAL CORP INC	AV
19	157-0280-019	DEL VALLE CAPITAL CORP INC	AV
20	157-0280-020	DEL VALLE CAPITAL CORP INC	AV
21	157-0280-021	DEL VALLE CAPITAL CORP INC	AV
22	157-0280-022	DEL VALLE CAPITAL CORP INC	AV
23	157-0280-023	DEL VALLE CAPITAL CORP INC	AV
24	157-0280-024	DEL VALLE CAPITAL CORP INC	AV
25	157-0280-025	DEL VALLE CAPITAL CORP INC	AV
26	157-0280-026	DEL VALLE CAPITAL CORP INC	AV
27	157-0280-027	DEL VALLE CAPITAL CORP INC	AV
28	157-0280-028	DEL VALLE CAPITAL CORP INC	AV
29	157-0280-029	DEL VALLE CAPITAL CORP INC	AV
30	157-0280-030	DEL VALLE CAPITAL CORP INC	AV
31	157-0280-031	DEL VALLE CAPITAL CORP INC	AV
32	157-0280-032	DEL VALLE CAPITAL CORP INC	AV
33	157-0280-033	DEL VALLE CAPITAL CORP INC	AV
34	157-0280-034	DEL VALLE CAPITAL CORP INC	AV
35	157-0280-035	DEL VALLE CAPITAL CORP INC	AV
36	157-0270-001	DEL VALLE CAPITAL CORP INC	AV
37	157-0270-002	DEL VALLE CAPITAL CORP INC	AV
38	157-0270-003	DEL VALLE CAPITAL CORP INC	AV
39	157-0270-004	DEL VALLE CAPITAL CORP INC	AV
40	157-0270-005	DEL VALLE CAPITAL CORP INC	AV
41	157-0270-006	DEL VALLE CAPITAL CORP INC	AV

*Handwritten blue scribbles and marks on the right side of the page.*

Key LLAD lots

A- Active

E - Empty

P - Public

V - vacant





COPY

Assessment Diagram No.	Assessor's Parcel No.	Property Owner's Name
42	157-0270-007	DEL VALLE CAPITAL CORP INC ✓
43	157-0270-008	DEL VALLE CAPITAL CORP INC ✓
44	157-0270-009	DEL VALLE CAPITAL CORP INC ✓
45	157-0270-010	DEL VALLE CAPITAL CORP INC ✓
46	157-0270-011	DEL VALLE CAPITAL CORP INC ✓
47	157-0270-012	DEL VALLE CAPITAL CORP INC ✓
48	157-0270-013	DEL VALLE CAPITAL CORP INC ✓
49	157-0270-014	DEL VALLE CAPITAL CORP INC ✓
50	157-0270-015	DEL VALLE CAPITAL CORP INC ✓
51	157-0270-016	DEL VALLE CAPITAL CORP INC ✓
52	157-0270-017	DEL VALLE CAPITAL CORP INC ✓
53	157-0270-018	DEL VALLE CAPITAL CORP INC ✓
54	157-0270-019	DEL VALLE CAPITAL CORP INC ✓
55	157-0270-020	DEL VALLE CAPITAL CORP INC ✓
56	157-0270-021	DEL VALLE CAPITAL CORP INC ✓
57	157-0270-022	DEL VALLE CAPITAL CORP INC ✓
58	157-0270-023	DEL VALLE CAPITAL CORP INC ✓
59	157-0270-024	DEL VALLE CAPITAL CORP INC ✓
60	157-0270-025	DEL VALLE CAPITAL CORP INC ✓
61	157-0270-026	DEL VALLE CAPITAL CORP INC ✓
62	157-0270-027	DEL VALLE CAPITAL CORP INC ✓
63	157-0270-028	DEL VALLE CAPITAL CORP INC ✓
64	157-0270-029	DEL VALLE CAPITAL CORP INC ✓
65	157-0270-030	DEL VALLE CAPITAL CORP INC ✓
66	157-0270-031	DEL VALLE CAPITAL CORP INC ✓
67	157-0270-032	DEL VALLE CAPITAL CORP INC ✓
68	157-0270-033	DEL VALLE CAPITAL CORP INC ✓
69	157-0270-034	DEL VALLE CAPITAL CORP INC ✓
70	157-0270-035	DEL VALLE CAPITAL CORP INC ✓
71	157-0270-036	DEL VALLE CAPITAL CORP INC ✓
72	157-0270-037	DEL VALLE CAPITAL CORP INC ✓
73	157-0270-038	DEL VALLE CAPITAL CORP INC ✓
74	157-0270-039	DEL VALLE CAPITAL CORP INC ✓
75	157-0270-040	DEL VALLE CAPITAL CORP INC ✓
76	157-0270-041	DEL VALLE CAPITAL CORP INC ✓
77	157-0270-042	DEL VALLE CAPITAL CORP INC ✓
78	157-0270-043	DEL VALLE CAPITAL CORP INC ✓
79	157-0270-044	DEL VALLE CAPITAL CORP INC ✓
80	157-0270-045	DEL VALLE CAPITAL CORP INC ✓
81	157-0270-046	DEL VALLE CAPITAL CORP INC ✓
82	157-0270-047	DEL VALLE CAPITAL CORP INC ✓
83	157-0270-048	DEL VALLE CAPITAL CORP INC ✓
84	157-0270-049	DEL VALLE CAPITAL CORP INC ✓
85	157-0270-050	DEL VALLE CAPITAL CORP INC ✓
86	157-0280-001	DEL VALLE CAPITAL CORP INC ✓
87	157-0280-058	CITY OF BLETON ✓
88	157-0280-062	DEL VALLE CAPITAL CORP INC ✓
89	157-0280-047	DEL VALLE CAPITAL CORP INC ✓
90	157-0280-048	DEL VALLE CAPITAL CORP INC ✓
91	157-0270-042	DEL VALLE CAPITAL CORP INC ✓

AV  
AV  
AV  
AV

CV  
PV  
PV  
PV

MDD



Assessment Diagram No.	Assessor's Parcel No.	Property Owner's Name
94	157-0270-043	DEL VALLE CAPITAL CORP INC
95	157-0040-071	DEL VALLE CAPITAL CORP INC
96	157-0040-004	DEL VALLE CAPITAL CORP INC
97	157-0040-005	DEL VALLE CAPITAL CORP INC
98	157-0040-042	DEL VALLE CAPITAL CORP INC
99	157-0040-044	DEL VALLE CAPITAL CORP INC
100	157-0040-072	DEL VALLE CAPITAL CORP INC
101	157-0040-073	DEL VALLE CAPITAL CORP INC
102	157-0040-021	DEL VALLE CAPITAL CORP INC
103	157-0040-040	DEL VALLE CAPITAL CORP INC
104	157-0040-010	DEL VALLE CAPITAL CORP INC

DEL VALLE CAPITAL CORP INC

1 COPY



# CITY of ISLETON

**LLAD 2007-1 | FY 2022-23**

LLAD	EXPENSES		rev 05.06.22				
	Costs Annual	FY22	FY23				
<b>VACANT &amp; EMPTY LOTS</b>							
Labor		\$400	\$600				
Equip		\$400	\$450				
Fuel/supplies		\$200	\$300				
Drainage Basin		\$200	\$200				
Street sweeping		\$200	\$200				
Storm Drain clng		\$150	\$150				
Weed - brush (Clark)		\$ 13,000.00	\$13,500				
<b>LANDSCAPE Homes ACTIVE LOTS</b>							
		\$/mon			total	West 14	East 4
Labor	pub maintc 18 lots		\$3,500	\$3,700	\$3,700	\$2,960	\$740
Water			\$1,000	\$1,500	\$1,500	\$1,200	\$300
Elect lights	15x\$8x12		\$1,440	\$1,440	\$1,440	\$1,152	\$288
Fuel			\$200	\$300	\$300	\$240	\$60
	subtotal Homes				\$6,940	\$5,552	\$1,388
	Direct subt	\$22,340					
			\$800	\$600			
	maint, mech		\$500	\$500			
	cap reserve		\$800	\$400			
	Eng & Admin		\$500	\$500			
	contingency			\$2,000			
	indirect subt			\$2,000			
			\$23,290	\$24,340			

LLAD	REVENUES/ASSESS FY 2022-23					asmnt/lot ANNUAL			
	annual	Direct costs	indirect	ind-distrb	ind-distrb	total- FY23	FY22	FY23	REVENUE
lot	no.								
	0				\$ -	\$0.00			
	18			17%	\$ 349.51				
West 14	14	\$5,552			\$ 244.66	\$5,796.66	\$ 398.33	<b>\$414.05</b>	\$ 5,796.66
East 4	4	\$1,388			\$ 104.85	\$1,492.85	\$ 359.46	<b>\$373.21</b>	\$ 1,492.85
Vacant	69	\$15,400.00		67%	\$ 1,339.81	\$16,739.81	\$210.49	<b>\$242.61</b>	\$ 16,739.81
Empty	9	\$0.00		9%	\$ 174.76	\$174.76	\$210.49	<b>\$19.42</b>	\$ 174.76
Public	7	\$0.00		7%	\$ 135.92	\$ 135.92		<b>\$19.42</b>	\$ 135.92
		Total				<b>\$24,340</b>			<b>\$24,340</b>
	103	\$15,400	\$ 2,000.00		\$ 2,000.00				





For Release: Tuesday, April 12, 2022

22-625-SAN

WESTERN INFORMATION OFFICE: San Francisco, Calif.

Technical information: (415) 625-2270 BLSinfoSF@bls.gov www.bls.gov/regions/west

Media contact: (415) 625-2270

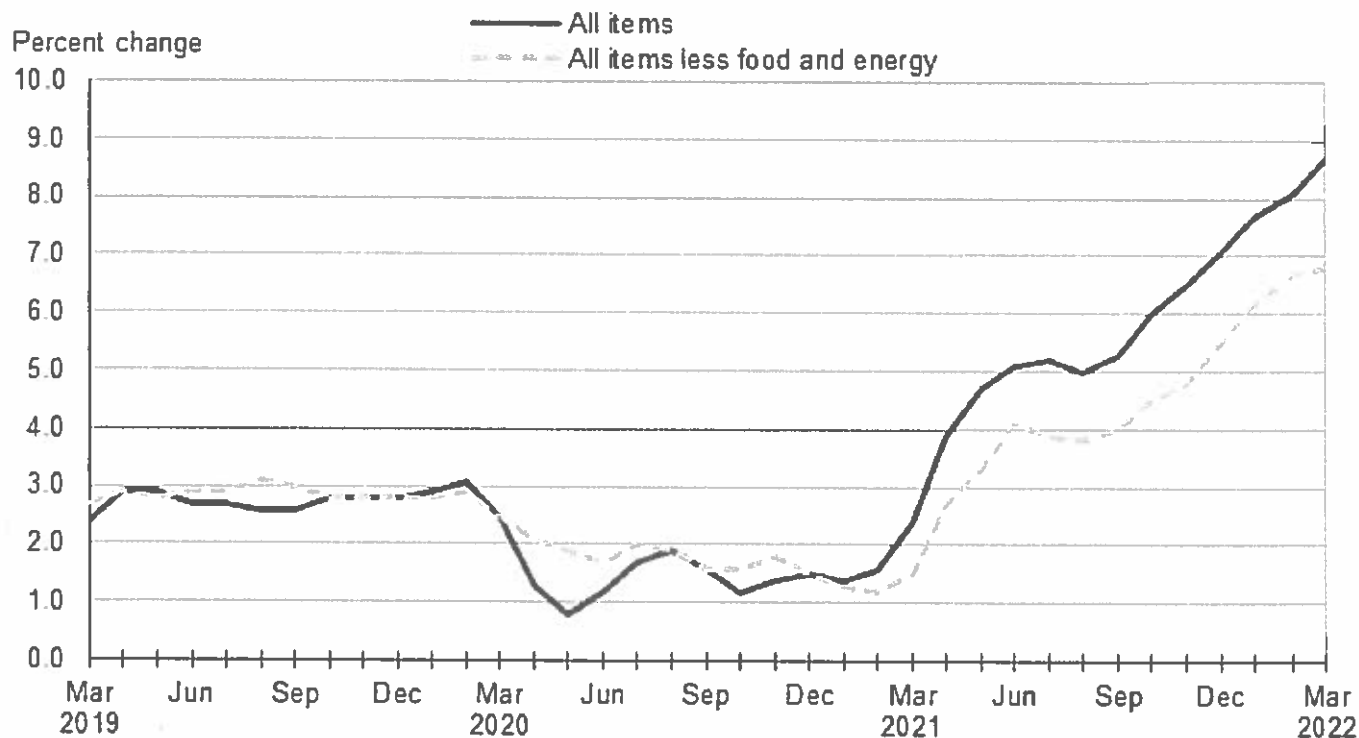
## Consumer Price Index, West Region — March 2022

**Area prices were up 1.3 percent over the past month, up 8.7 percent from a year ago**

Prices in the West Region, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), advanced 1.3 percent in March, the U.S. Bureau of Labor Statistics reported today. (See table A.) The March increase was influenced by higher prices for gasoline. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U rose 8.7 percent. (See chart 1 and table A.) This was the largest over-the-year increase in the CPI-U for the West Region since February 1982. Food prices advanced 8.9 percent. Energy prices jumped 33.4 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy increased 6.8 percent over the year. (See table 1.)

**Chart 1. Over-the-year percent change in CPI-U, West region, March 2019–March 2022**



Source: U.S. Bureau of Labor Statistics.





# City of Isleton

City Council  
Staff Report

DATE: June 14, 2022

ITEM#: 7.A

CATEGORY: Old Business

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## NOTICE OF CAL-WASTE REFUSE REUSE AND RECYCLE RATE INCREASE TO START OCTOBER 1, 2022.

### SUMMARY

Following the provisions of Section 3.02 of the Solid Waste Collection Agreement between California Waste Recovery Systems and the City of Isleton, they are submitting herein their rate adjustment notification. These rates will be effective beginning October 1, 2022. This is the fourth rate adjustment by Cal-Waste since the contract executed in 2017. Cal-Waste did not apply for the 2018 rate adjustment.

In accordance with Section 3.02.B of the Agreement, they are to use the Water and Sewer and Trash Collection Services Index (CUSR0000SEHG), as established by the United States Department of Labor Bureau of Labor Statistics, and base their percentage change to that of the index for the next 12-month period ending March. The provisions state that the annual rate adjustment shall not exceed four percent (4%) in any given year.

Council may wish to conduct a public hearing on this rate increase.

### DISCUSSION

Staff recommends City Council review rates and give direction to staff. Contract with Cal-waste Recovery Systems, LLC terminates September 30, 2024.

### FISCAL IMPACT

City received adjustment notice from Cal-Waste Recovery System, LLC for 4% increase for services.

### RECOMMENDATION

Staff recommends City Council review rates and give direction to staff.

### ATTACHMENTS

- A. Letter from Cal-Waste dated May 31, 2022
- B. Water and Sewer and Trash Collection Services Index
- C. Exhibit A. Res/Comm. & Roll off Services Rate Schedule
- D. Exhibit A. City of Isleton Special Services Rate Schedule

Prepared by: Diana O'Brien, Administrative Assistant  
Reviewed by City Manager, Charles Bergson, R.E.  
Submitted by: Yvonne Zepeda, Deputy City Clerk







May 31, 2022

Charles Bergson, City Manager  
City of Isleton  
P.O. Box 716  
Isleton, CA 95641

Dear Mr. Bergson:

Following the provisions of Section 3.02 of the Solid Waste Collection Agreement between California Waste Recovery Systems and the City of Isleton, we are submitting herein our rate adjustment notification. These adjusted rates will be effective beginning October 1, 2022. This will be the fourth rate adjustment by Cal-Waste since the contract execution in 2017; Cal-Waste did not apply for the 2018 rate adjustment.

In accordance with Section 3.02.B of the Agreement, we are to use the Water and Sewer and Trash Collection Services Index (CUSR0000SEHG), as established by the United States Department of Labor Bureau of Labor Statistics, and base our percentage change to that of the index for the 12-month period ending March. Additionally, the provisions state that the annual rate adjustment shall not exceed four percent (4%) in any given year.

According to the above referenced BLS index for the period March 2022 over March 2021, the percentage change calculates to be 4.02%. Since agreement provisions state the rate shall not exceed 4.00%, all residential and commercial rates going into effect on October 1, 2022 shall have a **4.00%** increase over the October 1, 2021 rates, a \$1.53 increase to the 64 Gallon Trash Cart rate. Also in accordance with Section 3.02B, the excess .02% will be carried by Cal-Waste for two years to be applied on a future rate increase.

On January 1st, 2022, California SB1383 legislation became effective regarding the mandatory collection of residential and commercial organic waste (including food waste). The purpose of this legislation is to reduce Greenhouse Gas Emissions and Short-Lived Climate Pollutants. Effective January 1, 2022 Isleton was granted a Department Approved Low Population Waiver that waives the organic waste collection requirements that are outlined in Article 3 (14 CCR



18984 – 18984.14) and is valid until December 31, 2026 . Therefore, the Isleton collection programs do not yet include new mandatory organics programs.

In accordance with Section 3.02.F of the Agreement, the City Manager is to review our rate application to confirm the adjustments are being made in accordance with the Agreement, prior to being implemented by Hauler. We request that you complete your review by August 31<sup>st</sup> so that we can notify our customers with their September billing.

We have enclosed the following;

- A copy of the BLS index and the mathematical calculation that produces the 4.00% increase
- Rate sheets that show the current and adjusted rates (**OPEN**)

Thank you in advance for your prompt attention to this rate application. Please advise if you would like us to make a presentation to the City Council and let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Rudy Vaccrezza". The signature is fluid and cursive, with a large initial "R" and "V".

Rudy Vaccrezza  
Director of Business Development

## Water and Sewer and Trash Collection Services Index (CUSR0000SEHG)

### California Waste Recovery Systems, LLC 2022 Isleton Rate Adjustment

Series Id: CUSR0000SEHG <https://data.bls.gov/cgi-bin/srgate>  
Seasonally Adjusted  
Series Title: Water and sewer and trash collection services in U.S. city  
Area: U.S. city average  
Item: Water and sewer and trash collection services  
Base Period: DECEMBER 1997=100  
Years: 2017 to 2022  
Publish Date: 5/28/2022

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	226.210	228.926	227.340	227.875	228.444	228.806	229.128	229.643	230.220	230.862	231.644	232.241
2018	232.737	233.508	234.030	234.860	235.880	236.606	237.281	238.383	238.864	239.206	241.883	242.628
2019	241.340	241.646	242.434	243.201	243.763	244.387	244.999	245.542	246.139	247.02	247.448	247.995
2020	248.58	249.386	250.181	250.384	251.016	251.671	252.546	253.826	254.378	254.992	255.628	256.572
2021	257.514	258.612	259.153	259.546	259.815	260.638	261.759	262.627	263.785	264.293	264.485	265.401
2022	267.913	269.366	269.568	270.382								

Current Year Rate Increase: **4.02%**

### Rate Adjustment Calculation

(March 2022 minus March 2021) divided by March 2021

$$269.568 - 259.153 = 10.415$$

$$10.415 / 259.153 = 4.02\%$$

**EXHIBIT A: CITY OF ISLETON  
RESIDENTIAL, COMMERCIAL & ROLLOFF SERVICES RATE SCHEDULE  
EFFECTIVE OCTOBER 1, 2022**

<b>Residential Waste Cart Services</b>	<b>Current Customer Rate</b>	<b>New Customer Rate</b>
38 Gallon Trash Cart, 96 Gallon Recycle Cart, 96 Gallon Yard Cart	\$33.95	\$35.31
64 Gallon Trash Cart, 96 Gallon Recycle Cart, 96 Gallon Yard Cart	\$38.19	\$39.72
96 Gallon Trash Cart, 96 Gallon Recycle Cart, 96 Gallon Yard Cart	\$47.74	\$49.65
Additional 96 Gallon Recycling Cart or Yard Cart	\$7.43	\$7.72

<b>Commercial Trash Services</b>	<b>Current Customer Rate</b>	<b>New Customer Rate</b>
38 Gallon Trash Cart	\$33.95	\$35.31
64 Gallon Trash Cart	\$38.19	\$39.72
96 Gallon Trash Cart	\$47.74	\$49.65
1 YD 1X Week Trash Service	\$93.36	\$97.09
1 YD 2X Week Trash Service	\$190.96	\$198.60
2 YD 1X Week Trash Service	\$190.96	\$198.60
2 YD 2X Week Trash Service	\$371.31	\$386.16
3 YD 1X Week Trash Service	\$275.83	\$286.86
3 YD 2X Week Trash Service	\$556.96	\$579.24
4 YD 1X Week Trash Service	\$381.92	\$397.19
4 YD 2X Week Trash Service	\$636.53	\$661.99
5 YD 1X Week Trash Service	\$371.31	\$386.16
5 YD 2X Week Trash Service	\$689.57	\$717.15
6 YD 1X Week Trash Service	\$424.35	\$441.32
6 YD 2X Week Trash Service	\$742.61	\$772.32

<b>Commercial Recycling Services</b>	<b>Current Customer Rate</b>	<b>New Customer Rate</b>
96 Gallon Recycling Cart	\$12.73	\$13.24
1 YD 1X Week Recycle Service	\$79.35	\$82.53
1 YD 2X Week Recycle Service	\$162.31	\$168.80
2 YD 1X Week Recycle Service	\$162.31	\$168.80
2 YD 2X Week Recycle Service	\$315.61	\$328.24
3 YD 1X Week Recycle Service	\$234.45	\$243.83
3 YD 2X Week Recycle Service	\$473.42	\$492.36
4 YD 1X Week Recycle Service	\$324.63	\$337.62
4 YD 2X Week Recycle Service	\$541.05	\$562.69
5 YD 1X Week Recycle Service	\$315.61	\$328.24
5 YD 2X Week Recycle Service	\$586.13	\$609.58
6 YD 1X Week Recycle Service	\$360.70	\$375.13
6 YD 2X Week Recycle Service	\$631.23	\$656.48



**EXHIBIT A: CITY OF ISLETON  
RESIDENTIAL, COMMERCIAL & ROLLOFF SERVICES RATE SCHEDULE  
EFFECTIVE OCTOBER 1, 2022**

<b>Commercial Organics Services</b>	<b>Current Customer Rate</b>	<b>New Customer Rate</b>
64 Gallon Food Waste Cart	\$159.47	\$165.85
64 Gallon Food Waste Cart 2X	\$318.93	\$331.69
1 YD 1X Week Food Waste Service	\$213.31	\$221.85
1 YD 2X Week Food Waste Service	\$426.63	\$443.69
2 YD 1X Week Food Waste Service	\$245.41	\$255.23
2 YD 2X Week Food Waste Service	\$490.83	\$510.46
3 YD 1X Week Food Waste Service	\$281.66	\$292.92
3 YD 2X Week Food Waste Service	\$563.31	\$585.84

<b>Rolloff Bin Services</b>	<b>Current Customer Rate</b>	<b>New Customer Rate</b>
Delivery Charge	\$251.29	\$261.34
Removal or Exchange Charge	\$452.76	\$470.87
Disposal Charge, per Ton	\$59.78	\$62.17
Diversion Charge, per Ton	\$63.10	\$65.62

**EXHIBIT A: CITY OF ISLETON  
SPECIAL SERVICES RATE SCHEDULE  
EFFECTIVE OCTOBER 1, 2022**

Special Services	Current Customer Rate	New Customer Rate
Extra service on scheduled service day (per dump). An extra service on an unscheduled service day is not available.	\$11.07	\$11.51
On-call bulky item pickup (per cubic yard, per pickup)	\$19.93	\$20.73
Backyard Charge (per household, per month)	\$17.71	\$18.42
Disabled Backyard Charge	\$0.00	\$0.00
<i>The City of Isleton has provided an exemption for handicapped and physically impaired residents. Customers that need this exemption must submit a letter from their physician attesting to their physical impairment and length of the impairment to the City. If there are others residing at the same premise that are not physically impaired a charge for backyard service will be applied.</i>		
Key charges (per container, per month)	\$0.00	\$0.00
Gate Service charge (per container, per month)	\$0.00	\$0.00
Long Walk/Push charges Per container, per month	\$0.00	\$0.00
Residential Account Activation charge	\$0.00	\$0.00
Commercial Account Activation charge	\$0.00	\$0.00
Residential Deliveries	\$0.00	\$0.00
Commercial Deliveries	\$0.00	\$0.00
Residential restart - with or without cart delivery	\$22.14	\$23.03
<i>An administrative charge will be applied when a service restart is requested after the account has been closed due to non-payment.</i>		
Commercial restart - with or without container delivery	\$22.14	\$23.03
<i>An administrative charge will be applied when a service restart is requested after the account has been closed due to non-payment.</i>		
Cart or Container Replacement Fee	\$55.36	\$57.57
<i>A service charge may be applied for each cart or container that is lost or damaged.</i>		
Contamination Charge	\$11.47	\$11.93
<i>On the third reminder or thereafter, a contamination charge will be applied to any recycling or green waste cart that is contaminated with unacceptable items.</i>		
Residential Overage Charge (lid will not fully close on cart/can due to overfull) per occurrence. Driver does not clean up material on ground	\$5.54	\$5.76
Commercial Overage Charge (lid will not fully close on cart/can due to overfull) per occurrence. Driver does not clean up material on ground	\$38.75	\$40.30
Bad/Return check fee (per check):	\$27.68	\$28.78
<i>Administrative charge will be applied when banks return payment checks due to insufficient funds.</i>		
Delinquent (late payment) Fee*	See below	See below
<i>A non-payment penalty will be applied when the customer fails to make a timely payment with 30 days of the invoice due date. Commencing sixty days following the delinquency date the amount of the delinquency, not including the penalty, shall be charged interest at a rate of 18% pursuant to Section 18 of the contract.</i>		



# City of Isleton

DATE: June 14, 2022

## City Council Staff Report

ITEM#: 7.B

CATEGORY: Old Business

### **CITY OF ISLETON CONTRACT WITH CALIFORNIA CENTER FOR RURAL POLICY (CCRP) FOR THE CANNABIS EQUITY ASSESSMENT; APPROVE**

#### **SUMMARY**

The Governor's Office of Business and Economic Development is administering the Cannabis Equity Grants Program for Local Jurisdictions to help cities and counties set up equity programs focused on assisting communities enter into the cannabis market.

The City was awarded first funding of \$22,000 in 2021. The funds are to be used for Cannabis Equity Assessment for the City.

#### **DISCUSSION**

As stated in the grant description, "the purpose of the Cannabis Equity Grants Program for Local Jurisdictions is to advance economic justice for populations and communities impacted by cannabis prohibition and the War on Drugs by providing support to local jurisdictions as they promote equity in California and eliminate barriers to enter the newly regulated cannabis industry for equity program applicants and licensees." Prior starting the Equity Program in Isleton, the City is required to provide a Cannabis Equity Assessment. This assessment will also include a program the City will use as a guideline for the Equity Program. The City will receive additional funds of up to \$70,000 by The Governor's Office of Business and Economic Development for the development and operation of the Equity Program.

Staff issued a request for proposal (RFP) on March 14, 2022 for the Cannabis Equity Assessment and did not receive any bid offers. The City spoke with the Community & Local Equity Grants Unit and was advised to contact and contract with California Center for Rural Policy (CCRP). Attached is a quote and contract for Council to review and approve. The Cannabis Equity Assessment is due October 31, 2022.

#### **FISCAL IMPACT**

The Cannabis Equity Assessment will Cost \$20,000 and is funded by the State Cannabis Equity Program Grant. \$2,000 of the grant has been used for staff time. There is no fiscal impact to City funds.

#### **RECOMMENDATION**

It is recommended that the City Council to approve the City of Isleton Contract with California Center for Rural Policy (CCRP) for the Cannabis Equity Assessment

#### **ATTACHMENTS**

- A. Cal Poly Humboldt Cannabis Equity Assessment Quote
- B. Contract Agreement between the City and Cal Poly Humboldt

Prepared by: Diana O'Brien, Administrative Assistant

Reviewed by: Charles Bergson, City Manager

Submitted by: Yvonne Zepeda, Deputy City Clerk



**Draft Work Plan -- City of Isleton Cannabis Equity Assessment  
Prepared by the California Center for Rural Policy at Cal Poly Humboldt**

<b>Prepared by: California Center for Rural Policy (CCRP)</b>		<b>Submitted to: City of Isleton</b>	
Key Contacts: Dawn Arledge, Executive Director Address: Cal Poly Humboldt, 1 Harpst Street, Arcata, CA 95521 Phone: (707) 267-5815 E-mail: dawn.arledge@humboldt.edu		Attn: Charles Bergson, City Manager Address: 101 Second Street, Isleton, CA 95641 Phone: (916) 777-7771 E-mail: cbergson@cityofisleton.org	
<b>Project Summary</b>			
<b>Objective: Develop a cannabis equity assessment for the City of Isleton.</b>			
Primary Deliverable: City of Isleton Cannabis Equity Assessment			
Proposed Budget: \$20,000*			
Proposed Timeline: June-October 2022*			

\*Please note that timeline and/or budget can be adjusted if needed.

<b>City of Isleton Cannabis Equity Assessment</b>				
<b>Major Functions, Tasks, and Activities</b>	<b>Time Line*</b>	<b>Responsible Parties</b>	<b>Deliverable/Documentation</b>	<b>Cost</b>
Review/summarize City of Isleton's current status with regards to cannabis permitting, licensing, and any historical context necessary to examine cannabis criminalization in the city.	June 2022	CCRP with input from City of Isleton	Summary of findings	\$2000
Identify areas of focus and list of available data and/or reports to include in equity assessment.	June 2022	CCRP with input from City of Isleton	List of secondary data sources.	\$1000
Contact staff and/or gather data and/or reports that speak to the history of cannabis cultivation, distribution and enforcement in the City of Isleton. City will assist with requesting and gathering cannabis-related city-level data.	July-August 2022	CCRP with input from City of Isleton	List of secondary data sources & links to relevant reports and information	\$1500
Collect and analyze data, including statistics on poverty, cannabis-related arrests and prosecutions, youth cannabis use, cannabis applications and permitting numbers, and election results on statewide and local cannabis propositions and/or measures. Prepare equity assessment draft.	August-October 2022	CCRP	Draft equity assessment Raw data available upon request.	\$12000
Present the draft equity assessment to City Council for the City of Isleton and the community-at-large; request input.	October 2022	CCRP with input from City of Isleton	Draft equity assessment & power point presentation	\$1500
Incorporate City Council & community input and produce final report.	October 2022	CCRP	Final equity assessment	\$2000
City of Isleton formally adopts Cannabis Equity Assessment	October 2022	City of Isleton	City resolution	N/A



**CONSULTING AGREEMENT FOR CAL POLY HUMBOLDT CONSULTING SERVICES FOR CANNABIS EQUITY ASSESSMENT**

**CITY OF ISLETON  
AND  
CAL POLY HUMBOLDT**

This Agreement is made and entered into this \_\_\_ day of June, 2022, by and between the **CITY OF ISLETON**, a municipal corporation, hereinafter “City”, and **CAL POLY HUMBOLDT**, a California Corporation, hereinafter “Consultant”.

**WITNESSETH**

**WHEREAS**, City has a requirement for consulting services.

**WHEREAS**, Consultant is a corporate organization consisting of persons specially trained and experienced in cannabis consulting services who are competent to perform the services required by the City.

**NOW, THEREFORE, CITY and CONSULTANT**, for the consideration hereinafter set forth, agree as follows:

**A. SCOPE OF SERVICES BY CONSULTANT**

<b>Prepared by: California Center for Rural Policy (CCRP)</b>	<b>Submitted to: City of Isleton</b>
Key Contacts: Dawn Arledge, Executive Director Address: Cal Poly Humboldt, 1 Harpst Street, Arcata, CA 95521 Phone: (707) 267-5815 E-mail: dawn.arledge@humboldt.edu	Attn: Charles Bergson, City Manager Address: 101 Second Street, Isleton, CA 95641 Phone: (916) 777-7771 E-mail: cbergson@cityofisleton.org
<b>Project Summary</b>	
<b>Objective: Develop a cannabis equity assessment for the City of Isleton.</b>	
Primary Deliverable: City of Isleton Cannabis Equity Assessment	
Proposed Budget: \$20,000*	
Proposed Timeline: June-October 2022*	

<b>City of Isleton Cannabis Equity Assessment</b>				
<b>Major Functions, Tasks, and Activities</b>	<b>Time Line*</b>	<b>Responsible Parties</b>	<b>Deliverable/Documentation</b>	<b>Cost</b>
Review/summarize City of Isleton's current status with regards to cannabis permitting, licensing, and any historical context necessary to	June 2022	CCRP with input from City of Isleton	Summary of findings	\$2000

examine cannabis criminalization in the city.				
Identify areas of focus and list of available data and/or reports to include in equity assessment.	June 2022	CCRP with input from City of Isleton	List of secondary data sources.	\$1000
Contact staff and/or gather data and/or reports that speak to the history of cannabis cultivation, distribution and enforcement in the City of Isleton. City will assist with requesting and gathering cannabis-related city-level data.	July-August 2022	CCRP with input from City of Isleton	List of secondary data sources & links to relevant reports and information	\$1500
Collect and analyze data, including statistics on poverty, cannabis-related arrests and prosecutions, youth cannabis use, cannabis applications and permitting numbers, and election results on statewide and local cannabis propositions and/or measures. Prepare equity assessment draft.	August-October 2022	CCRP	Draft equity assessment Raw data available upon request.	\$12000
Present the draft equity assessment to City Council for the City of Isleton and the community-at-large; request input.	October 2022	CCRP with input from City of Isleton	Draft equity assessment & power point presentation	\$1500
Incorporate City Council & community input and produce final report.	October 2022	CCRP	Final equity assessment	\$2000
City of Isleton formally adopts Cannabis Equity Assessment	October 2022	City of Isleton	City resolution	N/A

**B. Consultant Designee**

Dawn Arledge, Executive Director is hereby designated as Consultant for the City of Isleton.

**C. COMPENSATION FOR SERVICES**

Compensation for services described in Section A.1, shall be on a time and expense reimbursement basis. Reimbursable expenses, except mileage, shall be reimbursed at cost.

Reimbursable expenses include auto travel related and consulting services, meals and lodging while traveling, special equipment rental, and services of professional consultants or subcontractors.

Consultant shall use the Rate Schedule contained in Exhibit "A" and shall notify the City forty-five (45) days in advance of any proposed changes in the Rate Schedule. The Rate Schedule shall be changed no more than once in any calendar year, however shall not be changed until after approval by the City Manager.

Consultant shall submit to the City monthly itemized invoices for the services rendered. If the work is satisfactorily completed, City shall pay such invoice within thirty (30) days of its receipt. Should city dispute any portion of any invoice, City shall pay the undisputed portion within the time stated above, and at the same time advise Consultant in writing of the disputed portion.

**D. COMPLIANCE WITH LAWS**

Consultant agrees that it shall conduct its work and perform its services in compliance with all applicable laws and regulations of Sacramento County, California, and any office, department or agency thereof, as well as other laws and regulations as may be applicable thereto.

**E. INSURANCE**

Consultant shall maintain insurance and shall submit certificates of insurance evidencing that insurance meets the following requirements are being provided:

1. Errors and Omissions Insurance. Consultant shall have such errors and omissions insurance as shall protect the City, its officers, directors, employees and agents from claims based on errors or negligent acts or omissions which may arise from Consultant's operations or performance under this Agreement, and whether such operations or performance be by Consultant or its employees, consultants, agents or anyone else directly or indirectly employed by any of the foregoing. The amount of this insurance shall not be less than \$1,000,000.

Said policy shall be continued in full force and effect during the term of this Agreement. In the event of termination of said policy, new coverage shall be obtained for the required period to insure for the prior acts of Consultant during the course of performing services under the terms of this Agreement.

2. Workers Compensation. Consultant shall carry such insurance as will protect City and Consultant from claims under Worker Compensation and Employer's Liability Acts; such insurance to be maintained as to the type and amount in strict compliance with state statutes.
3. General Liability. Consultant shall obtain and keep in full force and effect general liability insurance including provisions for contractual liability, personal injury, independent consultants and broad form property damage coverages. This insurance shall be on a comprehensive occurrence basis form with a stand cross liability clause or endorsement. The limit for this insurance shall be no less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If commercial general liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
4. Automobile Liability. Consultant shall maintain automobile liability insurance with coverage for any vehicle including those owned, leased, rented, or borrowed. This insurance shall have a standard cross liability clause or endorsement. The limit amount for this insurance shall be no less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage.
5. Within thirty (30) days of the date of this Agreement, this Consultant shall provide the City with Certificate of Insurance demonstrating compliance with provisions 1 through 4 above. Said certificates shall specify or endorse to provide that ten (10) days' notice shall be given in writing to the City of any cancellations.

**F. INFORMATION FURNISHED BY CITY**

Consistent with the professional standard of care and unless specifically provided herein, Consultant shall be entitled to rely upon the accuracy of data and information provided by City or others without independent review or evaluation.

**G. INDEMNIFICATION AND HOLD HARNES**

Consultant shall protect, indemnify, hold harmless, and defend the City, its directors, officers, employees, and agents, from any and all claims, fines, demands, costs, expenses (including but not limited to attorney fees and costs of litigation or arbitration), liability, losses, penalties, causes of action, awards, suits, or judgements for damages of any nature whatsoever (hereinafter collectively referred to as Claims) to the extent arising out of the breach of this Agreement in whole or in part by willful or fraudulent misconduct or negligent acts, by Consultant, its employees, agents or consultants, or the agent, employee or consultant of any one of them in the performance of their duties or in their operations under this Agreement.

City shall protect, indemnify, hold harmless and defend the Consultant, its offices, directors, employees and subcontractors from any and all claims, fines, costs, demands, expenses (including but not limited to attorney fees and costs of litigation or arbitration), liability, losses, penalties, causes of action, awards, suits, or judgements for damages of any nature whatsoever (hereinafter collectively referred to as "Claims") to the extent arising out of breach of this Agreement in whole or in part by willful or fraudulent misconduct or negligent acts, by the City, its employees, agents, or consultants, or the



agent, employee or consultant of any one of them in the performance of their duties or in the operations under this Agreement.

Neither termination of this Agreement nor completion of the acts to be performed under this Agreement shall release either party from its obligations to indemnify as to any Claims so long as the event upon which Claims is predicted shall have occurred prior to the effective date of any such termination or completion and arose out of or was in any way connected with performance or operations under this agreement by either party, its employees, agents, or consultants, or the employee, agent, or consultant of any one of them.

Submission of insurance certificates or other proof of compliance with the insurance requirements in this Agreement does not relieve the Consultant from liability under this indemnification and hold harmless clause. The obligation of this indemnity article shall apply whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damages.

**H. EMPLOYMENT OF CONSULTANTS BY CONSULTANT**

Consultant may employ qualified consultants to assist them.

**I. RECORDS OF CONSULTANT**

Records of Consultant's direct personnel and reimbursable expenses pertaining to the service hereunder shall be kept on a generally recognized accounting basis, and shall be available for inspection by City or its designees at reasonable times

**J. TERMINATION**

Either party may terminate this Agreement by giving sixty (60) days prior written notice to the other. Upon termination, Consultant shall be paid for services performed to date of termination.

**K. ASSIGNMENT**

Consultant shall not assign this Agreement, nor any part thereof, nor any monies due hereunder, without the prior written consent of the City.

**L. OWNERSHIP OF DOCUMENTS**

1. Originals of drawings, specifications, estimates, field notes and calculations prepared by Consultant shall be and remain in the property of Consultant.
2. Reproducible of such documents, and models, prints, and photographs shall be and remain property of the City. Such materials shall be kept by Consultant for the City and shall be delivered to the City on request or termination. Such documents are not intended or represented to be suitable for reuse by the City or others on extensions of the project or any other project. Any use of completed documents for other projects and any use of incomplete documents without specific written authorization from Consultant will be at the City's sole risk and without liability to Consultant. City assumes full responsibility for such changes unless the City has given Consultant prior notice and has received from Consultant written consent for such changes. Electronic

data delivered to City is for the City's convenience and shall not include the professional stamp or signature consultant. The City agrees that Consultant shall not be liable for such claims, liabilities or losses arising out of, or connected with the decline of accuracy or readability of electronic data due to inappropriate storage conditions or duration.

**M. NON-DISCRIMINATION**

In connection with the performance of Consultant pursuant to this Agreement, Consultant will not willfully discriminate against any employee or applicant for employment because of race, color, religion, sex, ancestry, or national origin. Consultant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, ancestry, or national origin. Such actions shall include, but not limited to, the following: Employment, upgrading demotion, or transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

**N. NOTICES**

All notices, statements, reports, approvals, or requests or other communications, that are required either expressly, or by implication, to be given by either party to the other under this agreement shall be in writing and signed for each party to the other under this Agreement shall be in writing and signed for each party by such officers as each may, from time to time, authorize in writing to so act. All such notices shall be deemed to have been received on the date of delivery if delivered personally or three (3) days after mailing if enclosed in a properly addressed and stamped envelope and deposited in the U.S. Post Office for delivery. Unless, and until formally notified otherwise all notices shall be addressed to the parties at their address shown below:

**CITY**

CITY OF ISLETON  
101 2<sup>nd</sup> Street  
Isleton, California 95641

**CONSULTANT**

CAL POLY HUMBOLDT  
1 Harpst Street  
Arcata, CA 95521

**O. ATTORNEY FEES**

In the event of any arbitration, litigation, or other action or proceeding of any nature, between City and Consultant becomes necessary to enforce or interpret all or any portion of this Agreement, or because of an alleged breach by either party of any of the terms hereof, it is mutually agreed that the losing or defaulting party shall pay the prevailing party reasonable attorney fees, costs and expenses incurred in connection with the prosecution or defense of such action or proceeding.

**P. ENTIRE AGREEMENT**

This writing constitutes the entire Agreement between the parties relative to the services specified herein, and no modifications hereof shall be effective unless and until such modification is evidenced by a writing signed by both parties to this Agreement. There are no understandings, agreements, conditions, representations, warranties or promises with respect to this Agreement except those contained or referenced to in this writing.

**Q. STATUS OF CONSULTANT**

1. Consultant is and shall at all times during the terms of this Agreement remain a wholly independent contractor and not an officer or employee of City.
2. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City, nor any elected or appointed boards, officers, officials, employees or agents of City, shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that Consultant or any of Consultant's officers, employees, or agents are in any manner officials, officers, agents, or employees of City.
3. Neither Consultant, nor any of Consultant's officers, employees, or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Consultant expressly waives any claim Consultant may have to any such rights.

**R. SEVERABILITY**

If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

**S. WAIVER OF RIGHTS**

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

**T. REMEDIES NOT EXCLUSIVE**

The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application.

**U. DISPUTE RESOLUTION**

If a dispute arises under this Agreement, the parties agree to first try to resolve the dispute with the help of a mutually agreed upon mediator. Any costs and fees other than attorney fees associated with the mediation shall be shared equally by the parties.

If it proves impossible to arrive at a mutually satisfactory solution through mediation, the parties agree to submit the dispute to binding arbitration in Sacramento County. The parties agree that the binding arbitration will be conducted by an arbitrator the parties shall mutually select and under the rules of the American Arbitration Association. Judgement upon the award rendered by the arbitrator may be entered in any court with jurisdiction to do so.

**V. CONFLICTS OF INTEREST**

Consultant shall not accept any work from any party for services for any project in the City of Isleton, following the execution of this Agreement and during the term hereof.

**W.** Code of Federal Regulations 200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

(a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

- (1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- (5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (b)(1) through (5) of this section.

**IN WITNESS WHEREOF**, the parties have hereto executed this Agreement the day and year first hereinabove written.

**CITY OF ISLETON**

By, \_\_\_\_\_  
Charles Bergson, P.E.  
City Manager

By, \_\_\_\_\_  
Dawn Arledge  
Executive Director

**ATTEST**

By, \_\_\_\_\_  
Yvonne Zepeda  
City Clerk

\_\_\_\_\_  
Approved as to form  
City Attorney

# City of Isleton

## City Council Staff Report

DATE: June 14, 2022

ITEM#: 7.C

CATEGORY: Old Business

### **DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) SENATE BILL 2 PLANNING AND LOCAL EARLY ACTION PLAN (LEAP) GRANTS PROJECT FUNDS REALLOCATION; APPROVE**

#### **SUMMARY**

The City received two grants from the HCD to update the General Plan: SB2 Planning award 04/2020 in the amount of \$160,000; Local Early Action Plan (LEAP) in the amount of \$65,000.

#### **DISCUSSION**

City staff is requesting City Council to approve the project funds amendment. State has extended the timelines for both SB2 and LEAP grants to expending all funds to November, 2023. This has giving the City an opportunity to reallocate the grants for projects that can be assembled concurrently. Amendments to the grants is a simple administrative process with staff requesting amendments to HCD staff. City staff is presenting these amendments by the Council for confirmation.

The \$160K SB 2 Grant combined with the \$65K LEAP Grant provides the City with \$225K in funding for technical studies to address housing production. The City has used approximately \$36K of this funding for preparation of the General Plan Housing Element Update, leaving approximately \$189K available to spend down by 2023.

For the Senate Bill 2 Grant, the remaining \$123,000 is proposed to be expended:

Storm Drain Master Plan	50,000
Sewer Master Plan	35,000
General Plan Update	32,277
Administration	5,906
Total	\$123,183

For the Local Early Action Plan (LEAP) Grant: The \$65,000 will be allocated to update the City's Zoning Code.

Attachment A – SB2 Amendments and information  
Attachment B – LEAP Amendments and information

#### **FISCAL IMPACT**

There is no fiscal impact associated with this action.

## **RECOMMENDATION**

City Council approve the reallocation of Senate Bill 2 Planning and Local Early Action Plan (LEAP) grant funds.

## **ATTACHMENTS**

- A. SB2 Amendments and information
- B. LEAP Amendments and information
- C. HCD SB2 Amendment #1 Application
- D. HCD LEAP Amendment #2 Application

Prepared by: Diana O'Brien, Administrative Assistant

Reviewed by City Manager, Charles Bergson, P.E.

Submitted by: Yvonne Zepeda, Deputy City Clerk



**City of Isleton****California Department of Housing & Community Development SB2 Planning Grant****Grant Number: 19-PGP-14247****Awarded: 04/24/20 Award Amount \$160,000****Amendment Request:**

The City of Isleton is requesting an amendment to subject grant as follows:

City of Isleton City HCD Grants and Projects List					
SB 2					
Description	Amount	Reimbursed	Remaining	Status	Explanation
1 CEQA Review	\$35,000.00				Reallocated to GP Update
2 General Plan Housing Element	\$25,000.00	\$34,723.00		Completed	Completed
3 Zoning Code Modification	\$20,000.00				Reallocated to LEAP
4 General Plan Analysis	\$20,000.00				Reallocated to GP Update
5 Storm Drain Master Plan	\$25,000.00				Revised to \$50,000
6 Sewer Master Plan	\$25,000.00				Revised to \$35,000
7 Administration	\$10,000.00	\$2,094.40		Ongoing	Ongoing
<b>Total</b>	<b>\$160,000.00</b>	<b>\$36,817.40</b>	<b>\$123,182.60</b>		
Amendment					
1 CEQA Review	\$35,000.00				
2 General Plan Housing Element	\$34,723.00	\$34,723.00			
3 Zoning Code Modification	\$20,000.00				
4 General Plan Analysis	\$20,000.00				
5 Storm Drain Master Plan	\$50,000.00				
6 Sewer Master Plan	\$35,000.00				
7 Administration (5%)	\$8,000.00	\$2,094.40			
8 General Plan Update (Other)	\$32,277.00				
<b>Total</b>	<b>\$160,000.00</b>	<b>\$36,817.40</b>	<b>\$123,182.60</b>		

The City completed the Housing Element update as referenced above and submitted for reimbursement for \$36,817.40 on August 5, 2021. The CEQA Review (1) and General Plan Analysis (4) activities (referenced above) are being conducted with other funding through the Sacramento Area Council of Governments (SACOG). The Zoning Code Modifications (3) activity is expected to be more comprehensive in nature due to the update of the General Plan so that more expensive activity is going to be funded through the REAP Grant (through a concurrent amendment request). The remaining \$123,182.60 of the SB2 Grant will be used to help fund the Storm Drain and Sewer Master Plan (based on a more recent estimate from a qualified engineer). An additional \$32,277 of the Grant would go to help complete the City's comprehensive update of the General Plan (Public Utilities and Safety Elements) and other aspects of General Plan law and will help address safety issues for future housing production. The Programs resulting from this effort, visa vi, the update to the City's Public Utilities Element

of the General Plan, will include identification of infrastructure capacity limitations in the City, such as sewer and drainage improvement needs to help serve future residential growth.



**City of Isleton**  
**California Department of Housing & Community Development**  
**Local Early Action Plan Grant**  
**Grant 21-LEAP-16950**  
**Award Date: 03/24/2022**  
**Award Amount: \$65,000**

**Amendment Request:**

The City of Isleton is requesting an amendment to subject grant as follows:

<b>LEAP</b>		
	<i>Description</i>	<i>Amount</i>
1	Sewer Master Plan	\$35,000.00
2	Drainage Master Plan	\$30,000.00
	<b>Total</b>	<b>\$65,000.00</b>
Amendment		
1	Zoning Code Update	\$61,750.00
2	Admin; 5% maximum	\$3,250.00
	<b>Total</b>	<b>\$65,000.00</b>

The city obtained more realistic costs estimates from a qualified engineer to conduct the Sewer Master Plan (1) and Drainage Master Plan (2) which resulted in costs exceeding what is being requested in the LEAP Grant. In conjunction with the city's SB-2 Grant Amendment Request, these activities have been identified for increased funding and therefore omitted in this LEAP Grant Application. This request to amend the LEAP Grant involves a comprehensive update to the Zoning Code which is needed soon after the City's General Plan update is completed. The Zoning Code Update activity was included in the SB-2 Grant for \$20,000 but is being omitted from this Grant request. This Zoning Code Update activity is expected to involve much more work to complete so it has been included in the LEAP Grant Amendment request.

The Zoning Code Update is anticipated to increase housing production with providing regulations to streamline housing review. In addition, the Update will include amendments

to the City's housing regulations to address programs in the newly updated General Plan Housing Element, such as Action H1-1.1 which states:

*"Make the following zoning code amendments to maintain internal consistency and comply with State law requirements for housing:*

- *Replace references to the R-1-6 zone in the zoning code with the R-1-7 zone and corresponding standards.*
- *Include a statement in the purpose of the zoning ordinance (§ 102) that discusses furthering fair housing and California fair housing law.*
- *Remove the requirement for a Conditional Use Permit for second units in order to allow them as a permitted use in all residential districts that allow single-family units (i.e., the UR, R, and RM).*
- *Remove the requirement for two additional parking spaces for second units; reduce to one with the option to remove the condition if state-outlined conditions are present as outlined in Cal. Gov't. Code § 658252.2(e)(1-5).*
- *Rezone to allow development by right, pursuant to Cal. Gov. Code § 65583.2(c), when 20 percent or more of the units are affordable to lower income housing on sites identified in Appendix A of the Housing Element Background Report to accommodate the lower income RHNA that was previously identified in past housing element. This allowance may also be an overlay on the specific sites identified in the Housing Element Site Inventory.*
- *Remove the Conditional Use Permit requirement for group homes of more than six persons as may be required by state law.*
- *Adopt definition for transitional and supportive housing that clearly states that transitional and permanent supportive housing are by-right residential uses subject to the same standards that apply to residential uses of the same type in the same zone.*
- *Develop a ministerial review option or permitted use for proposed developments where at least 50% of the units are affordable to households making below 80 percent of the area median income, in compliance requirements in Cal. Gov't. Code § 65913.4(e)(1).*
- *Explicitly allow single room occupancy [TJ1] in conformance with Cal. Gov't Code § 65583 (c)(1) and § 65583.2 (c); this may include modifying the definition of "dwelling unit" to include single room occupancy by eliminating the requirement for a kitchen in each unit.*
- *Allow farmworker housing consistent with Cal. Health & Safety Code § 17021.6 which states that any employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall be deemed an agricultural land use and no conditional use permit, zoning variance, or other zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone.*
- *Modify the definition of "family" consistent with state law to remove the limit of five unrelated persons living together in a dwelling unit.*

- *Modify the definition of "dwelling, one-family" to include employee housing for six or fewer persons, in accordance with Cal. Health & Safety Code § 17021.5.*
- *Modify the 2014 emergency shelter ordinance to comply with parking requirements under Cal. Gov't Code, § 65583 (a)(4)(A)). Adopt a formal procedure for reasonable accommodation for housing for persons with disabilities in accordance with fair housing and disability laws. Allow for Low Barrier Navigation Centers to be a use by right in areas zoned for mixed use and nonresidential zones permitting multi-family uses if they meet requirements in Cal. Gov't Code § 65662(a-d). Allow for permanent supportive housing to be a use-by-right in all zones where multifamily and mixed uses are permitted, in compliance with Cal. Gov't Code 65583(c)(3), and consistent with requirements specified in Cal. Gov't Code 65651(a)(1-7). "*



# SB 2 Planning Grants Program Application



**State of California  
Governor Gavin Newsom**

**Alexis Podesta, Secretary  
Business, Consumer Services and Housing Agency**

**Ben Metcalf, Director  
Department of Housing and Community Development**

2020 West El Camino, Suite 500  
Sacramento, CA 95833

Website: <http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml>

Email: [sb2planninggrant@hcd.ca.gov](mailto:sb2planninggrant@hcd.ca.gov)

~~March 28, 2019~~

AMENDMENT NO. 1  
Grant 19-PGP-14247

**City of Isleton  
SB2 Grant  
Grant 19-PGP-14247**

**Amendment Request:**

The City of Isleton is requesting an amendment to subject grant as follows:

**City of Isleton City HCD Grants and Projects List**

<b>SB 2</b>						
<i>Description</i>	<i>Amount</i>	<i>Reimbursed</i>	<i>Remaining</i>	<i>Status</i>	<i>Explanation</i>	
1 CEQA Review	\$35,000.00				Reallocated to GP Update	
2 General Plan Housing Element	\$25,000.00	\$34,723.00		Completed	Completed	
3 Zoning Code Modification	\$20,000.00				Reallocated to LEAP	
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6 Sewer Master Plan	\$25,000.00				Revised to \$35,000	
7 Administration	\$10,000.00	\$2,094.40		Ongoing	Ongoing	
<b>Total</b>	<b>\$160,000.00</b>	<b>\$36,817.40</b>	<b>\$123,182.60</b>			
<b>Amendment</b>						
1 <del>CEQA Review</del>	<del>\$35,000.00</del>					
2 General Plan Housing Element	\$34,723.00	\$34,723.00				
3 <del>Zoning Code Modification</del>	<del>\$20,000.00</del>					
4 <del>General Plan Analysis</del>	<del>\$20,000.00</del>					
5 Storm Drain Master Plan	\$50,000.00					
6 Sewer Master Plan	\$35,000.00					
7 Administration (5%)	\$8,000.00	\$2,094.40				
8 General Plan Update (Other)	\$32,277.00					
<b>Total</b>	<b>\$160,000.00</b>	<b>\$36,817.40</b>	<b>\$123,182.60</b>			

The city completed the Housing Element update as referenced above and submitted for reimbursement for \$36,817.40 on August 5, 2021 (*reimbursements received-Thank You*). The CEQA Review (1) and General Plan Analysis (4) activities (referenced above) are being conducted with other funding through the Sacramento Area Council of Governments (SACOG). The Zoning Code Modifications (3) activity is expected to be more comprehensive in nature due to the update of the General Plan so that more expensive activity is going to be funded through the REAP Grant (through a concurrent amendment request). The remaining \$123,182.60 of the SB2 Grant will be used to help fund the Storm Drain and Sewer Master Plan (based on a more recent estimate from a qualified engineer). An additional \$32,277 of the Grant would go to help complete the City's comprehensive update of the General Plan (Public Utilities and Safety Elements) and other aspects of General Plan law and will help address safety issues for future housing production. The Programs resulting from this effort, *visa vi*, the update to the City's Public Utilities Element of the General Plan, will include identification of infrastructure capacity limitations in the City, such as sewer and drainage improvement needs to help serve future residential growth.

**SB 2 Planning Grants Application**  
**AMENDMENT NO. 1**

**A. Applicant Information**

Pursuant to Article II, Section 200 of the Guidelines, local governments may partner through legally binding agreements with other forms of governments or entities. However, all local governments must submit separate, signed application packages that identify their respective responsibilities and deliverables, even if partnering with other entities.

<b>Is the applicant partnering with another eligible local government entity?</b>		
<input type="checkbox"/>	Yes	<b>*If Yes, the application package must include a fully executed copy of the legally binding agreement. Provide the partners' name(s) and type(s) below for reference only.</b>
<input checked="" type="checkbox"/>	No	

<b>Complete the following Applicant Information</b>			
Applicant's Name		City of Isleton	
Applicant's Agency Type		Local Government	
Applicant's Mailing Address		P.O. Box 716	
City		Isleton	
State	California	Zip Code	95641
County		Sacramento	
Website		http://www.cityofisleton.com	
Authorized Representative Name		Charles Bergson, P.E.	
Authorized Representative Title		City Manager	
Phone	916-777-7771	Fax	916-777-7775
Email	cbergson@cityofisleton.com		
Contact Person Name		Charles Bergson	
Contact Person Title		City Manager	
Phone	916-777-7771	Fax	916-777-7775
Email	cbergson@cityofisleton.com		
Partner(s) Name (if applicable)		N/A	
Partner Agency Type		N/A	
Partner(s) Name (if applicable)		N/A	
Partner Agency Type		N/a	
Proposed Grant Amount	\$	160,000.00	

**B. Applicant Certification**

As the official designated by the governing body, I hereby certify that if approved by HCD for funding through the Planning Grants Program (PGP), the City Manager assumes the responsibilities specified in the 2019 Notice of Funding Availability and PGP guidelines, and certifies that the information, statements, and other contents contained in this application are true and correct.

Signature: \_\_\_\_\_ Name: Charles Bergson, P.E.

Date: \_\_\_\_\_ Title: City Manager



**SB 2 Planning Grants Application**  
**AMENDMENT NO. 1**

**C. Threshold Requirements**

Pursuant to Section 201(a) through (d) of the Guidelines, all applicants must meet the following threshold criteria in items 1-4 below to be eligible for an award.

**1. Does the applicant have an adopted housing element found to be in substantial compliance by the Department on or before the date of the applicant's submission of their SB 2 Planning Grant application?**

<input checked="" type="checkbox"/>	Yes	Date of HCD Review Letter: 4/24/19
<input type="checkbox"/>	No	
<input type="checkbox"/>	The Applicant requests HCD to consider housing element compliance threshold as met due to significant progress achieved in meeting housing element requirements.	

**2. Has the applicant submitted to the Department the Annual Progress Report (APR) for the current or prior year on or before the date of submission of their SB 2 Planning Grant application?**

<input checked="" type="checkbox"/>	Yes	APR	Date Submitted
<input type="checkbox"/>	<input checked="" type="checkbox"/>	2017 CY Report	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	2018 CY Report	4/29/19
<input type="checkbox"/>	No		

**3. Is the applicant utilizing one of the Priority Policy Areas listed below (as defined in section VIII, subsection (3) of the NOFA)?**

<input type="checkbox"/>	*Yes	<i>*If the applicant is proposing <u>only</u> Priority Policy Areas, do not fill out Attachment 2. However, if the applicant is proposing to fund PPAs AND other activities that are not considered PPAs, the application must demonstrate how these other activities have a nexus to accelerating housing production by filling out Attachment 2 of this application.</i>					
		Rezone to permit by-right	Objective design and development standards	Specific Plans or form based codes coupled with CEQA streamlining	Accessory Dwelling Units or other low-cost building strategies	Expedited processing	Housing related infrastructure financing and fee reduction strategies
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	No	<i>If an applicant is not proposing Priority Policy Areas, the application must include an explanation and document the plans or processes' nexus and impact on accelerating housing production based on a reasonable and verifiable methodology and must submit Attachment 2 in the Application pursuant to section VIII, subsection (3) of the NOFA.</i>					
<input type="checkbox"/>	The applicant is proposing PPAs and other activities not considered PPAs and is demonstrating how these activities have a nexus to accelerating housing production by submitting Attachment 2.						

**4. Does the applicant demonstrate that the locality is consistent with State Planning or Other Priorities, as certified in Attachment 1?** Yes  \*No

*\*If No, consistency may be demonstrated through activities (not necessarily proposed for SB 2 funding) that were completed within the last five years, as certified in Attachment 1.*

**5. Is a completed and signed resolution included with the application package? See Attachment 3, "Sample Resolution"** Yes  No



**SB 2 Planning Grants Application**  
**AMENDMENT NO. 1**

**D. Proposed Activities Checklist (Section VI, Items (1) through (17) of the NOFA)**

*Check all activities the locality is undertaking for their PGP efforts below. Activities must match Section E. Project Description, and Section F. Timeline and Budget.*

1	<input checked="" type="checkbox"/>	updates to general plans, community plans, specific plans, local planning related to implementation of sustainable communities strategies, or local coastal plans
2	<input type="checkbox"/>	updates to zoning ordinances
3	<input type="checkbox"/>	environmental analyses that eliminate the need for project-specific review
4	<input checked="" type="checkbox"/>	local process improvements that improve and expedite local planning
5	<input type="checkbox"/>	a smaller geography with a significant impact on housing production including an overlay district, project level specific plan or development standards modifications proposed for significant areas of a locality, such as corridors, downtown or priority growth areas
6	<input type="checkbox"/>	the creation or enhancement of a housing sustainability district pursuant to AB 73 (Chapter 371, Statutes of 2017)
7	<input type="checkbox"/>	workforce housing opportunity zone pursuant to SB 540 (Chapter 369, Statutes of 2017)
8	<input type="checkbox"/>	zoning for by-right supportive housing, pursuant to Government Code section 65651 (Chapter 753, Statutes of 2018)
9	<input type="checkbox"/>	zoning incentives for housing for persons with special needs, including persons with developmental disabilities
10	<input type="checkbox"/>	rezoning to meet requirements pursuant to Government Code Section 65583.2(c) and other rezoning efforts to facilitate supply and affordability
11	<input type="checkbox"/>	rezoning for multifamily housing in high resource areas (according to Tax Credit Allocation Committee/Housing Community Development Opportunity Area Maps)
12	<input type="checkbox"/>	pre-approved architectural and site plans
13	<input type="checkbox"/>	regional housing trust fund plans
14	<input type="checkbox"/>	funding plans for the Sb 2 ongoing funds
15	<input type="checkbox"/>	infrastructure financing plans
16	<input type="checkbox"/>	environmental hazard assessments; data collection on permit tracking; feasibility studies, site analysis, or other background studies that are ancillary and part of a proposed activity with a nexus to accelerating housing production
17	<input checked="" type="checkbox"/>	Other activities demonstrating a nexus to accelerating housing production

**SB 2 Planning Grants Application**  
**AMENDMENT NO. 1**

**E. Project Description**

*Provide a description of the project and the scope of work to be performed below. Use Appendix A for additional information if necessary. Note: If partnering with another local government or entity, be sure to clarify the responsibilities and deliverables of your locality pursuant to such partnership.*

The City of Isleton is preparing to update its current Housing Element for the 2021-2019 planning period, as mandated by state law. The Housing Element update provides a timely and extensive process by which the City of Isleton can collectively and comprehensively plan for the development of housing on specific sites throughout the entirety of the city. This process and the resulting documentation will expedite future processing, identify and zone specific housing sites, and remove uncertainty and risk for property owners and developers, thereby expanding capacity and leading to greater housing production.

The City of Isleton, incorporated in 1923, has long been considered the heart of the Sacramento Delta. Patterns of growth in the Bay Area and Sacramento metropolitan area have led to renewed interest in housing development in Isleton. The city wishes to use its planning documents to steer that growth towards a sustainable and affordable path. In order to accelerate housing development and allow for affordable housing feasibility, barriers to development must be lessened.

For example, as part of the Housing Element update, the City must identify ways to reduce regulatory, physical, and environmental constraints to the production of housing and identify a sufficient amount of developable land that can accommodate its assigned housing growth (RHNA allocation). The Housing Element update also includes outreach to obtain input, allay concerns, and identify solutions from the local community --- bringing the public along with the overall planning effort and reducing future public opposition to new housing projects.

Moreover, a Housing Element update can be particularly helpful in maintaining such housing capacity throughout the 8-year planning cycle, giving property owners more time and flexibility to assemble the necessary financial resources without running the risk of many identified sites converting to a non-residential use. The Housing Element provides a policy-level foundation to expand housing production with some mandates for execution.

**City of Isleton  
SB2 Grant  
Grant 19-PGP-14247**

**Amendment Request:**

The City of Isleton is requesting an amendment to subject grant as follows:

**City of Isleton City HCD Grants and Projects List**

<b>SB 2</b>						
<i>Description</i>	<i>Amount</i>	<i>Reimbursed</i>	<i>Remaining</i>	<i>Status</i>	<i>Explanation</i>	
1 CEQA Review	\$35,000.00				Reallocated to GP Update	
2 General Plan Housing Element	\$25,000.00	\$34,723.00		Completed	Completed	
3 Zoning Code Modification	\$20,000.00				Reallocated to LEAP	
4 General Plan Analysis	\$20,000.00				Reallocated to GP Update	
5 Storm Drain Master Plan	\$25,000.00				Revised to \$50,000	
6 Sewer Master Plan	\$25,000.00				Revised to \$35,000	
7 Administration	\$10,000.00	\$2,094.40		Ongoing	Ongoing	
<b>Total</b>	<b>\$160,000.00</b>	<b>\$36,817.40</b>	<b>\$123,182.60</b>			
<b>Amendment</b>						
1 CEQA Review	\$35,000.00					
2 General Plan Housing Element	\$34,723.00	\$34,723.00				
3 Zoning Code Modification	\$20,000.00					
4 General Plan Analysis	\$20,000.00					
5 Storm Drain Master Plan	\$50,000.00					
6 Sewer Master Plan	\$35,000.00					
7 Administration (5%)	\$8,000.00	\$2,094.40				
8 General Plan Update (Other)	\$32,277.00					
<b>Total</b>	<b>\$160,000.00</b>	<b>\$36,817.40</b>	<b>\$123,182.60</b>			

The city completed the Housing Element update as referenced above and submitted for reimbursement for \$36,817.40 on August 5, 2021 (*reimbursements received-Thank You*). The CEQA Review (1) and General Plan Analysis (4) activities (referenced above) are being conducted with other funding through the Sacramento Area Council of Governments (SACOG). The Zoning Code Modifications (3) activity is expected to be more comprehensive in nature due to the update of the General Plan so that more expensive activity is going to be funded through the REAP Grant (through a concurrent amendment request). The remaining \$123,182.60 of the SB2 Grant will be used to help fund the Storm Drain and Sewer Master Plan (based on a more recent estimate from a qualified engineer). An additional \$32,277 of the Grant would go to help complete the City's comprehensive update of the General Plan (Public Utilities and Safety Elements) and other aspects of General Plan law and will help address safety issues for future housing production. The Programs resulting from this effort, *visa vi*, the update to the City's Public Utilities Element of the General Plan, will include identification of infrastructure capacity limitations in the City, such as sewer and drainage improvement needs to help serve future residential growth.

**City of Isleton  
SB2 Grant  
Grant 19-PGP-14247**

**Amendment Request:**

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3 Zoning Code Modification	\$20,000.00				Reallocated to LEAP	
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5 Storm Drain Master Plan	\$25,000.00				Revised to \$50,000	
6 Sewer Master Plan	\$25,000.00				Revised to \$35,000	
7 Administration	\$10,000.00	\$2,094.40		Ongoing	Ongoing	
<b>Total</b>	<b>\$160,000.00</b>	<b>\$36,817.40</b>	<b>\$123,182.60</b>			
<b>Amendment</b>						
1 <del>CEQA Review</del>	<del>\$35,000.00</del>					
2 General Plan Housing Element	\$34,723.00	\$34,723.00				
3 <del>Zoning Code Modification</del>	<del>\$20,000.00</del>					
4 <del>General Plan Analysis</del>	<del>\$20,000.00</del>					
5 Storm Drain Master Plan	\$50,000.00					
6 Sewer Master Plan	\$35,000.00					
7 Administration (5%)	\$8,000.00	\$2,094.40				
8 General Plan Update (Other)	\$32,277.00					
<b>Total</b>	<b>\$160,000.00</b>	<b>\$36,817.40</b>	<b>\$123,182.60</b>			

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**SB 2 Planning Grants Application  
AMENDMENT NO. 1**

**F. Project Timeline and Budget**

Project Goal(s)	Objective	Responsible Party	Est. Cost	Begin	End	Deliverable	*PPA	Notes
	CEM	Applicant	\$35,000	NA			No	
	GEN PLAN HOUSING ELEMENT	Applicant	\$27,223 <del>\$25,000</del>	6/20	9/22	Certified Housing Element document	No	pending approval of HCO
	ZONING CODE MODIFICATION	Applicant	\$20,000				N/A	
	GEN. PLAN LAND USE ANALYSIS	Applicant	\$20,000				N/A	
	SD MASTER PLAN	Applicant	\$50,000 <del>\$25,000</del>	7/22	9/23	Complete doc	N/A	City Council Approval
	SEWER MASTER PLAN	Applicant	\$55,000 <del>\$40,000</del>				N/A	
	ADMINISTRATION	Applicant	\$8,000	7/22	9/23	Complete doc	N/A	City Council Approval
	GENERAL PLAN UPD	Applicant	\$32,277	9/21	9/23	Complete doc	N/A	City Council Approval
		Other					N/A	
		Other					N/A	
		Other					N/A	
		Other					N/A	
		Other					N/A	
		Other					N/A	
		Other					N/A	
			<b>Total Est. Cost \$</b>					
			160000					

\*Priority Policy Area (PPA)



## SB 2 Planning Grants Application

### G. Legislative Information

District	#	Legislator Name
<b>Federal Congressional District</b>	3rd	John Garamendi
<b>State Assembly District</b>	11th	Jim Frazier
<b>State Senate District</b>	3rd	Bill Dodd

*Applicants can find their respective State Senate representatives at <https://www.senate.ca.gov/>, and their respective State Assembly representatives at <https://www.assembly.ca.gov/>.*

## SB 2 Planning Grants Application

### Attachment 1: State and Other Planning Priorities Certification (Page 1 of 3)

Pursuant to Section 201(d) of the Guidelines, all applicants must demonstrate that the locality is consistent with State Planning or Other Planning Priorities by certifying that at least one activity was completed in 1) State Planning Priorities (i.e., Infill and Equity, Resource Protection, Efficient Development Patterns) or 2) Other Planning Priorities (i.e., Affordability, Conservation, or Climate Change). Consistency may be demonstrated through activities (not necessarily proposed for SB 2 funding) that were completed within the last five years.

Complete the following self-certification by selecting one or more of the policy areas in the following tables by inserting the date completed for each applicable action, briefly describing the action taken, and certifying.

#### State Planning Priorities

Date Completed	Brief Description of the Action Taken
<b>Promote Infill and Equity</b>	
	<i>Rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas.</i>
	<i>Seek or utilize funding or support strategies to facilitate opportunities for infill development.</i>
	<i>Other (describe how this meets subarea objective)</i>
<b>Promote Resource Protection</b>	
	<i>Protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands; natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands; recreation lands such as parks, trails, greenbelts, and other open space; and landscapes with locally unique features and areas identified by the state as deserving special protection.</i>
	<i>Actively seek a variety of funding opportunities to promote resource protection in underserved communities.</i>
	<i>Other (describe how this meets subarea objective)</i>
<b>Encourage Efficient Development Patterns</b>	
	<i>Ensuring that any infrastructure associated with development, other than infill development, supports new development that does the following:</i>
	<i>(1) Uses land efficiently.</i>

**SB 2 Planning Grants Application**

**Attachment 1: State and Other Planning Priorities Certification (Page 2 of 3)**

<i>(2) Is built adjacent to existing developed areas to the extent consistent with environmental protection.</i>	
<i>(3) Is located in an area appropriately planned for growth.</i>	
<i>(4) Is served by adequate transportation and other essential utilities and services.</i>	
<i>(5) Minimizes ongoing costs to taxpayers.</i>	
<i>Other (describe how this meets subarea objective)</i>	

**Other Planning Priorities**

<b>Affordability and Housing Choices</b>	
<i>Incentives and other mechanisms beyond State Density Bonus Law to encourage housing with affordability terms.</i>	
<i>Efforts beyond state law to promote accessory dwelling units or other strategies to intensify single-family neighborhoods with more housing choices and affordability.</i>	
<i>Upzoning or other zoning modifications to promote a variety of housing choices and densities.</i>	
<i>Utilizing surplus lands to promote affordable housing choices.</i>	
<i>Efforts to address infrastructure deficiencies in disadvantaged communities pursuant to Government Code Section 65302.10.</i>	
<i>Other (describe how this meets subarea objective)</i>	



**SB 2 Planning Grants Application**  
**AMENDMENT NO. 1**

**Attachment 1: State and Other Planning Priorities Certification (Page 3 of 3)**

<b>Conservation of Existing Affordable Housing Stock</b>	
<i>Policies, programs or ordinances to conserve stock such as an at-risk preservation ordinance, mobilehome park overlay zone, condominium conversion ordinance and acquisition and rehabilitation of market rate housing programs.</i>	
<i>Policies, programs and ordinances to protect and support tenants such as rent stabilization, anti-displacement strategies, first right of refusal policies, resources to assist tenant organization and education and "just cause" eviction policies.</i>	
<i>Other (describe how this meets subarea objective)</i>	
<b>Climate Adaptation</b>	
<i>Building standards, zoning and site planning requirements that address flood and fire safety, climate adaptation and hazard mitigation.</i>	
<i>Long-term planning that addresses wildfire, land use for disadvantaged communities, and flood and local hazard mitigation.</i>	
<i>Community engagement that provides information and consultation through a variety of methods such as meetings, workshops, and surveys and that focuses on vulnerable populations (e.g., seniors, people with disabilities, homeless, etc.).</i>	
<i>Other (describe how this meets subarea objective)</i>	

**State and Other Planning Priorities Certification**

I certify under penalty of perjury that all of the information contained in this PGP State Planning and Other Planning Priorities certification form (pages 9, 10, and 11 of this application) is true and correct.

Certifying Officials Name: Charles Bergson, P.E.

Certifying Official's Title: City Manager

Certifying Official's Signature: \_\_\_\_\_

Certification Date: \_\_\_\_\_

**SB 2 Planning Grants Application**  
**AMENDMENT NO. 1**

**Attachment 2: Application Nexus to Accelerating Housing Production**

**Fill out Attachment 2 only if the applicant answered "No" to item 3 in Section C or is utilizing Policy Priority Areas AND other activities not designated as such. Applicants answering "Yes" to question 3 in Section C and utilizing ONLY Priority Policy Areas are automatically deemed to demonstrate a nexus to accelerating housing production, and do not need to complete this form.**

Pursuant to section VIII, subsection (4) of the NOFA, applicants shall demonstrate how the application includes a nexus to accelerating housing production. Please complete the following chart by providing information about the current conditions and expected outcomes with respect to the planned activity and housing production. Please attach documentation as necessary and see the NOFA for additional details. Use Appendix B if additional room is needed.

Type (Select at least one)	*Baseline	**Projected	***Difference	Notes
Timing (e.g., reduced number of processing days)	180	90	90	increased information on city capacity to serve residential
Development cost (e.g., land, fees, financing, construction costs per unit)				
Approval certainty and reduction in discretionary review (e.g., prior versus proposed standard and level of discretion)	180	90	90	
Entitlement streamlining (e.g., number of approvals)	180	90	90	
Feasibility of development				
Infrastructure capacity (e.g., number of units)				
Impact on housing supply and affordability (e.g., number of units)	10	20	10	RHWA = 10 WITH PROJECTS = 20

\*Baseline – Current conditions in the jurisdiction (e.g. 6-month development application review, or existing number of units in a planning area)

\*\*Projected – Expected conditions in the jurisdiction because of the planning grant actions (e.g. 2-month development application review)

\*\*\*Difference – Potential change resulting from the planning grant actions (e.g., 4-month acceleration in permitting, creating a more expedient development process)

**City of Isleton  
LEAP Grant  
Grant 21-LEAP-16950**

**Amendment Request:**

The City of Isleton is requesting an amendment to subject grant as follows:

LEAP		
	Description	Amount
1	Sewer Master Plan	\$35,000.00
2	Drainage Master Plan	\$30,000.00
<b>Total</b>		<b>\$65,000.00</b>
Amendment		
1	Zoning Code Update	\$61,750.00
2	Admin; 5% maximum	\$3,250.00
<b>Total</b>		<b>\$65,000.00</b>

The city obtained more realistic costs estimates from a qualified engineer to conduct the Sewer Master Plan (1) and Drainage Master Plan (2) which resulted in costs exceeding what is being requested in the LEAP Grant. In conjunction with the city's SB-2 Grant Amendment Request, these activities have been identified for increased funding and therefore omitted in this LEAP Grant Application. This request to amend the LEAP Grant involves a comprehensive update to the Zoning Code which is needed soon after the City's General Plan update is completed. The Zoning Code Update activity was included in the SB-2 Grant for \$20,000 but is being omitted from this Grant request. This Zoning Code Update activity is expected to involve much more work to complete so it has been included in the LEAP Grant Amendment request.

The Zoning Code Update is anticipated to increase housing production with providing regulations to streamline housing review. In addition, the Update will include amendments to the City's housing regulations to address programs in the newly updated General Plan Housing Element, such as Action H1-1.1 which states:

*"Make the following zoning code amendments to maintain internal consistency and comply with State law requirements for housing:*

- *Replace references to the R-1-6 zone in the zoning code with the R-1-7 zone and corresponding standards.*
- *Include a statement in the purpose of the zoning ordinance (§ 102) that discusses furthering fair housing and California fair housing law.*
- *Remove the requirement for a Conditional Use Permit for second units in order to allow them as a permitted use in all residential districts that allow single-family units (i.e., the UR, R, and RM).*
- *Remove the requirement for two additional parking spaces for second units; reduce to one with the*

option to remove the condition if state-outlined conditions are present as outlined in Cal. Gov't. Code § 658252.2(e)(1-5).

- *Rezone to allow development by right, pursuant to Cal. Gov. Code § 65583.2(c), when 20 percent or more of the units are affordable to lower income housing on sites identified in Appendix A of the Housing Element Background Report to accommodate the lower income RHNA that was previously identified in past housing element. This allowance may also be an overlay on the specific sites identified in the Housing Element Site Inventory.*
- *Remove the Conditional Use Permit requirement for group homes of more than six persons as may be required by state law.*
- *Adopt definition for transitional and supportive housing that clearly states that transitional and permanent supportive housing are by-right residential uses subject to the same standards that apply to residential uses of the same type in the same zone.*
- *Develop a ministerial review option or permitted use for proposed developments where at least 50% of the units are affordable to households making below 80 percent of the area median income, in compliance requirements in Cal. Gov't. Code § 65913.4(e)(1).*
- *Explicitly allow single room occupancy in conformance with Cal. Gov't Code § 65583 (c)(1) and § 65583.2 (c); this may include modifying the definition of "dwelling unit" to include single room occupancy by eliminating the requirement for a kitchen in each unit.*
- *Allow farmworker housing consistent with Cal. Health & Safety Code § 17021.6 which states that any employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall be deemed an agricultural land use and no conditional use permit, zoning variance, or other zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone.*
- *Modify the definition of "family" consistent with state law to remove the limit of five unrelated persons living together in a dwelling unit.*
- *Modify the definition of "dwelling, one-family" to include employee housing for six or fewer persons, in accordance with Cal. Health & Safety Code § 17021.5.*
- *Modify the 2014 emergency shelter ordinance to comply with parking requirements under Cal. Gov't Code, § 65583 (a)(4)(A)). Adopt a formal procedure for reasonable accommodation for housing for persons with disabilities in accordance with fair housing and disability laws. Allow for Low Barrier Navigation Centers to be a use by right in areas zoned for mixed use and nonresidential zones permitting multi-family uses if they meet requirements in Cal. Gov't Code § 65662(a-d). Allow for permanent supportive housing to be a use-by-right in all zones where multifamily and mixed uses are permitted, in compliance with Cal. Gov't Code 65583(c)(3), and consistent with requirements specified in Cal. Gov't Code 65651(a)(1-7). "*

# Local Early Action Planning Grant Application



**State of California  
Governor Gavin Newsom**

**Alexis Podesta, Secretary  
Business, Consumer Services and Housing Agency**

**Doug McCauley, Acting Director  
Department of Housing and Community Development**

**Zachary Olmsted, Deputy Director  
Department of Housing and Community Development  
Housing Policy Development**

2020 West El Camino, Suite 500  
Sacramento, CA 95833

Website: <https://www.hcd.ca.gov/grants-funding/active-funding/leap.shtml>

Email: [EarlyActionPlanning@hcd.ca.gov](mailto:EarlyActionPlanning@hcd.ca.gov)

~~January 27, 2020~~  
AMENDMENT NO 1  
Grant 21-LEAP-16950

## LEAP Application Packaging Instructions

The applicant is applying to the Department of Housing and Community Development (Department) for a grant authorized underneath the Local Early Action Planning Grants (LEAP) provisions pursuant to Health and Safety Code Sections 50515 through 50515.05. LEAP provides funding to jurisdictions for the preparation and adoption of planning documents, process improvements that accelerate housing production and facilitate compliance in implementing the sixth cycle of the regional housing need assessment. If you have questions regarding this application or LEAP, email [earlyactionplanning@hcd.ca.gov](mailto:earlyactionplanning@hcd.ca.gov).

If approved for funding, the LEAP application is incorporated as part of your Standard Agreement with the Department. In order to be considered for funding, all sections of this application, including attachments and exhibits if required, must be complete and accurate.

All applicants must submit a complete, signed, original application package and digital copy on CD or USB flash drive to the Department and postmarked by the specified due date in the NOFA. Applicants will demonstrate consistency with LEAP requirements by utilizing the following forms and manner prescribed in this application.

- Pages 3 through 14 constitute the full application (save paper, print only what is needed)
- Attachment 1: Project Timeline and Budget: Including high-level tasks, sub-tasks, begin and end dates, budgeted amounts, deliverables, and adoption and implementation dates.
- Attachment 2: Nexus to Accelerating Housing Production
- Attachment 3: State and Other Planning Priorities
- Attachment 4: Required Resolution Template
- Government Agency Taxpayer ID Form (available as a download from the LEAP webpage located at <https://www.hcd.ca.gov/grants-funding/active-funding/leap.shtml>)
- If the applicant is partnering with another local government or other entity, include a copy of the legally binding agreement; and
- Supporting documentation (e.g., letters of support, scope of work, project timelines, etc.)

Pursuant to Section XII of the LEAP 2020 Notice of Funding Availability (NOFA), the application package must be postmarked on or before July 1, 2020, and received by the Department at the following address:

**Department of Housing and Community Development  
Division of Housing Policy Development  
2020 West El Camino Ave, Suite 500  
Sacramento, CA 95833**



# AMENDMENT NO. 1

## A. Applicant Information and Certification

Applicant (Jurisdiction) Isleton  
Applicant's Agency Type City  
Applicant's Mailing Address P.O. Box 716  
City Isleton  
State California Zip Code 95641  
County Sacramento  
Website <http://www.cityofisleton.com/>  
Authorized Representative Name Charles Bergson  
Authorized Representative Title City Manager  
Phone (916) 777-7770 Fax (916) 777-7775  
Email [cbergson@cityofisleton.com](mailto:cbergson@cityofisleton.com)  
Contact Person Name same as authorized representative  
Contact Person Title  
Phone Fax  
Email  
Proposed Grant Amount \$ 65,000

*Pursuant to Health and Safety Code Section 50515.03 through (d) of the Guidelines, all applicants must meet the following two requirements to be eligible for an award:*

1. **Does the application demonstrate a nexus to accelerating housing production as shown in Attachment 2?** Yes  No
2. **Does the application demonstrate that the applicant is consistent with State Planning or Other Priorities shown in Attachment 3?** Yes  No
- Is a fully executed resolution included with the application package?** Yes  No
- Does the address on the Government Agency Taxpayer ID Form exactly match the address listed above?** Yes  No
- Is the applicant partnering with another eligible local government entity? If Yes, provide a fully executed copy of the legally binding agreement.** Yes  No

As the official designated by the governing body, I hereby certify that if approved by HCD for funding through the Local Early Action Planning Program (LEAP), the City of Isleton assumes the responsibilities specified in the Notice of Funding Availability and certifies that the information, statements and other contents contained in this application are true and correct.

Signature: \_\_\_\_\_ Name: Charles Bergson

Date: \_\_\_\_\_ Title: City Manager

**B. Proposed Activities Checklist**

**Check all activities the locality is undertaking. Activities must match the project description.**

- 1  Rezoning and encouraging development by updating planning documents and zoning ordinances, such as general plans, community plans, specific plans, implementation of sustainable communities' strategies, and local coastal programs
- 2  Completing environmental clearance to eliminate the need for project-specific review
- 3  Establishing housing incentive zones or other area based housing incentives beyond State Density Bonus Law such as a workforce housing opportunity zone pursuant to Article 10.10 (commencing with Section 65620) of Chapter 3 of Division 1 of Title 7 of the Government Code or a housing sustainability district pursuant to Chapter 11 (commencing with Section 66200) of Division 1 of Title 7 of the Government Code
- 4  Performing infrastructure planning, including for sewers, water systems, transit, roads, or other public facilities necessary to support new housing and new residents
- 5  Planning documents to promote development of publicly owned land such as partnering with other local entities to identify and prepare excess or surplus property for residential development
- 6  Revamping local planning processes to speed up housing production
- 7  Developing or improving an accessory dwelling unit ordinance in compliance with Section 65852.2 of the Government Code
- 8  Planning documents for a smaller geography (less than jurisdiction-wide) with a significant impact on housing production including an overlay district, project level specific plan, or development standards modifications proposed for significant areas of a locality, such as corridors, downtown or priority growth areas
- 9  Rezoning to meet requirements pursuant to Government Code Section 65583(c)(1) and other rezoning efforts to comply with housing element requirements, including Government Code Section 65583.2(c) (AB 1397, Statutes of 2018)
- 10  Upzoning or other implementation measures to intensify land use patterns in strategic locations such as close proximity to transit, jobs or other amenities
- 11  Rezoning for multifamily housing in high resource areas (according to Tax Credit Allocation Committee/Housing Community Development Opportunity Area Maps);
- 12  Establishing Pre-approved architectural and site plans
- 13  Preparing and adopting housing elements of the general plan that include an implementation component to facilitate compliance with the sixth cycle RHNA
- 14  Adopting planning documents to coordinate with suballocations under Regional Early Action Planning Grants (REAP) that accommodate the development of housing and infrastructure and accelerate housing production in a way that aligns with state planning priorities, housing, transportation equity and climate goals, including hazard mitigation or climate adaptation
- 15  Zoning for by-right supportive housing, pursuant to Government Code section 65651 (Chapter 753, Statutes of 2018)
- 16  Zoning incentives for housing for persons with special needs, including persons with developmental disabilities
- 17  Planning documents related to carrying out a local or regional housing trust fund
- 18  Environmental hazard assessments; data collection on permit tracking; feasibility studies, site analysis, or other background studies that are ancillary (e.g., less than 15% of the total grant amount) and part of a proposed activity with a nexus to accelerating housing production
- 19  Other planning documents or process improvements that demonstrate an increase in housing related planning activities and facilitate accelerating housing production
- 20  Establishing Prohousing Policies



**City of Isleton  
LEAP Grant  
Grant 21-LEAP-16950**

**Amendment Request:**

The City of Isleton is requesting an amendment to subject grant as follows:

LEAP		
	Description	Amount
1	Sewer Master Plan	\$35,000.00
2	Drainage Master Plan	\$30,000.00
	<b>Total</b>	<b>\$65,000.00</b>
Amendment		
1	Zoning Code Update	\$61,750.00
2	Admin; 5% maximum	\$3,250.00
	<b>Total</b>	<b>\$65,000.00</b>

The city obtained more realistic costs estimates from a qualified engineer to conduct the Sewer Master Plan (1) and Drainage Master Plan (2) which resulted in costs exceeding what is being requested in the LEAP Grant. In conjunction with the city's SB-2 Grant Amendment Request, these activities have been identified for increased funding and therefore omitted in this LEAP Grant Application. This request to amend the LEAP Grant involves a comprehensive update to the Zoning Code which is needed soon after the City's General Plan update is completed. The Zoning Code Update activity was included in the SB-2 Grant for \$20,000 but is being omitted from this Grant request. This Zoning Code Update activity is expected to involve much more work to complete so it has been included in the LEAP Grant Amendment request.

The Zoning Code Update is anticipated to increase housing production with providing regulations to streamline housing review. In addition, the Update will include amendments to the City's housing regulations to address programs in the newly updated General Plan Housing Element, such as Action H1-1.1 which states:

*"Make the following zoning code amendments to maintain internal consistency and comply with State law requirements for housing:*

- *Replace references to the R-1-6 zone in the zoning code with the R-1-7 zone and corresponding standards.*
- *Include a statement in the purpose of the zoning ordinance (§ 102) that discusses furthering fair housing and California fair housing law.*
- *Remove the requirement for a Conditional Use Permit for second units in order to allow them as a permitted use in all residential districts that allow single-family units (i.e., the UR, R, and RM).*
- *Remove the requirement for two additional parking spaces for second units; reduce to one with the*

*option to remove the condition if state-outlined conditions are present as outlined in Cal. Gov't. Code § 658252.2(e)(1-5).*

- *Rezoned to allow development by right, pursuant to Cal. Gov. Code § 65583.2(c), when 20 percent or more of the units are affordable to lower income housing on sites identified in Appendix A of the Housing Element Background Report to accommodate the lower income RHNA that was previously identified in past housing element. This allowance may also be an overlay on the specific sites identified in the Housing Element Site Inventory.*
- *Remove the Conditional Use Permit requirement for group homes of more than six persons as may be required by state law.*
- *Adopt definition for transitional and supportive housing that clearly states that transitional and permanent supportive housing are by-right residential uses subject to the same standards that apply to residential uses of the same type in the same zone.*
- *Develop a ministerial review option or permitted use for proposed developments where at least 50% of the units are affordable to households making below 80 percent of the area median income, in compliance requirements in Cal. Gov't. Code § 65913.4(e)(1).*
- *Explicitly allow single room occupancy in conformance with Cal. Gov't Code § 65583 (c)(1) and § 65583.2 (c); this may include modifying the definition of "dwelling unit" to include single room occupancy by eliminating the requirement for a kitchen in each unit.*
- *Allow farmworker housing consistent with Cal. Health & Safety Code § 17021.6 which states that any employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household shall be deemed an agricultural land use and no conditional use permit, zoning variance, or other zoning clearance shall be required of this employee housing that is not required of any other agricultural activity in the same zone.*
- *Modify the definition of "family" consistent with state law to remove the limit of five unrelated persons living together in a dwelling unit.*
- *Modify the definition of "dwelling, one-family" to include employee housing for six or fewer persons, in accordance with Cal. Health & Safety Code § 17021.5.*
- *Modify the 2014 emergency shelter ordinance to comply with parking requirements under Cal. Gov't Code, § 65583 (a)(4)(A). Adopt a formal procedure for reasonable accommodation for housing for persons with disabilities in accordance with fair housing and disability laws. Allow for Low Barrier Navigation Centers to be a use by right in areas zoned for mixed use and nonresidential zones permitting multi-family uses if they meet requirements in Cal. Gov't Code § 65662(a-d). Allow for permanent supportive housing to be a use-by-right in all zones where multifamily and mixed uses are permitted, in compliance with Cal. Gov't Code 65583(c)(3), and consistent with requirements specified in Cal. Gov't Code 65651(a)(1-7). "*

# AMENDMENT NO. 1

## C. Project Description

*Provide a description of the project and each activity using the method outlined below, and ensure the narrative speaks to Attachment 1: Project Timeline and Budget.*

- a. Summary of the Project and its impact on accelerating production*
- b. Description of the tasks and major sub-tasks*
- c. Summary of the plans for adoption or implementation*

*Please be succinct and use Appendix A or B if more room is needed.*

The City of Isleton will be utilizing LEAP funds in combination with previously approved SB 2 grant funds to develop both Sewer and Drainage Master Plans for the whole of the Isleton jurisdiction. these plans would organize planning efforts and provide site-specific assessment around sewer and drainage capacity issues that otherwise would be fall to individual planning processes for new housing development.

As the City exists in a 100-year flood plain, a Sewage and Drainage Master plans would help to reduce flood plain inundation zones, reduce impact fees associated with sewer and flood risk management, create higher infrastructural capacity for the municipal sewer system, and lower development costs associated with onerous flood-plain building standards.

**D. Legislative Information**

**District #**

**Legislator Name**  
John Garamendi

**Federal  
Congressional  
District**

Jim Frazier

**State Assembly  
District**

Bill Dodd

**State Senate  
District**

Applicants can find their respective State Senate representatives at <https://www.senate.ca.gov/>, and their respective State Assembly representatives at <https://www.assembly.ca.gov/>.

# AMENDMENT NO. 1

Attachment 1: Project Timeline and Budget: (If more room is needed, duplicate Attachment 1 or add attachment labeled Attachment 1A)

Task	Est. Cost	Begin	End	Deliverable	Notes
Sewer Master Plan	\$ 35,000	10/1/21	5/1/22	Sewer Master Plan	
Drainage Master Plan	\$ 30,000	10/1/21	5/1/22	Drainage Master Plan	

Total Projected Cost \$ 65000

Include high-level tasks, major sub-tasks (Drafting, Outreach, Public Hearings and Adoption) budget amounts, begin and end dates and deliverables. If other funding is used, please note the source and amount in the Notes section

AMENDMENT NO. 1

Attachment 1: Project Timeline and Budget: (if more room is needed, duplicate Attachment 1 or add attachment labeled Attachment 1A)

Task	Est. Cost	Begin	End	Deliverable	Notes
Zoning Code Update	\$ 61,750	7/22/22	9/23/23	Final Zoning Code	Implementation of Housing Element
Administration	\$ 3,250	7/22/22	6/7/22		

**Total Projected Cost \$ 65000**

Include high-level tasks, major sub-tasks (Drafting, Outreach, Public Hearings and Adoption), budget amounts, begin and end dates and deliverables. If other funding is used, please note the source and amount in the Notes section.

# AMENDMENT NO. 1

## Attachment 2: Application Nexus to Accelerating Housing Production

*Applicants shall demonstrate how the application includes a nexus to accelerating housing production by providing data regarding current baseline conditions and projected outcomes such as a reduction in timing, lower development costs, increased approval certainty, increases in number of entitlements, more feasibility, or increases in capacity. An expected outcome should be provided for each proposed deliverable. If necessary, use Appendix B to explain the activity and its nexus to accelerating housing production.*

Select at least one	*Baseline	**Projected	***Difference	Notes
Timing (e.g., reduced number of processing days)	180	90	90	
Development cost (e.g., land, fees, financing, construction costs per unit)				
Approval certainty and reduction in discretionary review (e.g., prior versus proposed standard and level of discretion)	45	10	35	Increased non-discretionary approvals
Entitlement streamlining (e.g., number of approvals)	45	10	35	"
Feasibility of development				
Infrastructure capacity (e.g., number of units)				
Impact on housing supply and affordability (e.g., number of units)	10	20	10	Additional units during 6th housing cycle

**\* Baseline – Current conditions in the jurisdiction (e.g. 6-month development application review, or existing number of units in a planning area)**

**\*\*Projected – Expected conditions in the jurisdiction because of the planning grant actions (e.g. 2-month development application review)**

**\*\*\*Difference – Potential change resulting from the planning grant actions (e.g., 4-month acceleration in permitting, creating a more expedient development process)**

**Attachment 3: State and Other Planning Priorities Certification (Page 1 of 3)**

*Applicants must demonstrate that the locality is consistent with State Planning or Other Planning Priorities by selecting from the list below activities that are proposed as part of this application or were completed within the last five years. Briefly summarize the activity and insert a date of completion.*

**State Planning Priorities**

**Date of**

**Completion**

**Brief Description of the Action Taken**

**Promote Infill and Equity**

*Rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas.*

*Seek or utilize funding or support strategies to facilitate opportunities for infill development.*

*Other (describe how this meets subarea objective)*

**Promote Resource Protection**

*Protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands; natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands; recreation lands such as parks, trails, greenbelts, and other open space; and landscapes with locally unique features and areas identified by the state as deserving special protection.*

*Actively seek a variety of funding opportunities to promote resource protection in underserved communities.*

*Other (describe how this meets subarea objective)*

**Encourage Efficient Development Patterns**

*Ensuring that any infrastructure associated with development, other than infill development, supports new development that does the following:*

*(1) Uses land efficiently.*



## AMENDMENT NO. 1

### **Attachment 3: State and Other Planning Priorities Certification (Page 2 of 3)**

*(2) Is built adjacent to existing developed areas to the extent consistent with environmental protection.*

*(3) Is located in an area appropriately planned for growth.*

*(4) Is served by adequate transportation and other essential utilities and services.*

*(5) Minimizes ongoing costs to taxpayers.*

*Other (describe how this meets subarea objective)*

### **Other Planning Priorities**

#### **Affordability and Housing Choices**

*Incentives and other mechanisms beyond State Density Bonus Law to encourage housing with affordability terms.*

*Efforts beyond state law to promote accessory dwelling units or other strategies to intensify single-family neighborhoods with more housing choices and affordability.*

*Upzoning or other zoning modifications to promote a variety of housing choices and densities.*

*City is completing General Plan Update and needs to a comprehensive Zoning Update to address reduced constraints to housing production*

*Utilizing surplus lands to promote affordable housing choices.*

*Efforts to address infrastructure deficiencies in disadvantaged communities pursuant to Government Code Section 65302.10.*

*Other (describe how this meets subarea objective)*

AMENDMENT NO. 1

**Attachment 3: State and Other Planning Priorities Certification (Page 3 of 3)**

**Conservation of Existing Affordable Housing Stock**

*Policies, programs or ordinances to conserve stock such as an at-risk preservation ordinance, mobilehome park overlay zone, condominium conversion ordinance and acquisition and rehabilitation of market rate housing programs.*

*Policies, programs and ordinances to protect and support tenants such as rent stabilization, anti-displacement strategies, first right of refusal policies, resources to assist tenant organization and education and "just cause" eviction policies.*

*Other (describe how this meets subarea objective)*

**Climate Adaptation**

*Building standards, zoning and site planning requirements that address flood and fire safety, climate adaptation and hazard mitigation.*

*Long-term planning that addresses wildfire, land use for disadvantaged communities, and flood and local hazard mitigation.*

*Community engagement that provides information and consultation through a variety of methods such as meetings, workshops, and surveys and that focuses on vulnerable populations (e.g., seniors, people with disabilities, homeless, etc.).*

*Other (describe how this meets subarea objective)*

**Certification:** I certify under penalty of perjury that all information contained in this LEAP State Planning and Other Planning Priorities certification form (Attachment 2) is true and correct.

Certifying Officials Name: Charles Bergson

Certifying Official's Title: City Manager

Certifying Official's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**SB 2 Planning Grants Application**  
**AMENDMENT NO. 1**

**Appendix A**

*Use this area for additional information if necessary.*

**Timing:** The average timing development is approximately \_\_\_\_ days from the application from the time of application submittal to the City for development review.

**Development Cost:** The City is in the process of completing the AB1600 for development fees. The estimated cost in the City is around \_\_\_\_\_ square feet for a single-family residential unit. The City is working to increase the program efficiency of costs and processing to keep the development costs to less than \$\_\_\_\_/sq. ft. for market-rate housing and approximately less than \$\_\_\_\_/sq. ft. for affordable housing.

The City has been awarded grant money from the Sacramento Area Council of Governments to update portions of the General Plan. The last General Plan was completed in \_\_\_\_\_. The City receives a handful of requests for zone changes and general plan amendments. With the updates to portions of development code and updating the General Plan the City is working towards an efficient and timely review process.

Entitlement streamlining (e.g., number of approvals):

**City of Isleton  
LEAP Grant  
Grant 21-LEAP-16950**

**Amendment Request:**

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LEAP	
Description	Amount
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- *Remove the Conditional Use Permit requirement for group homes of more than six persons as may be required by state law.*
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# City of Isleton

City Council  
Staff Report

DATE: June 14, 2022

ITEM#: 8.A

CATEGORY: New Business

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## POWER POINT PRESENTATION BY SACRAMENTO-YOLO MOSQUITO & VECTOR CONTROL DISTRICT; RECEIVE

### SUMMARY

Luz Maria Robles, Public Information Officer, will present the Mosquito Control Matters, FIGHT THE BITE, current issues and challenges related to Mosquito Control presentation.

### DISCUSSION

Presentation: Mosquito Control Matters: Fight the Bite, Current Issues and Challenges Related to Mosquito Control.

Sacramento-Yolo Mosquito & Vector Control District Mission is to provide safe, effective and economic mosquito and vector control. To accomplish this, they provide ongoing surveillance of mosquitoes and other vectors to determine the threat of disease transmission and lower annoyance levels. The District operates under the California Health and Safety Code.

### FISCAL IMPACT

There is no fiscal impact associated with this action

### RECOMMENDATION

To receive Sacramento-Yolo Mosquito & Vector Control District presentation.

### ATTACHMENTS:

- A. Mosquito Control Matters Presentation

Prepared by: Diana O'Brien, Administrative Assistant  
Reviewed by: Charles Bergson, City Manager  
Submitted by: Yvonne Zepeda, Deputy City Clerk





# Mosquito Control Matters

## FIGHT THE BITE

Current Issues and Challenges Related  
to Mosquito Control

Luz Maria Robles  
Public Information Officer



# Mission: Protect Public Health

- To provide safe, effective and economical mosquito and vector control. To accomplish this, we provide ongoing surveillance of mosquitoes and other vectors to determine the threat of disease transmission and lower annoyance levels.
- District operates under the California Health and Safety Code



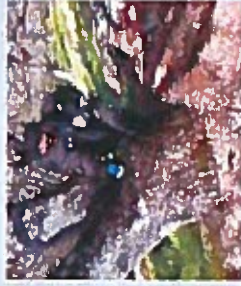


# Different Mosquito Breeding Sources



# Integrated Mosquito Management Approach

- Public Information
- Surveillance
- Biological Control
- Ecological Management
- Chemical Control





# WNV Activity in California

<u>Year</u>	<u>Mosquito Samples</u>	<u>Human Cases</u>	<u>Potential Cases</u>
2021	2,263	128	3,000-8,000
2020	2,628	231	6,000-15,000
2019	3,288	225	6,000-15,000
2018	1,963	218	6,000-15,000
2017	3,371	536	16,000-37,000

**\*\*WNV is extremely under reported. The Centers for Disease Control estimates that for every neuroinvasive case confirmed, there are approximately 30-70 cases that are not reported\*\***

# West Nile Virus Activity in Isleton



# New Concern: Invasive Mosquitoes

## *Aedes aegypti* (Yellow Fever Mosquito)

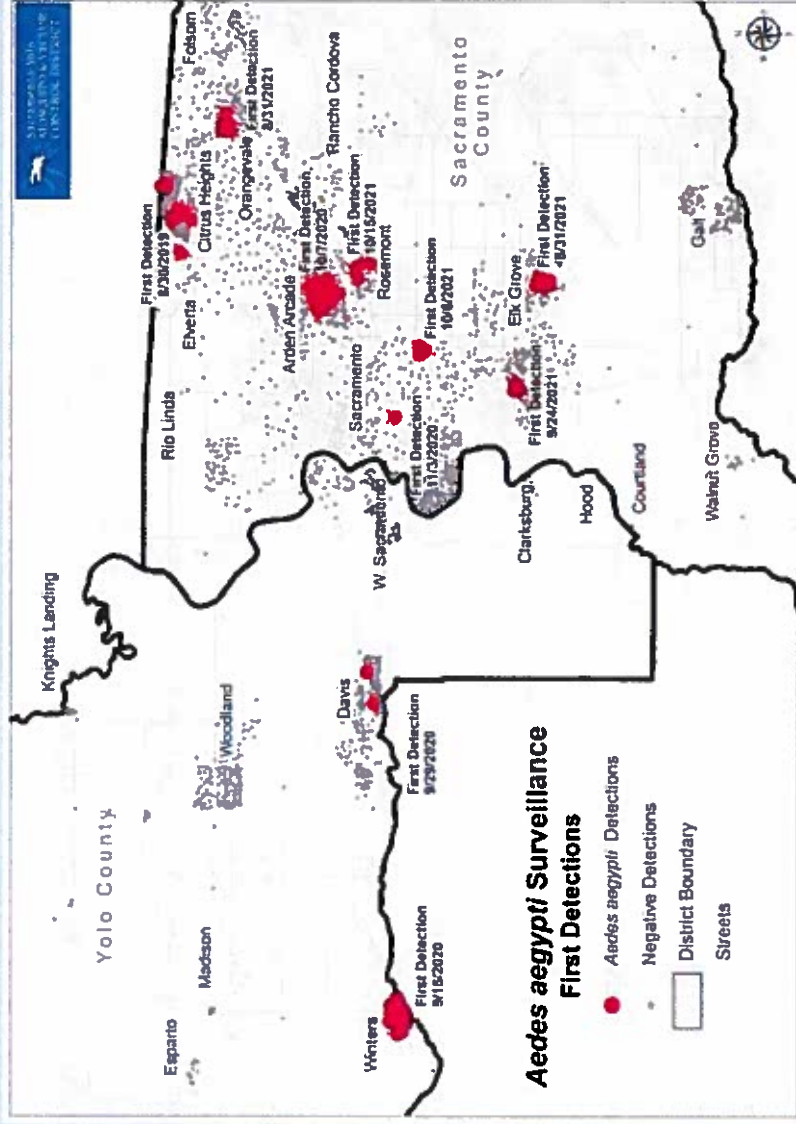
- An aggressive day biting mosquito that prefers to bite humans.
- Small dark mosquito with a violin shaped marking on its back and banded legs
- Prefers to live in urban areas both indoors and outdoors
- Can breed in as little as 1 teaspoon of water and can complete life cycle in 7-10 days
- Eggs are laid on the side of containers and are resistant to drying out. They can survive without water for many months
- Capable of transmitting several debilitating diseases including Zika, dengue and chikungunya
- Once established in a location it can be very difficult to control





# Detections of Invasive Mosquitoes

- **No invasive mosquitoes have been detected in Folsom.**
- **Initially discovered in Citrus Heights in 2019 and have been rapidly spreading throughout the District.**
- **In 2021 invasive mosquitoes were detected in various new areas and known infestations became larger.**
- **Invasive mosquitoes have not been detected to date in 2022.**





# Common Invasive Mosquito Breeding Sources



# Outreach by District

- Ongoing email to elected officials to inform of detections and District activities
- Door to door inspections in new detection areas
- Targeted social media to affected communities
- Post cards sent to residents in detection areas
- Work with city staff to disseminate information to residents



It's important to prevent Aedes mosquitoes from spreading because they can be an extreme nuisance and can spread diseases such as Zika, dengue and chikungunya. Learn more about how you can help reduce mosquitoes in your neighborhood by visiting- <https://www.fightthebite.net/education/reducing-mosquitoes/>





# Thank you!



**1-800-429-1022**

**[info@fightthebite.net](mailto:info@fightthebite.net)**



# City of Isleton

City Council  
Staff Report

DATE: June 14, 2022

ITEM#: 8.B

CATEGORY: New Business

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## SACRAMENTO ENVIRONMENTAL COMMISSION – CONSIDERATION OF SUPPORT FOR THE CALIFORNIA PLASTIC WASTE REDUCTION REGULATIONS INITIATIVE

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### SUMMARY

The City received a letter from the Sacramento Environmental Commission on May 17, 2022  
Subject: Recommendation to Support the California Plastic Waste Reduction Regulations Initiative (Attachment A).

### DISCUSSION

Secretary of State Shirley Weber news release dated July 19, 2021 that an initiative became eligible for the November 7, 2022 General Election ballot. The initiative would require State regulations to reduce plastic waste, tax producers of single-use plastics, and fund recycling and environmental programs. (Attachment B)

Staff is requesting City Council review initiative and to consider a position on the Plastic Waste Reduction Regulations Initiative.

### FISCAL IMPACT

No fiscal impact

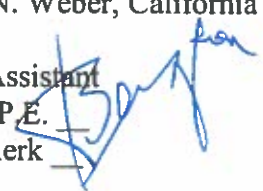
### RECOMMENDATION

It is recommended that City Council consider a position on the Plastic Waste Reduction Regulations Initiative.

### ATTACHMENTS

- A. Sacramento Environmental Commission Letter dated 05/17/2022
- B. News Release 07/19/2021 Dr. Shirley N. Weber, California Secretary of State

Prepared by: Diana O'Brien, Administrative Assistant  
Reviewed by City Manager, Charles Bergson, P.E.  
Submitted by: Yvonne Zepeda, Deputy City Clerk





RECEIVED  
5-17-22

1

## SACRAMENTO ENVIRONMENTAL COMMISSION

Mark White, Chair  
Richard Hunn, Vice Chair  
Dr. Anthony De Riggi  
Stephanie Holstege  
Thomas J. Malson  
Laura Nickerson  
Kayla Rabey  
Eric Rivero-Montes

A JOINT COMMISSION APPOINTED BY:  
County of Sacramento  
City of Sacramento  
City Folsom  
City of Elk Grove  
City of Galt  
City of Isleton

May 17, 2022

To:

Sacramento County Board  
of Supervisors  
700 H Street  
Sacramento, CA 95814

City of Elk Grove  
Council Members  
8401 Laguna Palms Way  
Elk Grove, CA 95758

City of Galt  
Council Members  
380 Civic Drive  
Galt, CA 95632

City of Sacramento  
Councilmembers  
915 I Street 5<sup>th</sup> Floor  
Sacramento, CA 95814

City of Folsom  
Council Members  
50 Natoma Street  
Folsom, CA 9563

City of Isleton  
Council Members  
P.O. Box 716  
Isleton, CA 95641

Subject: Recommendation to Support the California Plastic Waste Reduction Regulations Initiative

Dear Official(s),

The Sacramento Environmental Commission (SEC) has been focusing on matters relating to climate change, and the need to take action to reduce emissions of greenhouse gasses (GHG). In addition, the SEC recently heard presentations on the impact of waste plastic on the environment and public health.

A ballot initiative, the California Plastic Waste Reduction Regulations Initiative, scheduled for the November 8, 2022 general election, would limit the use of single-use plastic and promote packaging that is recyclable, reusable, refillable, or compostable by 2030.

The Intergovernmental Panel on Climate Change (IPCC) has determined that plastic will exceed the carbon footprint of coal by 2030 because plastic is almost entirely made of fossil fuels, and releases emissions during every stage of its lifecycle. Research has shown that only 9 percent of the plastic ever made has been recycled, and plastic recycling rates in the United States have fallen to only 5 percent in 2021. Plastic never fully degrades, it only breaks down into extremely

small pieces, called microplastics. Microplastics are now being found in the most remote places on Earth and inside humans.

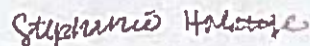
Plastic also has a negative impact on public health. Chemicals in plastics leach out into food and beverages, especially when exposed to heat. Many chemicals found in plastic have been linked to reduced fertility, cancer, and metabolic disorders. These chemicals also cross the placenta, so fetuses are being exposed to these toxic chemicals during critical stages of development. Recent studies have alarmingly found microplastics in human blood, deep within human lungs, and in placenta and meconium (the first bowel movement of a newborn)

A 2022 Oceana poll showed that 86 percent of California voters support government policies to reduce single-use plastic, 83 percent want their elected officials to support policies that reduce plastic pollution, and 91 percent are concerned about plastic pollution and its impacts on the environment and ocean. A 2020 survey conducted by the Public Policy Institute of California also showed that two-thirds of Californians view plastic pollution as a big problem. Based on the known harmful impacts of plastic to the environment, climate change, and public health, the SEC recommends that leadership in Sacramento County recognize the benefits to be achieved with passage of this initiative. The SEC encourages the Sacramento County Board of Supervisors and municipal representatives express support for this initiative.

Sincerely,



Mark White  
SEC Chair



Stephanie Holstege  
SEC Commissioner





**DR. SHIRLEY N. WEBER**  
CALIFORNIA SECRETARY OF STATE

SW21:038

**FOR IMMEDIATE RELEASE**

**July 19, 2021**

**CONTACT:**

**SOS Press Office**

**(916) 653-6575**

**New Measure Eligible for California's November 2022 Ballot**  
*Requires State Regulations to Reduce Plastic Waste, Tax Producers of Single-Use Plastics, and Fund Recycling and Environmental Programs. Initiative Statute.*

**SACRAMENTO, CA** – Secretary of State Shirley Weber announced that an initiative became eligible for the November 8, 2022 General Election ballot today.

In order to become eligible for the ballot, the initiative needed 623,212 valid petition signatures, which is equal to eight percent of the total votes cast for governor in the November 2018 General Election. The initiative exceeded that threshold yesterday.

The Attorney General's official title and summary of the measure is as follows:

**REQUIRES STATE REGULATIONS TO REDUCE PLASTIC WASTE, TAX PRODUCERS OF SINGLE-USE PLASTICS, AND FUND RECYCLING AND ENVIRONMENTAL PROGRAMS. INITIATIVE STATUTE.** Requires CalRecycle to adopt regulations reducing plastic waste, including to: (1) require that single-use plastic packaging, containers, and utensils be reusable, recyclable, or compostable, and to reduce such waste by 25%, by 2030; (2) prohibit polystyrene container use by food vendors; and (3) tax producers of single-use plastic packaging, containers, or utensils by January 1, 2022, and allocate revenues for recycling and environmental programs, including local water supply protection. Prohibits Legislature from reducing funding to specified state environmental agencies below 2019 levels. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **State revenue from new tax on single-use plastic packaging and foodware likely in the range of a few billion dollars annually. Revenues would be used to administer and implement programs intended to reduce waste, increase recycling, and restore habitats. Unknown net effect on local governments. There would likely be increased costs for waste collecting and sorting which might be partially or fully offset by new tax revenue, payments from producers to support recycling, or lower costs associated with a reduction in total plastic waste collected. (19-0028A1.)**

The proponents of the measure are Michael J. Sangiacomo, Caryl Hart, and Linda Escalante. The proponents can be reached c/o Emily A. Andrews of Olson Remcho, LLP at (916) 442-2952. The address for Olson Remcho, LLP is 555 Capitol Mall, Suite 400, Sacramento, CA 95814.

For more information about how an initiative qualifies for the ballot in California, visit <https://www.sos.ca.gov/elections/ballot-measures/how-qualify-initiative/>.

###



# City of Isleton

## Special City Council Staff Report

DATE: June 14, 2022

ITEM#: 8.C

CATEGORY: New Business

### FISCAL YEAR 2022-23 DRAFT BUDGET, CITY OF ISLETON

#### SUMMARY

The Fiscal Year 2022-23 Budget is presented to City Council for review and comment. It is recommended that the Council set a public hearing for this budget in July or early August.

#### DISCUSSION

The City's revenues over the last three years are trending upwards. Whereas the City had a downturn in revenue at the start of the pandemic in late 2020 and early 2021, this drop was mitigated somewhat by the Coronavirus Aid, Relief and Economic Security Act (CARES) disbursement and the Federal American Recovery Plan funds. Nonetheless, over a five year period the City has seen a steady growth in sales taxes, property taxes, revenues from building and new business, especially the cannabis industry.

It is noted that the past three years has seen the City post positive numbers after nearly thirty years of negative cash flow and the creation of many unpaid accounts. This array of debts – including the State Employment Development Department, State Workman Compensation Insurance fund, the Isleton Redevelopment Agency, the Sheriffs, the insurance agency (SCORE), sewer fund, levee district, capital impact fund, waste collection fund – were accrued over an extended period of time. As the City has righted its fiscal position into the positive, it has, and will continue, take patience and time to unravel and settle all of these debts.

The increase from Fiscal Year22 to Fiscal Year23 is approximately \$240,000. Proposed allocation for these funds (all figures are rounded to the nearest \$1,000);

- Police reserve \$58,000 - Funds set aside to prepare to find an improve level of police services.
- Code Enforcement, \$40,000 – Establishing the new code enforcement function. (The first year of operation is being funded by SACOG's Regional Early Action Planning grant -REAP.)
- Fire Operations and equipment \$50,000 – For adequate staffing and equipment.
- Finance Supervisor \$32,000 – Supplemental funds to bring the part time finance accounting to full time.
- Salaries \$30,000 - This is approximately a 4% increase in salaries and benefits.
- Retirement \$30,000 - This is the City's matching portion to meet the employees contribution to a retirement program. The City committed to a retirement plan in 2020 for more than this amount. Staff has engaged a retirement program and this will be the City supports of this plan.

The Budget is balanced and also provides for discretionary Council funds in the amount of \$10,000. Also shown the Budget is the chart "Distribution by Function". This shows the City plans for specific funds for the designated municipal function.

**Notes:**

1. Revenue account - There are funds from the CARES, ARP and County Permanent Housing that are not annual funds and, while income, are not operational and have been subtracted from FY22. They are accounted for independently in the annual audit.
2. The property taxes are lower on the Revenue table because the RDA funds have been segregated as separate income. Given this segregation the property taxes are actually higher about \$10,000 over the past year.

**FISCAL IMPACT**

There is no fiscal impact associated with this report.

**RECOMMENDATION:** That the City Council receive the presentation of the Fiscal Year 2022-23 Budget and set a public hearing.

**ATTACHMENTS –**

- a) Budget FY 2022-23

Submitted by: Charles Bergson, City Manager



# CITY OF ISLETON BUDGET FY 2022-2023

Isleton, Calif. May 28th, 1923.

The first meeting of the Board of Trustees of the Town of Isleton, was held in the Directors' Room in the Bank of Isleton, on Monday, May 28th, 1923, at 8 P.M.

The meeting was called to order by the Clerk, Mr. W. S. Martin, after which he administered the oath of the other Trustees and Officers elect, and had each subscribed to.

The Clerk then announced that nominations were in order for President of the Board of Trustees.

Nominations were L. F. Gardiner and Mrs. I. P. Gardiner. Mrs. I. P. Gardiner asked that her nomination not be considered whereupon by unanimous affirmative vote L. F. Gardiner was elected President and the chair was relinquished to him, the Clerk retiring to his own station.

Ordinances Nos. 1 to 3 inclusive, as they appear in the Ordinance Register were adopted by unanimous affirmative vote upon motion duly made and seconded after the presenting of each and every ordinance.

Ordinances Nos. 4 to 25 inclusive were presented and discussed and ordered held over to be acted upon at the first regular meeting.

Motion was made by Dr. Leitbach, seconded by Mr. Dickey that the Clerk ascertain from the County the amount of money due the Municipality after becoming incorporated and the mode of procedure necessary to have same refunded to the Town.

Signed L. F. Gardiner  
President of the Board of Trustees

ATTEST:

W. S. Martin  
Clerk.

868

# CITY OF ISLETON BUDGET FY 2022-2023

# DRAFT

# FISCAL YEAR 2022-2023

## DRAFT BUDGET, CITY OF ISLETON

MAYOR ERIC PENE

VICE MAYOR PAMELA BULAHAN

COUNCILMEMBER IVA WALTON

COUNCILMEMBER PAUL STEELE

COUNCILMEMBER KELLY HUTSON

City Manager Charles Bergson

City Clerk Yvonne Zepeda

Finance Division Nancy Clymer

Administrative Assistant Diana O'Brien

Fire Chief Scott Baroni

Public Works Superintendent Joe Fonbuena

Cover – Minutes of First Board of Trustee's Meeting, Town of Isleton, 28 May 1923

**DRAFT**

City of Isleton - budget FY 2022-23

**FY2022-23**

**REVENUES**

*DRAFT*

**FY22**

**FY23**

**Annual**

**Annual**

Lic perm fees, admn,bldg		\$ 15,000	\$ 40,000
Develp Aggrmnt fees		\$ 175,000	\$ 250,000
Property taxes		\$ 270,000	\$ 220,000
Sales and Use tx		\$ 110,000	\$ 212,000
SLEF-1 (COPS)		\$ 100,000	\$ 100,000
Program Income		\$ 65,000	\$ 31,000
(Bldg, Pking, Rec, Biz)			
LLAD - Village on Delta		\$ 23,000	\$ 25,000
Co.Meas A - new		\$ 50,000	\$ 50,000
Co.Meas B - old	to capital		
		\$ -	\$ -
Measure L (prev C)		\$ 90,000	\$ 100,000
Frachise fees, pge,CaIWste		\$ 40,000	\$ 40,000
Sewer Enterprise Fund		\$ 550,000	\$ 560,000
LTF (Local Transp Fund)		\$ 80,000	\$ 80,000
TDA		\$ 10,000	\$ 10,000
HUTA		\$ 25,000	\$ 25,000
CIP overhead		\$ 20,000	\$ 40,000
City rda	incld propty		\$ 100,000
Fire , 2021, Ms-B		\$ 90,000	\$ 100,000
SB-1, roads		\$ 50,000	\$ 50,000
SB-2, Planning		\$ 20,000	\$ 40,000
Prop 172		\$ 15,000	\$ 15,000
SB 1383 (FY23 only)			\$ 20,000
Strike Force, Fire			\$ 30,000
Parking Enforcment			\$ 50,000
CARES Act rev		\$ -	\$ -
ARP		\$ 201,000	\$ -
Perm Local Housing Alloc		\$ 138,000	\$ -
	total	\$ 2,137,000	\$ 2,188,000

notes:

FY22 Adj <hsg> <1/2 ARP>		\$ 1,940,750	
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*DRAFT*



City of Isleton - budget FY 2022-23

**FY 2022-23  
EXPENSES**

**DRAFT**

		<b>FY22 Annual</b>	<b>FY23 Annual</b>	<b>increase</b>	<b>Major change</b>
1	Administration	\$ 270,000	\$ 318,000	\$ 48,000	Code Enf
2	City Council	\$ 100,000	\$ 105,000	\$ 5,000	
3	Sheriff/Police	\$ 212,100	\$ 270,000	\$ 57,900	Reserve
4	Fire	\$ 290,000	\$ 340,000	\$ 50,000	Personnel
5	Public Works	\$ 190,000	\$ 205,000	\$ 15,000	Personnel
6	Planning	\$ 76,650	\$ 40,100	\$ (36,550)	
7	Debt Service & paydowns	\$ 300,000	\$ 310,000	\$ 10,000	
8	Parks & Recreation	\$ 22,000	\$ 15,000	\$ (7,000)	
9	Building	\$ 40,000	\$ 70,000	\$ 30,000	weekly B.O.
10	Finance	\$ 90,000	\$ 121,900	\$ 31,900	full time acct
11	Wastewater	\$ 225,000	\$ 240,000	\$ 15,000	Pers&maintc
12	Veh Internal Services Fund	\$ 25,000	\$ 36,000	\$ 11,000	
13	Fac Internal Services Fund	\$ 25,000	\$ 12,000	\$ (13,000)	
14	Adm Internal Serv. Fund	\$ 75,000	\$ 105,000	\$ 30,000	retirement
15	CARES - programs	\$ 26,250	\$ -		
16	American Recovery PI	\$ 170,000			
	<b>total</b>	<b>\$ 2,137,000</b>	<b>\$ 2,188,000</b>		

FY22 adjsument <hsg> <1/2 ARP>

**\$ 1,940,750**

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City of Isleton - budget FY 2022-23

Distribution by Function

Public Works&

	General	Safety	Roads	Sewer		
Lic perm fees, admn,bldg	\$ 30,000	\$ 10,000				\$40,000
Develp Aggrmnt fees	\$ 120,000	\$ 90,000	\$ 10,000	\$30,000		\$250,000
Property taxes	\$ 200,000	\$ 20,000				\$220,000
Sales and Use tx	\$ 100,000	\$ 112,000				\$212,000
SLEF-1 (COPS)	\$ -	\$ 100,000				\$100,000
Program Income	\$ 31,000					\$31,000
(Bldg, Pking, Rec, Biz)	\$ -					\$0
LLAD - Village on Delta	\$ 25,000					\$25,000
Co.Meas A - new	\$ -		\$ 50,000			\$50,000
Co.Meas B - old	\$ -					\$0
	\$ -	\$ -				\$0
Measure L (prev C)	\$ 50,000	\$ 25,000	\$ 25,000			\$100,000
Frachise fees, pge,CalWst	\$ 40,000	\$ -				\$40,000
Sewer Enterprise Fund	\$ -	\$ -		\$ 560,000		\$560,000
LTF (Local Transp Fund)	\$ -	\$ -	\$ 80,000			\$80,000
TDA	\$ -	\$ -	\$ 10,000			\$10,000
HUTA			\$ 25,000			\$25,000
CIP overhead	\$ 30,000		\$ 10,000			\$40,000
City rda	\$ 33,000	\$ 33,000	\$ 34,000			\$100,000
Fire , 2021, Ms-B		\$ 100,000				\$100,000
SB-1, roads			\$ 50,000			\$50,000
SB-2, Planning	\$ 40,000					\$40,000
Prop 172		\$ 15,000				\$15,000
SB 1383 (FY23 only)	\$ 20,000					\$20,000
Strike Force, Fire		\$ 30,000				\$30,000
Parking Enforcment	\$ 20,000	\$ 20,000	\$ 10,000			\$50,000
	\$ -					\$0
						\$0
						\$0
	\$ 739,000	\$ 555,000	\$ 304,000	\$ 590,000		\$2,188,000

**DRAFT**

Administration			1		
FY 2022-23 Budget			DRAFT		
ACCOUNT DESCRIPTION			FY 2021	FY 2022	FY 2023
		\$0	\$0		
<b>EXPENDITURES</b>					
<b>SALARIES &amp; WAGES</b>					
Dep City Clerk	\$73,000		\$260,000	\$260,000	\$306,000
City Manager	\$140,000				
Admin Assistant	\$53,000				
Code Enforcement	\$40,000				
<b>OPERATING EXPENSES</b>					
<b>Contracts</b>	maint bldgs				
	computers				
<b>Equipment</b>					
<b>Supplies</b>			\$10,000	\$10,000	\$12,000
<b>Mileage</b>			\$0		
<b>TOTAL OPERATING EXPENSES</b>			\$270,000	\$270,000	\$318,000
<b>Administration</b>			\$270,000	\$270,000	\$318,000

**DRAFT**

**CITY COUNCIL**

2

FY 2022-23 Budget				DRAFT		
DEPT#	FUND#	ACCOUNT DESCRIPTION		FY 2021	FY 2022	FY 2023
ACCT#						
		<b>EXPENDITURES</b>				
		<b>SALARIES &amp; WAGES</b>				
		Council	\$0	\$0	\$0	
		<b>OPERATING EXPENSES</b>				
		<b>Contract</b>		\$0	\$0	
		Attorney		\$75,000	\$92,650	\$95,000.00
		Equipment		\$2,000	\$2,100	\$2,000.00
		Supplies		\$3,000	\$3,150	\$5,000.00
		Mileage		\$2,000	\$2,100	\$3,000.00
		<b>TOTAL OPERATING EXPENSES</b>		\$82,000	\$100,000	\$105,000
		<b>CITY COUNCIL BUDGET</b>		\$82,000	\$100,000	\$105,000

**DRAFT**

**Sheriff - - Police**

3

FY 2022-23 Budget				DRAFT		
DEPT#	FUND#	ACCT#	ACCOUNT DESCRIPTION	FY 2021	FY 2022	FY 2023
				\$0		
			<b>EXPENDITURES</b>			
			<b>SALARIES &amp; WAGES</b>			
				\$0		
			<b>OPERATING EXPENSES</b>			
			<b>Sheriffs</b>	\$202,000	\$212,100	\$212,100
			<b>City Safety Reserve</b>	\$0		\$57,900
			<b>Equipment</b>			
			<b>Supplies</b>	\$0		
			<b>Mileage</b>	\$0		
			<b>TOTAL OPERATING EXPENSES</b>	\$202,000	\$212,100	\$270,000
			<b>Sheriff</b>	\$202,000	\$212,100	\$270,000

**DRAFT**

Fire Department				4		
FY 2022-23 Budget				DRAFT		
DEPT#	FUND#	ACCT#	ACCOUNT DESCRIPTION	FY 2021	FY 2022	FY 2023
				\$0	\$0	
			<b>EXPENDITURES</b>			
			<b>SALARIES &amp; WAGES</b>	\$163,000	\$182,500	\$266,000
			Fire Chief	\$111,000		
			Engineers, 2	\$125,000		
			3rd Engineer	\$30,000		
			<b>OPERATING EXPENSES</b>			
			Contracts	\$10,000	\$10,500	\$5,000
			Equipment	\$37,000	\$40,000	\$30,000
			Equip Reserve	\$40,000	\$42,000	\$24,000
			Supplies	\$10,000	\$15,000	\$15,000
			<b>TOTAL OPERATING EXPENSES</b>	\$260,000	\$290,000	\$340,000
			Fire	\$260,000	\$290,000	\$340,000

**DRAFT**

Public Works Department				5		
FY 2022-23 Budget				DRAFT		
DEPT#	FUND#	ACCT#	ACCOUNT DESCRIPTION	FY 2021	FY 2022	FY 2023
			<b>EXPENDITURES</b>			
			<b>SALARIES &amp; WAGES</b>			
				\$120,000	\$104,000	\$120,000
			PW Maint 1	\$40,000		
			PW Maint 2	\$40,000		
			Superintendent	\$35,000		
			<b>OPERATING EXPENSES</b>			
			Contracts/Services	\$20,000	\$31,000	\$20,000
			(major prjx to CIP)	\$0		
			Equipment	\$10,000	\$18,250	\$30,000
				\$0		
			Supplies	\$35,000	\$36,750	\$35,000
			Mileage	\$0		
			<b>TOTAL OPERATING EXPENSES</b>	<b>\$185,000</b>	<b>\$190,000</b>	<b>\$205,000</b>
			<b>Public Works</b>	<b>\$185,000</b>	<b>\$190,000</b>	<b>\$205,000</b>

**DRAFT**

Planning Division				6		
FY 2022-23 Budget				DRAFT		
DEPT#	FUND#	ACCT#	ACCOUNT DESCRIPTION	FY 2021	FY 2022	FY 2023
			<b>EXPENDITURES</b>			
			<b>SALARIES &amp; WAGES</b>	\$45,000	\$47,250.00	\$5,000.00
			Planner			
			<b>OPERATING EXPENSES</b>			
			<b>Services</b>	\$25,000	\$26,250.00	\$35,000.00
			Plannning Services			
			<b>Equipment</b>			
			<b>Supplies</b>	\$3,000	\$3,150.00	\$100.00
			Mifeage	\$0		
			<b>TOTAL OPERATING EXPENSES</b>	\$73,000	\$76,650.00	\$40,100.00
			<b>Planning Div</b>	\$73,000	\$76,650	\$40,100

**DRAFT**





**Parks and Recreation Div**

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**FY 2022-23 Budget**

**DRAFT**

DEPT# FUND# ACCT#	ACCOUNT DESCRIPTION		FY 2021	FY 2022	FY 2023
	<b>EXPENDITURES</b>				
	<b>SALARIES &amp; WAGES</b>				
			\$0		
			\$0		
	<b>OPERATING EXPENSES</b>				
	<b>Contracts</b>		\$0		
	<b>Equipment</b>				
	<b>Supplies</b>		\$6,000	\$21,700	\$15,000
	<b>Mileage</b>		\$0	\$300	\$0
	<b>TOTAL OPERATING EXPENSES</b>		\$6,000	\$22,000	\$15,000
	<b>Parks &amp; Rec Div</b>		<b>\$6,000</b>	<b>\$22,000</b>	<b>\$15,000</b>

***DRAFT***

**Building Department**

9

**FY 2022-23 Budget**

**DRAFT**

<b>DEPT#</b>	<b>FUND#</b>	<b>ACCT#</b>	<b>ACCOUNT DESCRIPTION</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
			<b>EXPENDITURES</b>			
			<b>SALARIES &amp; WAGES</b>			
			Building Official	\$0		
			Admin Asst			
			<b>OPERATING EXPENSES</b>			
			<b>Contracts</b>			
			weekly starting May2022	\$7,000	\$39,000.00	\$69,000.00
			<b>Equipment</b>			
			<b>Supplies</b>	\$1,000	\$1,000.00	\$1,000.00
			<b>Mileage</b>	\$0		
			<b>TOTAL OPERATING EXPENSES</b>	\$8,000	\$40,000.00	\$70,000.00
			<b>Building</b>	\$8,000	\$40,000	\$70,000

**DRAFT**

		<b>Finance</b>			10		
		<b>FY 2022-23 Budget</b>			<b>DRAFT</b>		
<b>DEPT#</b>	<b>FUND#</b>	<b>ACCOUNT DESCRIPTION</b>		<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	
		<b>EXPENDITURES</b>					
		<b>SALARIES &amp; WAGES</b>		\$0			
		<b>OPERATING EXPENSES</b>					
		<b>Contracts</b>	Audit	\$15,000	\$20,000.00	\$21,900.00	
			Fiscal clerk A&P	\$35,000	\$45,000.00	\$90,000.00	
			Finance Mgr, priv	\$20,000	\$25,000.00	\$10,000.00	
		<b>Equipment</b>					
		<b>Supplies</b>		\$0			
		<b>Mileage</b>		\$0			
		<b>TOTAL OPERATING EXPENSES</b>		\$70,000	\$90,000.00	\$121,900.00	
		<b>Finance</b>		\$70,000	\$90,000	\$121,900	

**DRAFT**

**Wastewater Division**

11

FY 2022-23 Budget				DRAFT		
DEPT#	FUND#	ACCT#	ACCOUNT DESCRIPTION	FY 2021	FY 2022	FY 2023
			<b>EXPENDITURES</b>			
			<b>SALARIES &amp; WAGES</b>	\$70,000	\$82,000	\$95,000
			Director	\$20,000		
			PW Maint 1	\$30,000		
			PW Maint 2	\$20,000		
			<b>OPERATING EXPENSES</b>			
			Contracts	\$30,000	\$31,500	\$33,500
			Repairs	\$30,000	\$33,500	\$33,500
			Debt Service in §7		\$0	\$0
			Equipment	\$20,000	\$28,000	\$28,000
			Mech Capital	\$20,000	\$20,000	\$20,000
			Supplies	\$30,000	\$30,000	\$30,000
			Mileage	\$0		
			<b>TOTAL OPERATING EXPENSES</b>	<b>\$200,000</b>	<b>\$225,000</b>	<b>\$240,000</b>

**DRAFT**

Vehicle Internal Services Fund					12		
FY 2022-23 Budget					DRAFT		
DEPT#	FUND#	ACCT#	ACCOUNT DESCRIPTION		FY 2021	FY 2022	FY 2023
			<b>EXPENDITURES</b>				
			<b>OPERATING EXPENSES</b>				
			Contracts		\$0		
			Vehicle annual		\$10,000	\$25,000	\$36,000
			Equipment				
			Supplies		\$0		
			Mileage		\$0		
			<b>TOTAL OPERATING EXPENSES</b>		\$10,000	\$25,000	\$36,000
			VISF		\$10,000	\$25,000	\$36,000

**DRAFT**

**Facilities Internal Services Fund**

13

**FY 2022-23 Budget**

**DRAFT**

DEPT#	FUND#	ACCT#	ACCOUNT DESCRIPTION		FY 2021	FY 2022	FY 2023
			<b>EXPENDITURES</b>				
				FISF	\$12,000	\$25,000	\$12,000
			Facility Imprvm-maintc				
			computers	\$2,000	\$0		
			Comm Ctr - repairs	\$5,000			
			Audio CC support	\$5,000	\$0		
			Supplies		\$0		
			Mileage		\$0		
			<b>TOTAL OPERATING EXPENSES</b>		\$12,000	\$25,000	\$12,000
			FISF		\$12,000	\$25,000	\$12,000

**DRAFT**

**Admin Internal Services Fund**

14

**FY 2022-23 Budget**

**DRAFT**

DEPT#	FUND#	ACCT#	ACCOUNT DESCRIPTION		FY 2021	FY 2022	FY 2023
			<b>EXPENDITURES</b>				
			Insurance		\$50,000	\$64,500.00	\$65,000.00
			CC contingency		\$10,000	\$10,500.00	\$10,000.00
			Retirement-PERS	\$30,000			\$30,000.00
			<b>OPERATING EXPENSES</b>				
			Contracts		\$0		
			Equipment				
			Supplies		\$0		
			Mileage		\$0		
			AdISF		\$60,000	\$75,000	\$105,000
			Insurance				

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# City of Isleton

## City Council Staff Report

DATE: June 14, 2022

ITEM#: 8.D

CATEGORY: New Business

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### **PUBLIC SURPLUS AN ONLINE PUBLIC AUCTION PROCESS; APPROVE**

#### **SUMMARY**

Public Surplus is an online public auction process for government entities use to dispose of used equipment, extra supplies and abandoned items. City is considering retaining this firm to dispose of excess vehicles.

#### **DISCUSSION**

The City has two vehicles and other equipment that can be disposed of and the City can recover some of the funds by using Public Surplus. The City can use this online auction process when other items can be disposed of.

Staff requests City Council to approve City staff to use Public Surplus an online public auction process to dispose of all used equipment, extra supplies and abandoned items. A synopsis of this company is attached.

#### **FISCAL IMPACT**

There is no cost for the City, the buyer pays fees.

#### **RECOMMENDATION**

It is recommended that City Council approve the use of Public Surplus an online public auction process to dispose of all used equipment, extra supplies and abandoned items.

#### **ATTACHMENTS**

- A. Public Group/Public Surplus About Us
- B. Frequently Asked Questions (FAQ)
- C. Sample Online Sales Terms and Conditions
- D. Sample Standard Disclaimer
- E. Auction Payment and Pick-up Procedure

Prepared by: Diana O'Brien, Administrative Assistant  
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Submitted by: Yvonne Zepeda, Deputy City Clerk





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## About Us

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## Who We Are

The Public Group is a privately-owned, profitable, debt-free company. The information presented here, shows the events and ideas that brought The Public Group from an innovative concept to a leading creator of Internet-based, "time and money" saving software systems, exclusively geared toward Government Agencies' buying and selling procedures.

Derek MacFarland, founder and president, graduated from Brigham Young University. While as student at BYU, he developed a strong interest in the emerging Internet and wanted to create Internet-based software. Soon after graduation, he pursued his interest and established a small Internet-based software design company that grew into The Public Group.

In 1996, after learning that one of his customers was having a difficult time responding to government bid requests, Derek saw a need, and a new business opportunity. He created an Internet-based procurement system for government agencies that made the entire procurement process - from bid notification to contract evaluation and award - more efficient for both agencies and their vendors.

After nearly three years of designing, programming and consulting with various Purchasing Directors, Derek and his small team of programmers completed a fully operational eProcurement system. Timing was off, however, as the system was introduced into the marketplace at the end of 1999 – in the height of the dot.com craze. Competition from companies claiming to have governmental eProcurement systems, each funded by tens of millions of dollars, overwhelmed Derek's company's modest resources.

Derek decided to for go competition against the much-better financed dot.coms and sold his Procurement Software to one of them. This experience proved invaluable in many ways. Derek was able to use the sales proceeds to increase the company's capital. He also learned a lot about the business of eProcurement by observing the dot.com companies mistakes and failures. The dot.com company that purchased Derek's Procurement Software failed, but his nine-year-old software system - now owned by another company - is still in use today, and is considered by some in the industry, to be one of the better procurement products available.

Soon after the eProcurement software sale, Derek and his team began working on a new product, and "Public Surplus" was born. This new, online auction, system was created to help government agencies efficiently manage and sell their surplus inventory. Once Public Surplus was fully established, Derek started working on a second-generation eProcurement system, incorporating his knowledge and experience gained from his previous system.

The new eProcurement system was completed near the end of 2002, and Derek created "RFP Depot" to market the new software. Soon after, RFP Depot won a bid created by a 17-agency cooperative in Texas. At this time, Derek accepted investor funding to assist with marketing RFP Depot. Unfortunately, the investor partnership dissolved after only two years. The investors were given completed ownership of RFP Depot, and Derek, his Chief Technology Officer, and his team, retained the Public Surplus ownership.

Major advances in hardware, software and Internet technology hit the market over the next two years. These new technologies improved efficiency and reduced costs. Derek used some of these new technologies to completely redesign Public Surplus, improving its capability and functionality while simplifying the system. This made it easier to learn and even more user-friendly. This reduced the support and maintenance cost for Public Surplus by more than 70%.

As Public Surplus grew and was well on its way to becoming the leading Internet-based surplus management and auction system for government agencies, Derek saw the time was right to begin working on a third-generation eProcurement system. He applied many of the advanced technologies that Public Surplus now used, to create a new, even more advanced, eProcurement system. This new system would surpass his two previous efforts.

"Public Purchase" was completed at the end of 2007. It is faster, more efficient, more capable and much easier to learn and use than any other governmental eProcurement system available.

While they were developing Public Purchase, Derek and his team also designed and developed additional software to complement and expand Public Purchase's ability to address governmental procurement needs. The quality and comprehensiveness of the new eProcurement software inspired Derek and his programming team to start on their most ambitious project to-date – a project with two challenging objectives:

First: Combine all of The Public Group's existing and new software into a suite of products that allows government agencies to easily modernize their procedures that relate, either directly or indirectly, to everything that they buy and sell. These procedures are related to Budgeting, Purchasing, Requisitioning, Contract Management, Warehousing, Vendor Management, Surplus Management and Sales, and much more.

Second: Reduce costs in software implementation and maintenance.

This revolutionary software is comprehensive in its scope, functionality and ease of implementation, and is unique enough to allow The Public Group to apply for Patent protection.

Currently, more than 2,500 public agencies throughout the U.S. and Canada are using The Public Group's software. Our future will be defined by continued, rapid growth as we create new software solutions for government agencies.

## Frequently Asked Questions

### **Q. Are Internet Auctions legal?**

**A.** Absolutely! There are no regulations or statutes in any State prohibiting the use of Internet Auctions as a tool in the bidding process. Point of fact, the Federal Government and most States encourage Public Agencies to adopt modern technology to reduce costs and increase efficiency. The primary legal and operational concerns are related to the prevention of collusion between bidders, and public employees and bidders. A third-party enabled Internet Auction inherently has more protection against collusion than the traditional methods used by Agencies for procurement and sales.

### **Q. Why should an Agency use Public Surplus?**

**A.** *Public Surplus was designed specifically for Public Agencies.* It is the only automated system available that enables Agencies to manage their entire surplus inventory, while at the same time maintaining compliance with their State's regulations and policies. The system's specific features allow the reallocation or auctioning of surplus items without actual, or the appearance of, waste, favoritism, or collusion.

**Most States require, either by regulation or policy, that Public Agencies maintain audit-records detailing the disposition of every surplus item of a certain type and value. *Public Surplus satisfies this requirement with its automated Inventory Control component, which gives Agencies the ability to easily provide a printed record for any surplus item disposed of during the preceding 7 years.***

**Most States require through regulation or policy that Public Agencies, *whenever possible, reallocate items that are declared surplus, within the Agency.* Public Surplus specifically designed its Reallocation component to satisfy this requirement. We provide a way for Agencies to *instantly and automatically* notify all appropriate departments within the organization of surplus items available for redistribution. Interested departments are then allowed to easily and automatically request these surplus items on a "first come, first served" basis.**

**Public Surplus also provides a *COMMUNITY-based auction that increases the contact between an Agency and the community it serves.* One of Public Surplus' most important services is helping Agencies attract larger numbers of community members to their surplus auctions. By being accessible 24 hours, 7 days a week, an Agency's auctions via Public Surplus allow a larger percentage of the community to take advantage of the bargains surplus items provide.**

### **Q. What kind of surplus items can be sold on Public Surplus?**

**A.** Just about anything! Mousetraps, portable classrooms, automobiles, buses, heavy equipment, shop equipment, kitchen equipment, athletic equipment, musical instruments, computers, printers, furniture, etc, etc. It's amazing! Almost everything listed, no matter how old or *odd*, sells.

### **Q. How often can auctions on Public Surplus be held?**

**A.** No limit! For most Agencies continuous auctions are best. No need to pile up an inventory of surplus to have enough for a live auction or sale. Instead of waiting, Agencies are able to list items for internal reallocation or public auction as soon as any item is declared surplus. This keeps warehouses and inventories streamlined and organized, allowing Agencies to operate more efficiently and save costs.

### **Q. How much more revenue do Public Agencies generate using Public Surplus compared to traditional methods?**

**A.** Based on experience so far, it is expected that Agencies using Public Surplus' "dynamic" auction will increase total net revenue from surplus sales by at least 30% and, in some cases,

exceed 200%. This occurs for many reasons, but mainly because Public Surplus brings a larger buyer base for Agencies' auctions. Also more and more people are using online commerce to meet their selling and purchasing needs.

**Q. What is the cost of using Public Surplus?**

**A.** There are three components to Public Surplus:

The first is its ability to manage an Agency's entire surplus inventory operations, from the time an item is declared surplus, to its ultimate disposition; and this includes a *complete* audit history file. This component is *Free*.

The second is Public Surplus' "reallocation" capability. This feature allows surplus items to be *automatically* reallocated to other departments within an Agency. This component is also *Free*.

The third component is the public auction feature. There are two ways an Agency can set up their auction fees:

1. The Agency elects to collect the monies themselves from the buyer. For this method there is a 7% transaction fee percentage charge. Many Agencies prefer to pass this fee percentage to the buyer in the form of a "Buyer's Premium" so it ultimately does not cost the Government Agency any money to sell on Public Surplus.
2. The more preferred option by Government entities is to have Public Surplus collect the monies for the Agency. Public Surplus deals with collecting the money from the buyer, saving the Agency time. If the Agency elects to have Public Surplus collect payment there is an additional 3% fee to cover the costs of accepting payment via credit card, Paypal and wire transfer. The total fee percentage for having Public Surplus collect is 10%. Again, the Agency can pass the whole percentage on to the buyer if they would like.

The best part about Public Surplus is that YOU are the boss. The Government Agency can charge the fee percentage using the method they would like. They can pass all the cost onto the buyer, they can take on all the cost themselves, or they can split up the fee percentage between themselves and the buyers. Also, a fee percentage is only collected on items SOLD. There is no charge for simply listing, or re-listing, an item.

We also have existing contracts that other Agencies have established with Public Surplus that include different fee percentages and features. If you are interested in learning more about these, please contact your Public Surplus Representative.

**Q. Does Public Surplus require a long-term contractual commitment?**

**A.** No! Public Surplus is available on an *at-will* basis. Public Surplus is designed to be, now and in the future, the most attractive means available for the management of the entire surplus inventory operations of Public Agencies. It is expected that Agencies will use Public Surplus only so long as it is better than any other alternative available to them. This provides our motivation to *continuously* provide the best service and technology available. If an Agency requires a contract in order to use Public Surplus, this can be arranged.

**Q. How does Public Surplus' system compare with other companies' surplus inventory management systems?**

**A.** To our knowledge, no other company offers an automated system that manages an Agency's entire surplus inventory operation from the moment an item is declared surplus to its final disposition.

**Q. Does Public Surplus have a way to attract buyers to an Agencies' auctions?**

**A.** Most definitely. This is a service that really sets us apart from other companies. We have a specific department designed to generate interest on Government Agencies' auctions. Public

Surplus's auction system is focused on *pick-up* buyers located within an Agency's *Community*, as well as "specialty" buyers from across the nation. We are very successful in helping Agencies attract large numbers of these buyers to their auctions.

**Q. Is training and customer support provided?**

**A.** Yes! Free Training and Customer Support is provided. *Public Surplus is so easy to learn and use that it only requires a short amount of training.*

**Q. Can Agencies use Public Surplus without RFP?**

**A.** There are several reasons why Agencies can use Public Surplus without going through the RFP process, including:

- All costs of using Public Surplus can be passed to the buyer through a buyer's premium charge on your auctions. Typically, the Agency will not pay a percentage and the buyer pays us a 7% premium plus the pass-through costs associated with the collections services of 3%.
- There are easily accessible printable and audit-able records established when using Public Surplus, making the audit experience less stressful. The Public Surplus system establishes tracking of items from the moment they are declared as surplus to their ultimate disposition.
- No commitment is required. Use by Agencies is solely at their discretion. The Seller assumes no risk at all when using Public Surplus for the complete management and disposal of surplus inventories.





## Auction Payment and Pick-Up Procedure

Congratulations on your winning bid. *City of Isleton* appreciates your participation in our auction. Listed below are the instructions for payment and pick-up.

### Payment

PayMac Inc. a third-party payment processing company, receives and processes **ALL** payments for *City of Isleton*.

**Buyer Premium.** A Buyer Premium of **10.5%** will be added to the final sale price with a \$1 minimum charge per auction to collect payment. The premium will be visible during the bidding process and will be included in the payment required.

Payment may only be made online by credit card, or by wire transfer. **NO CASH, CHECKS, OR MONEY ORDERS WILL BE ACCEPTED!**

If you choose to pay with a credit card, please follow the instructions below. The credit card limit per transaction is \$4,000.00. For payments larger than this amount, follow the instructions listed under Wire Transfers.

### Sales Tax

*City of Isleton* may charge sales tax. The tax rate will be calculated at the time of bidding. When sales tax is included, the buyer shall add and include the sales tax amount when making payment.

### Partial Payments

There will be **NO** partial payments allowed for an auction. All auctions must be paid in full by the specified payment process. For example, you **WILL NOT** be able to pay partially for an auction by Credit Card and pay the remainder by another payment method, such as a wire transfer.

### Credit Cards

Login to the Public Surplus site. Click on "**My Stuff**" and then click on "**Past Bids**". Click on the description of the auction and then click on "**Pay Online**" link located on the right hand side of the screen. Follow the steps to complete the transaction. A receipt will be emailed to you once the payment has cleared.

### Wire Transfers

For payments over \$4,000.00, a Wire Transfer is required. If you need to do a wire transfer please email support at [buyersupport@publicsurplus.com](mailto:buyersupport@publicsurplus.com) asking for wire instructions or request the instructions via live chat. These instructions will be emailed to you. You can also find these instructions online under the "Help" tab when logged in and then selecting the "Wire Transfers" category. Please follow them exactly to allow for prompt payment. **Wire transfer can take up to 2 business days to be received and**

**posted. Do not attempt to pick-up your item until you have received notification that the wire transfer has been received.**

Pick-Up Procedures

1. You will be notified upon receipt of payment. You may then contact the responsible party listed for the auction item and arrange for a mutually convenient pick-up time. Be sure to bring with you to the pick-up location (1) the "Notice of Award," (2) the "Paid Receipt" and (3) personal identification (such as a Driver's License). **You must present all three identification items at the scheduled pick-up, or the auction item(s) will not be released to you.**

2. If you are picking up an item for someone else, you will need all of the items listed in #1 (photo copies are acceptable), plus a note from the designated "winning bidder" specifically naming you as authorized representative, along with your own identification. In addition, you must arrange for the winning bidder to send an e-mail from the winning bidder's e-mail address used for the auction stating that you are authorized to pick-up the item.

Removal

Buyer must remove auction item(s) from the agency's premises **within ten (10) business days** after the time and date of issuance of the Notice of Award. If the Buyer, after making payment for an item, fails to remove the item within the specified time, the agency reserves the right (1) to retain all payments; and (2) to dispose of the item through another auction or otherwise. Successful bidders are responsible for packing, loading, removing and transporting of all property awarded to them from the place where the property is located as indicated on the website and in the Notice of Award. The Buyer must make all arrangements and perform all work necessary, including packing, loading and transporting of the property. Under no circumstances will *City of Isleton* assume responsibility for packing, loading or transporting.

## Sample Standard Disclaimers

### City of Isleton Standard Disclaimer:

PLEASE READ TERMS AND CONDITIONS FOR COMPLETE INFORMATION

Inspection of Auction items by appointment only.

City of Isleton may require a **bid deposit**.

Pay Mac, Inc. handles all payments for *City of Isleton*.

Acceptable forms of payment are: Wire Transfer or Credit Card.

**NO CASH, CHECKS, OR MONEY ORDERS WILL BE ACCEPTED!**

Payment for an awarded item must be received within five (5) business days after notice of award.

*City of Isleton* may charge sales tax. The tax rate will be calculated at the time of bidding. When sales tax is included, the buyer shall add and include the sales tax amount when making payment.

A **Buyers Premium** of 10.5% will be added to the final sale price with a \$1 minimum charge per auction for payment collections. This premium will be visible during the bidding process and added to the total bid.

All sales are final. Public Surplus will notify buyer of receipt of payment via email.

The successful bidder will be responsible for pick-up of item(s) from the agency's premises. Pick-up must occur within ten (10) business days after notification of award. The notice of award, payment receipt, and personal identification must be presented at time of pick-up, or the item will not be released.

Pick-up hours by appointment only.

The successful bidder will be responsible for packing, and/or loading any item(s) at pick-up, if necessary.



**City of Isleton**  
**ONLINE SALES TERMS AND CONDITIONS**

**Contract.** An award of sale is a contract between the winning bidder and *City of Isleton* upon the terms and conditions set forth herein. *City of Isleton* may pursue all legal remedies allowed by law against any bidder who fails to make payment for a winning bid.

**Guarantee Waiver.** All property is offered for sale **as-is, where-is**. **City of Isleton** makes no warranty, guaranty or representation of any kind, expressed or implied, as to the condition, usability, value, merchantability, authenticity, or fitness for any purpose of the property offered for sale. Some or all items may have been declared unsafe in their present condition by a federal or state safety standard. Buyers should inspect and, if necessary, repair/test all items prior to any use. Buyer is not entitled to any payment for loss of profit or any other money damages, including but not limited to special, direct, indirect, or consequential damages.

**No Description Warranty.** **City of Isleton** is not responsible for any omissions or errors in description of items being offered for sale. It shall be the bidder's responsibility to inspect and satisfy him or herself as to the details and conditions of the item offered before entering a bid. The Agency does not attest to the authenticity of any item.

**Inspection.** Most items offered for sale are used and may contain defects not immediately detectable. Bidders may inspect the property prior to bidding. Bidders must adhere to the inspection dates and times indicated in the item description or contact the person listed to schedule an inspection.

**Indemnification.** Bidder agrees for and on behalf of bidder, bidder's heirs, successors and assigns that bidder shall indemnify and hold **City of Isleton** harmless from and against any claim, demand or cause of action arising or alleged to have arisen out of the sale or failure to sell any item of surplus property including claims for personal or bodily injury, death or contract damages.

**Consideration of Bid.** **City of Isleton** reserves the right to reject any and all bids and to withdraw from sale any of the items listed before a notice of award is delivered.

**Reserve Requirement.** If there is a reserve requirement and the reserve price is not met by the close of bidding, **City of Isleton** reserves the right to sell the auction item to the next highest bidder, relist the item for auction, or otherwise dispose of the item at **City of Isleton's** discretion.

**Notice of Award.** Successful bidders will receive a Notice of Award by email from PublicSurplus.com

**Payment.** PayMac Inc. a third-party payment processing company, receives all payments for **City of Isleton**. Payment for an awarded item must be received **within five (5) business days** after the date of the Notice of Award of the successful bid.

Payment may only be made online by credit card, or by wire transfer. **NO CASH, CHECKS, OR MONEY ORDERS WILL BE ACCEPTED.** If you choose to pay with a credit card, please follow the instructions below. The credit card limit per transaction is \$4,000.00. For payments larger than this amount, follow the instructions listed under Wire Transfers.

#### Payment by Credit Card

Login to the Public Surplus site. Click on the **My Stuff** link and then click on the **Past Bids** link. Click on the description of the auction and then click on the **Pay Online** link located on the right hand side of the screen. Follow the steps to complete the transaction. A receipt will be emailed to you once the payment has cleared.

#### Partial Payment

There will be **NO** partial payments allowed for an auction. All auctions must be paid in full according to the specified payment process. For example, you **WILL NOT** be able to partially pay for an auction by Credit Card and pay the remainder by another payment method, such as a wire transfer. All credit card payments must be made using a single credit card.

#### Wire Transfers

For payments over \$4,000.00, a Wire Transfer is required. If you need to do a wire transfer, please email support at [buyersupport@publicsurplus.com](mailto:buyersupport@publicsurplus.com) and ask for wire instructions or request the instructions via live chat. These instructions will be emailed to you. Please follow them exactly to ensure prompt payment.

#### Pick-Up and Third Party Pick-Up Procedures

1. Upon receipt of payment, You will be notified by email sent to the address You provided at registration with Publicsurplus.com. You may then contact **City of Isleton** and arrange for a mutually convenient pick-up time. You must bring to the pick-up location (1) the **Notice of Award**, (2) the **Paid Receipt** and (3) **personal picture identification** (such as a Driver License). **You must present all three identification items at the scheduled pick-up, or the auction item(s) will not be released to you.**
2. If you are picking up an item for someone else, you will need to bring the Notice of Award and the Paid Receipt (photo copies are acceptable), plus a note from the designated winning bidder specifically naming you as authorized representative, along with your own personal picture identification. In addition, you must arrange for the winning bidder to send an e-mail from the winning bidder e-mail address used for the auction, stating that you are authorized to pick-up the item.

**Shipping.** We cannot ship any item(s). It will be your responsibility to follow the Third-Party Pick-Up Procedures above to ensure that your item is released.

**Bid Deposits.** **City of Isleton** may require bid deposits in order to ensure fairness to all bidders. The deposit will be reversed if no default occurs or the bidder does not win the auction. The deposit will be retained if the winning bidder defaults.

**Buyer Premium.** A Buyer Premium of **10.5%** will be added to the final sale price with a \$1 minimum charge per auction to collect payment. The premium will be visible during the bidding process and will be included in the payment required.

**State/Local Sales and/or Use Tax.** **City of Isleton** may collect sales tax, unless the Buyer has provided a valid tax-exempt certificate to **City of Isleton** prior to payment. If applicable, the sales tax will be visible during the bidding process and will be included in the payment specified.

**Removal.** Buyer must remove auction item(s) from the agency premises **within ten (10) business days** after the time and date of issuance of the Notice of Award. If the Buyer, after making payment for an item, fails to remove the item within the specified time, the agency reserves the right (1) to retain all payments; and (2) to dispose of the item through another auction or otherwise. Successful bidders are responsible for packing, loading, removing and transporting all property awarded to them from the place where the property is located as indicated on the website and in the Notice of Award. The Buyer must make all arrangements and perform all work necessary, including packing, loading and transportation of the property. Under no circumstances will **City of Isleton** assume responsibility for packing, loading or transporting auction item(s). Buyer shall be liable to and reimburse **City of Isleton** for any damage to **City of Isleton's** property caused by Buyer's or Buyer Agent's removal of auction item(s) from the premises. No maintenance may be performed on **City of Isleton** property. **For additional information, please contact Diana O'Brien, (916) 777-7770, [dianaobrien@cityofisleton.com](mailto:dianaobrien@cityofisleton.com)**

**Risk of Loss.** In the event an auction item is lost or destroyed after a notice of award has been sent but prior to removal, and to the extent such loss or destruction is not caused by the buyer, or buyer's agent or employee, **City of Isleton** will refund any money paid. The liability of **City of Isleton** shall not exceed the actual purchase price of the property.

**Vehicle Titles.** **City of Isleton** will issue a title or certificate upon pick up with confirmed payment. Titles may be subject to any restrictions as indicated in the item description on the website. Open titles cannot be issued. **City of Isleton** will not issue replacement titles.

**Default.** Default shall include (1) failure to observe these terms and conditions; (2) failure to make good and timely payment; or (3) failure to remove all items within the



specified time. Default may result in termination of the bid contract and suspension from participation in all future sales until the default has been cured. If the Buyer fails in the performance of their obligations, **City of Isleton** may retain Buyer's bid deposit and exercise such rights and pursue such remedies as are provided by law.

**Acceptance of Terms and Conditions.** By submitting a bid, the bidder agrees that the bidder has read, fully understood, and accepted these Terms and Conditions of Online Sales, and agrees to pay for and remove the property, if the bid is accepted, by the dates and times specified.

**\*THESE TERMS AND CONDITIONS ARE SUBJECT TO CHANGE WITHOUT NOTICE\***

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