



AGENDA

SPECIAL CITY COUNCIL MEETING
Tuesday, January 15, 2019 – 6:15 p.m.
Hillside Conference Room

REGULAR CITY COUNCIL MEETING
Tuesday, January 15, 2019 – 7:00 p.m.
City Council Chambers

Meeting Location
El Cerrito City Hall
10890 San Pablo Avenue, El Cerrito

Rochelle Pardue-Okimoto – Mayor

Mayor Pro Tem Greg Lyman
Councilmember Paul Fadelli

Councilmember Janet Abelson
Councilmember Gabriel Quinto

6:15 p.m. ROLL CALL - CONVENE SPECIAL CITY COUNCIL MEETING

1. ORAL COMMUNICATIONS FROM THE PUBLIC

All persons wishing to speak should sign up with the City Clerk. Remarks are typically limited to 3 minutes per person and to items on the special meeting agenda only.

2. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of Litigation pursuant to Government Code Section 54956.9(d)(4): One potential case.

3. POSSIBLE REPORT OUT OF CLOSED SESSION

4. ADJOURN SPECIAL CITY COUNCIL MEETING

7:00 p.m. ROLL CALL - CONVENE REGULAR CITY COUNCIL MEETING

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE – Councilmember Abelson

2. COUNCIL/STAFF COMMUNICATIONS

Reports of closed session, commission appointments and informational reports on matters of general interest which are announced by the City Council and staff.

3. ORAL COMMUNICATIONS FROM THE PUBLIC

All persons wishing to speak should sign up with the City Clerk. Remarks are typically limited to 3 minutes per person. The Mayor may reduce the time limit per speaker depending upon the number of speakers. Kindly state your name and city of residence for the record. Comments regarding non-agenda, presentation and consent calendar items will be heard first. Comments related to items appearing on the Public Hearing or Policy Matter portions of the Agenda are taken up at the time the City Council deliberates each action item. Individuals wishing to comment on any closed session scheduled after the regular meeting may do so during this public comment period or after formal announcement of the closed session.

4. ADOPTION OF THE CONSENT CALENDAR

A. Minutes

Approve the Minutes for the meetings of: 1) November 20, 2018; 2) December 4, 2018; and 3) December 18, 2018.

B. Transportation Impact Fee Program

Waive second reading and adopt Ordinance No. 2019-01 adding Chapter 4.54 – Transportation Impact Fee to the Municipal Code.

First reading adopted by unanimous vote of the Council on December 18, 2018.

C. Municipal Pooling Authority Board Members

Adopt a Resolution designating the Human Resources Manager as Primary Board Member and the Assistant City Manager as Alternate Board Member to the Municipal Pooling Authority of Northern California (MPA).

D. Successor Agency Recognized Obligation Payment Schedule

Adopt a Redevelopment Successor Agency Resolution reviewing and authorizing submittal of the draft Recognized Obligations Payment Schedule (ROPS) 19-20 (July 1, 2019-June 30, 2020).

5. PRESENTATIONS - None

6. PUBLIC HEARINGS - None

7. POLICY MATTERS

A. Tenant Protections Ordinances

At the December 18, 2018 meeting, the Council introduced three ordinances amending the Municipal Code to add: 1) minimum terms for residential leases ("Minimum Lease Terms"); 2) new regulations for the termination of residential tenancies ("Termination of Tenancy"); and 3) a requirement to provide tenant

relocation assistance under specified circumstances (“Tenant Relocation”) (together the “Tenant Protection Ordinances”). Prior to introduction, the Council amended the Tenant Relocation Ordinance to modify the circumstances that qualify for tenant relocation assistance to require such assistance for qualifying tenants displaced as a result of a 20% rent increase over a two-year period and to include an additional payment of one month’s rent for special circumstances households. Other non-substantive changes were also made to the Tenant Protection Ordinances prior to introduction. All three ordinances were introduced by unanimous vote of the Council.

Staff recommends that the City Council, by motion:

1. Defer action on the three Tenant Protection Ordinances introduced at the December 18, 2018 City Council meeting.
2. Reaffirm direction given to staff at the December 18, 2018 City Council meeting to prepare a Just Cause for Eviction Ordinance and a Rent Registry Ordinance.
3. Direct staff to return with an integrated package of ordinances, for Council consideration, that includes the Tenant Protection Ordinances, with appropriate amendments, a Just Cause for Eviction Ordinance, and a Rent Registry Ordinance.

Alternatively, the City Council may waive further reading beyond the titles and adopt the following Tenant Protection Ordinances as modified:

1. Ordinance No. 2019-02 adding Chapter 10.100 – Minimum Lease Term
2. Ordinance No. 2019-03 adding Chapter 10.200 – Termination of Tenancy
3. Ordinance No. 2019-04 adding Chapter 10.300 – Tenant Relocation

B. Annual Review of Comprehensive Financial Policy

Presentation by Mark Rasiah, Finance Director.

C. Exclusive Negotiating Right Agreement – 6111 Potrero Avenue and 11335-41 San Pablo Avenue

Adopt a Resolution authorizing execution of an Exclusive Negotiating Rights Agreement with (“Proposed Purchaser”) for the disposition of 6111 Potrero Avenue and 11335-41 San Pablo Avenue (APNs 513-372-018 and -015)

8. CITY COUNCIL LOCAL & REGIONAL LIAISON ASSIGNMENTS

Mayor and City Council communications regarding local and regional liaison assignments and committee reports.

9. ADJOURN REGULAR CITY COUNCIL MEETING

The next regularly scheduled City Council meeting is Tuesday, February 5, 2019 at 7:00 p.m. in the City Council Chambers, 10890 San Pablo Avenue, El Cerrito.

The City of El Cerrito serves, leads and supports our diverse community by providing exemplary and innovative services, public places and infrastructure, ensuring public safety and creating an economically and environmentally sustainable future.

- Council Meetings can be heard live on FM Radio, KECG – 88.1 and 97.7 FM and viewed live on Cable TV - KCRT- Channel 28 and AT&T Uverse Channel 99. The meetings are rebroadcast on Channel 28 the following Thursday and Monday at 12 noon, except on holidays. Live and On-Demand Webcast of the Council Meetings can be accessed from the City's website <http://www.el-cerrito.org/streamingmedia>. Copies of the agenda bills and other written documentation relating to items of business referred to on the agenda are on file and available for public inspection in the Office of the City Clerk, at the El Cerrito Library and posted on the City's website at www.el-cerrito.org prior to the meeting.
- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (510) 215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title I).
- ***The Deadline for agenda items and communications*** is eight days prior to the next meeting by 12 noon, City Clerk's Office, 10890 San Pablo Avenue, El Cerrito, CA. Tel: 215-4305 Fax: 215-4379, email cityclerk@ci.el-cerrito.ca.us
- IF YOU CHALLENGE A DECISION OF THE CITY COUNCIL IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE COUNCIL MEETING. ACTIONS CHALLENGING CITY COUNCIL DECISIONS SHALL BE SUBJECT TO THE TIME LIMITATIONS CONTAINED IN CODE OF CIVIL PROCEDURE SECTION 1094.6.
- The City Council believes that late night meetings deter public participation, can affect the Council's decision-making ability, and can be a burden to staff. City Council Meetings shall be adjourned by 10:30 p.m., unless extended to a specific time determined by a majority of the Council.

EL CERRITO CITY COUNCIL MINUTES

SPECIAL CITY COUNCIL MEETING
Tuesday, November 20, 2018 – 6:15 p.m.
Hillside Conference Room

REGULAR CITY COUNCIL MEETING
Tuesday, November 20, 2018 – 7:00 p.m.
City Council Chambers

ROLL CALL

Present: Councilmembers Abelson, Fadelli, Lyman, Pardue-Okimoto, and Mayor Quinto

CONVENE SPECIAL CITY COUNCIL MEETING

Mayor Quinto convened the meeting at 6: 15 p.m.

1. ORAL COMMUNICATIONS FROM THE PUBLIC

There were no speakers.

2. COMMISSION INTERVIEWS, STATUS AND APPOINTMENTS

Conduct interviews of candidates for the City Boards and Commissions. Interviews may result in an announcement of appointment at the meeting.

Action: Three interviews completed.

3. ADJOURNMENT

The meeting adjourned at 7:10 p.m.

ROLL CALL

Present: Councilmembers Abelson, Fadelli, Lyman, Pardue-Okimoto, and Mayor Quinto.

CONVENE REGULAR CITY COUNCIL MEETING

Mayor Quinto convened the meeting at 7:15 p.m.

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE

2. COUNCIL/STAFF COMMUNICATIONS

Councilmember Fadelli congratulated Janet Abelson and Gabriel Quinto on their re-election and thanked the citizens for the passage of Measure V. He stated there will be transparency on how the revenues from Measure V are spent and he indicated he would like to see some of the funds going toward fire prevention and mitigation.

Councilmember Fadelli stated his support for a ban on plastic straws and said that he hoped that staff would be presenting a report for Council's review in early 2019.

Councilmember Abelson said she has been talking with Supervisor Gioia about how residents can be prepared for things such as the unhealthy air caused by the recent fires. She stated his office will be looking at this as a regional issue and she will continue to keep everyone informed as things progress.

Mayor Pro Tem Pardue-Okimoto reported that the Environmental Quality Committee is working on their action plan and as part of this they are looking at the use of plastics.

Mayor Pro Tem Pardue-Okimoto thanked the residents for supporting Measure V. She stated the Council will be transparent and responsive to community needs, and that making El Cerrito safe from a major fire is something that she would like to see addressed in the upcoming year.

Councilmember Lyman also thanked the voters for their support of Measure V. He advocated for the City using revenues from Measure V to increase the City's reserves, which are currently at 3%. He stated the City's reserve policy is to be at 10%.

Councilmember Lyman cautioned against making any mid-year budget adjustments, with the exception of spending some monies to address the fire hazards in the Hillside Natural Area.

Councilmember Lyman stated that it will be important for the City Council to hold workshops to gather community input and find out what the community is willing to support and to prioritize the City's needs.

Mayor Quinto thanked the voters for his re-election and for re-electing Councilmember Abelson and their support of Measure V.

Mayor Quinto stated his agreement with comments made by other members of the Council regarding the need for building the City's reserves, obtaining community input, and prioritizing how best to spend Measure V revenues.

3. ORAL COMMUNICATIONS FROM THE PUBLIC

Cordell Hindler suggested the City adopt a travel policy.

Allan Moskowitz, owner of a property adjacent to the Pick and Pack Liquor Store, informed the Council that customers from this store litter trash, urinate, defecate and vomit on his, and surrounding, properties. He suggested that the City require the business owner to allow their customers to use the store's restrooms and that the store, or the City, put trash receptacles in front of the store.

Al Miller provided information on the Contra Costa County Library's Homebound Program.

Gary Prost thanked the Council for doing something to discourage use of the fire pit in the Hillside Natural Area. He referred to lessons learned from the Camp Fire and other fires, including the need for clearly marked and safe evacuation routes. He recommended that on these routes parking only be allowed on one side of the street and no parking should be allowed during a red fire warning. He stated that vegetation needs to be cut back that overhangs onto the roads and, if possible, power lines should be buried. He encouraged tougher building codes to require more fire resistant building materials and that air raid sirens be used to warn people when there is a fire.

Kathy Fleming requested that revenues and expenditures related to Measure V be tracked separately from the general fund in order to build trust with the citizens. She also asked that there be an annual reporting of revenues and expenditures of Measure V funds.

Michael Fischer, Library Commissioner, commented that the library had to close for several days due to the smoke caused by the recent fires. He stated that the building cannot be used to provide refuge from air pollution or as a cooling center during heat waves. He pointed out that a new library built to today's standards would allow the library to be used as a refuge for these types of situations.

Jeff Nalle encouraged the City to consider implementing a rent stabilization ordinance. He said that tenants need to be able to budget for reasonable rent increases, while allowing landlords a reasonable rate of return.

Robin Mitchell stated her support for the City adopting a moratorium on rent increases and a just cause for eviction ordinance.

Howdy Goudey urged the Council to adopt anti-gouging and just cause protections for renters. He stated his belief that non-binding mediation will not address the problem.

Nick Galloro expressed his support for the resolution adopted by the Human Relations Commission related to tenant rights. He said that tenants don't have any rights unless rents can be capped and there is just cause for eviction.

Paul Duncan said he was encouraged to hear the Council state that fire safety is a paramount concern. He cautioned that after watching what happened in the Town of Paradise, the City needs to address the issue of safe evacuation routes.

Scott Perry said he was also encouraged by Council comments regarding the Hillside Natural Area and the need for fire mitigation measures. He stated that the problem is that vegetation has been growing unabated for years and the solution is to reduce and eliminate the vegetation.

Susan Duncan said that she is pleased to hear that the Council has indicated its support for spending funds on fire mitigation measures in the Hillside Natural Area. She stated that she would also like to see the streets kept clear from overhanging vegetation and that owners of private property be required to clear overgrown vegetation.

Robert Howe questioned the best approach for dealing with overgrown vegetation on private property, including the Boy Scout Camp.

Marlene George said she was encouraged to hear that Council is concerned about the fire risk. She stated that the Town of Paradise was a game changer and that the City needs to put money into preventing something like this from happening in El Cerrito. She argued that this should be a top priority before putting Measure V revenues into reserves.

Helen Dickey stated her agreement with others that spoke in support of a cap on rent increases and just cause for eviction.

Jeff Levin stated his support for the resolution adopted by the Human Relations Commission that calls for tenant protection measures including a temporary cap on rent increases as well as a just cause for eviction ordinance. He urged the City to put these measures in place while the City takes a look at all of its policy options for protecting renters.

Sherry Drobner stated her support for the Council adopting tenant protection measures as proposed in the Human Relations Commission resolution.

4. ADOPTION OF THE CONSENT CALENDAR

Action: Moved, seconded (Fadelli/Lyman) and carried unanimously to approve Consent Calendar items C, D and E as indicated below.

A. Minutes

Approve the Minutes for the meetings of October 16, 2018.

Action: Removed from the Consent Calendar by Councilmember Fadelli. Moved, seconded (Abelson/Pardue-Okimoto) and carried unanimously to approve the minutes as revised to include the name of the PCIA (Power Charge Indifference Adjustment).

B. Proclamation – Golden Gate Frontier History Region

Approve a Proclamation proclaiming November as “Golden Gate Frontier History Month”.

Action: Removed from the Consent Calendar by Councilmember Fadelli for clarification. Moved, seconded (Abelson/Pardue-Okimoto) and carried unanimously to approve the proclamation.

C. The Schools and Local Communities Funding Act

Adopt a Resolution supporting The Schools and Local Communities Funding Act which will be on the 2020 Ballot.

Action: Adopted Resolution No. 2018-56.

D. Review Body for TDA Article 3 Pedestrian and Bicycle Funding

Adopt a Resolution authorizing an application to the Metropolitan Transportation Commission (MTC) for exemption from the local Bicycle Advisory Committee (BAC)/Bicycle and Pedestrian Advisory Committee (BPAC) requirement and designating the Contra Costa Countywide BAC as the review body for Transportation Development Act Article 3 Pedestrian and Bicycle funding.

Action: Adopted Resolution No. 2018-57.

E. Grant Deeds to allow Lot Line Adjustment for Mayfair Project

Adopt a Resolution accepting Grant Deeds from the City for property located on Assessor's Parcel Numbers 502-062-003, 502-062-028 and a portion of Assessor's Parcel Number 502-062-029 in the block bounded by San Pablo Avenue, Cutting Boulevard, Knott Avenue and Kearney Street to effectuate a Lot Line Adjustment for the Mayfair Project.

Action: Adopted Resolution No. 2018-58.

5. PRESENTATIONS

A. Presentation by Alameda-Contra Costa Medical Association – Opiate Epidemic

Receive a presentation from Joe Greaves, Alameda-Contra Costa Medical Association regarding the opiate epidemic.

Action: Received presentation.

B. Presentation by Badawi & Associates – FY 2016-17 CAFR

Receive a presentation from Badawi & Associates regarding the FY 2016-17 CAFR.

Presentations: Finance Director Rasiah provided background on the audit and the City's financial position. He proposed that any revenues collected from Measure V be put in reserves for the immediate future, while recognizing the importance of funding fire mitigation measures.

Mr. Badawi, Badawi & Associates, gave a presentation on the FY 2016-17 CAFR and answered questions raised by members of the Council.

Speakers:

Cordell Hindler stated that he found the presentation very informative.

Dick Patterson, Chair of the Financial Advisory Board, informed the Council that the Board spent a lot of time considering the City's revenues and expenses and various risk exposures. As a result, he stated that the Board will be coming forward in the next couple of months with a recommendation that the City put sufficient cash, equivalent to about three (3) months of salaries, into an emergency disaster and recovery fund.

Marlene Keller, Financial Advisory board member, stated that it is important for the City to have financial stability and financial resilience. She reported that the Board will be bringing forward a proposal asking the Council to adopt an emergency disaster and recovery fund and to grow this fund to approximately \$6 million. She stated that the FAB members do realize that monies may need to be

spent on fire mitigation measures in the immediate future in order to reduce the risk of a major fire. She invited the new City Manager to attend a FAB meeting for purposes of discussing their role in oversight of this special fund.

Action: Received presentations.

6. PUBLIC HEARINGS -

A. Appeal of Conditional Use Permit -1827 Arlington Boulevard

Conduct a Public Hearing and upon conclusion, consider adopting a Resolution denying the appeal and upholding the Planning Commission's approval of a Conditional Use Permit to allow an exception to the main building envelope to allow a height increase for an addition to the third floor of an existing house at 1827 Arlington Boulevard. (Application PL17-0154)

Presentation: Sean Moss, Acting Planning Manager, presented the staff report and answered questions raised by members of the Council.

Public Hearing: Mayor Quinto opened the public hearing.

Speakers:

Leslie Levy, attorney for the appellant, stated that her client appealed the decision of the Planning Commission because the proposed expansion of the applicant's third level is based on a false premise. She reviewed the permitting history of the property and alleged that this was originally a one story residence with an unfinished basement which was made into an illegal accessory unit and that at sometime a third floor was added, but that there is no record of a permit issued for this addition. She stated that to allow the applicant to expand the third level would be to approve an expansion to an already illegal third level and that this expansion would severely block the appellant's views of the Bay and lower his home's value.

Ms. Levy asked that the Council uphold the appeal and require the applicant to remove the existing third level addition or redo the plans so as not to impact her client's views.

Megan Carter, architect for the applicant, showed renderings of the house and the proposed extension of the third level and the portion of the proposed expansion that requires a conditional use permit.. She explained that the purpose of the extension is to allow for a third bedroom on this level as the owners wish to expand their family and have all the bedrooms on the same floor. She explained that the accessory basement area is not connected to the main house and it is not practical to add a bedroom to that area. She noted that a portion of the appellant's view will be blocked by the proposed addition and that one of the applicant's trees also blocks some of the appellant's view. She stated the applicant is willing to trim the tree.

Matias Keil, applicant, explained that in designing the addition, they were sensitive to privacy issues of their neighbors and to limit blocking anyone's views. He stated that they decided not to extend from the back due to the cost and the steepness of the slope.

Kenya Autie stated the design will add value to the owner's property as well as other neighboring properties. She said she is in support of the design as proposed.

Mehdi Fard said that he has a house on a hill with a view and is afraid that one day someone could expand their property in a way that would block his view. He suggested if the expansion can be done without requiring a conditional use permit, it should be designed to not require the permit.

Tatjana Hasachemi expressed concern that the conditional use permit allows for an exception to the building regulations. She asked that the Council support the appeal and require the expansion be redesigned to not require a conditional use permit.

Natana Keil, applicant and co-owner, informed the Council that the property, as is, is not well-designed. She stated that she has one child and would like to have another child and have three bedrooms located on the same floor. She said the proposed design will make the house more livable for a family. She stated that if they have to redesign it so that they will not need the conditional use permit, the redesign will not be as attractive from the outside and to the neighborhood and will not provide them with a functional living space for their family.

Francesca Greene said that she lives on the other side of the street and all of the houses on the applicant's side of the street are single story. She feared that if the Council allows an exception for this property, all the other property owners will want a second story and as a result the views from the homes on the other side of the street will be blocked.

Russ Malboubi, appellant, stated that the proposed design will block views from his first floor. He said the owner is a general contractor and could expand from the back of his property.

Council Discussion: Councilmembers asked questions of the applicant's architect, the appellant's attorney and staff related to the permitting history of the property, the design plans, and the part of the design that is subject to a conditional use permit.

Actions: Moved, seconded (Lyman/Pardue-Okimoto) and carried unanimously to close the public hearing.

Moved, seconded (Pardue-Okimoto/Abelson) and carried unanimously to adopt

Resolution No. 2018-59 to deny the appeal and uphold the Planning Commission's approval of a conditional use permit to allow an exception to the main building envelope to allow a height increase for an addition to an existing house at 1827 Arlington.

B. Integrated Waste Management Fees and East Bay Sanitary Garbage and Green Waste Collection and Processing Rates

1. Conduct a Public Hearing and upon conclusion, consider adopting a Resolution setting the maximum allowable East Bay Sanitary (EBS) garbage and green waste collection and disposal and processing rates effective January 1, 2019.
2. Conduct a Public Hearing and upon conclusion, consider adopting a Resolution setting Integrated Waste Management (IWM) fees effective January 1, 2019.

Presentation: Maria Sanders, Operations and Environmental Services Manager, presented the staff report.

Public Hearing: Mayor Quinto opened the public hearings on both B1 and B2. There were no speakers.

Actions: Moved, seconded (Lyman/Abelson) and carried unanimously to close the public hearings.

Moved, seconded (Lyman/Abelson) and carried unanimously to adopt Resolution No. 2018-60 setting rates for East Bay Sanitary.

Moved, seconded (Lyman/Abelson) and carried unanimously to adopt Resolution No. 2018-61 setting Integrated Waste Management fees.

7. POLICY MATTERS

A. City Manager Employment Agreement

Adopt a Resolution approving an Employment Agreement between the City and Karen Pinkos to be the new City Manager.

Presentation: Mayor Quinto presented an oral report on the details of the employment agreement.

Councilmember Lyman gave an overview of the process the Council used to negotiate an employment agreement with Karen Pinkos.

Speakers:

Cordell Hindler said that a good city manager needs to get input from staff, sets a vision, and has a good sense of humor.

Christian Teale cautioned the Council about overspending, especially in light of

the audit report. He stated that he has a hard time understanding what warrants the amount being paid in salaries and other benefits as part of the city manager's employment agreement.

Action: Moved, seconded (Pardue-Okimoto/Abelson) and carried unanimously to adopt Resolution No. 2018-62.

8. CITY COUNCIL LOCAL & REGIONAL LIAISON ASSIGNMENTS

Action: There were no reports.

9. ADJOURNMENT

The meeting adjourned at 11:48 p.m.

Gabriel Quinto, Mayor

This is to certify that the foregoing is a true and correct copy of the minutes of the regular City Council meetings of November 20, 2018 as approved by the El Cerrito City Council.

Sherry M. Kelly
Acting City Clerk

EL CERRITO CITY COUNCIL MINUTES

**CITY COUNCIL MEETING
Tuesday, December 4, 2018 – 7:00 p.m.
City Council Chambers**

Meeting Location
El Cerrito City Hall
10890 San Pablo Avenue, El Cerrito

Gabriel Quinto – Mayor

Mayor Pro Tem Rochelle Pardue-Okimoto
Councilmember Paul Fadelli

Councilmember Janet Abelson
Councilmember Greg Lyman

ROLL CALL

Present: Councilmembers Abelson, Fadelli, Lyman, Pardue-Okimoto, and Mayor Quinto

CONVENE REGULAR CITY COUNCIL MEETING

Mayor Quinto convened the meeting at 7:00 p.m.

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE

2. COUNCIL/STAFF COMMUNICATIONS

Mayor Quinto announced that the Council appointed Erin Gillette to the Planning Commission for a term expiring in March 2019 and Wenlin Li for a term expiring in March 2019.

Mayor Quinto reported that starting in January the West Contra Costa Mayors' Conference meetings will be held in El Cerrito on the fourth Thursday of each month at 8:30 a.m.

Mayor Pro Tem Pardue-Okimoto announced an upcoming rally in Berkeley coordinated by local mayors and the California Nurses Association for the purpose of keeping Alta Bates open.

3. ORAL COMMUNICATIONS FROM THE PUBLIC

Michael Fischer, Library Commissioner, distributed and quoted from the article, *"To Restore Civil Society, Start with the Library"*.

Charles Smith recommended that the City use some of the revenues from the passage of Measure V to provide for fire mitigation measures in the Hillside Natural Area.

Christian Teale asked that the Council recognize Lannie Johnson, former El Cerrito High School teacher and librarian, who recently passed away, for her many years of service and the contributions she made to education and to children.

Marta Dragos recommended that the City form a task force including representatives from the City, PG&E and neighbors to look at the issues of fire safety and that all matters be open for discussion, including the undergrounding of power lines, fire mitigation measures, evacuation routes, etc.

Kay Starkweather reported that she lives on Rifle Range Road and worries that there is only one narrow road for all of the residents to use as an evacuation route in case of a fire. She asked that there be a meeting of the residents with Fire Department staff to discuss evacuation plans, hazards of power lines, and mitigation measures as well as how to get other property owners to remove vegetation on their property.

Diane Straus also expressed concern about the fire hazards associated with power lines, eucalyptus trees, and limited and narrow roads for evacuation. She said that they need to have an escape route and that one suggestion that has been made is that when there is a red alert, parking be limited to only one side of a street.

4. ADOPTION OF THE CONSENT CALENDAR

Action: Moved, seconded (Lyman/Pardue-Okimoto) and carried unanimously to approve Consent Calendar Items A, B, E and F) as indicated below.

A. Results of the November 6, 2018 General Municipal Election

1. Adopt Resolution No. 2018-63 declaring and confirming the results of the November 6, 2018 General Municipal Election and declaring the election of Gabriel Quinto and Janet Abelson to the office of City Council and the passage of Measure V – Charter City and Real Property Transfer Tax.

Action: Adopted Resolution No. 2018-63.

2. Adopt Ordinance No. 2018-03, authorizing a Tax on the Transfer of Real Property, and adding Chapter 4.64 – Real Property Transfer Tax to the Municipal Code as approved by the voters at the November 6, 2018 General Municipal Election.

Action: Adopted Ordinance No. 2018-03 as approved by the voters.

B. Proclamation Honoring Tom Torlakson

Approve a Proclamation honoring Tom Torlakson for his many years of public service.

Action: Approved proclamation.

C. Proclamation Honoring City Manager Scott Hanin

Approve a Proclamation honoring City Manager Scott Hanin for his many years of public service.

Action: Removed from the Consent Calendar by Councilmember Lyman for

purposes of reading the proclamation and providing an opportunity for members of the Council to comment on the City Manager's years of service. Moved, seconded (Lyman/Abelson) and carried unanimously to approve the proclamation.

D. Proclamation Honoring Fire Chief Lance Maples

Approve a Proclamation honoring Fire Chief Lance Maples for his many years of public service.

Action: Removed from the Consent Calendar by Councilmember Lyman for purposes of reading the proclamation and providing an opportunity for members of the Council to comment on the Fire Chief's years of service. Moved, seconded (Lyman/Pardue-Okimoto) and carried unanimously to approve the proclamation.

E. Minutes

Approve the Minutes for the meetings of November 14, 2018.

Action: Approved minutes.

F. Landscape Maintenance Service Agreements

Adopt a Resolution authorizing the City Manager to execute the following Agreements to provide Landscape Maintenance Services for the City's building grounds, street medians, streetscapes, Ohlone Greenway and Cerrito Creek Pathway for a period of three years, with an option to annually extend for two years.

1. Coast Landscape Management LLC in an amount not to exceed \$65,000 and \$130,000 in Fiscal Years 2018-19 and FY 2019-20 respectively, and thereafter contingent upon funding being appropriated in future City budgets.

2. New Image Landscape Company in an amount not to exceed \$27,500 and \$55,000 in FY 2018-19 and FY 2019-20 respectively, and thereafter contingent upon funding being appropriated in future City budgets.

Action: Adopted Resolution No. 2018-64.

5. SWEARING IN OF NEWLY ELECTED OFFICIALS

A. Oath of Office and Presentation of Certificates of Election

The Oaths of Office will be administered to incumbents Gabriel Quinto and Janet Abelson re-elected to the City Council for terms ending December 2022.

Action: The City Clerk administered the oaths of office and presented the certificates of election.

B. Comments from Re-Elected Members of the Council

Councilmember Abelson acknowledged family and friends and spoke about her plans for her new term in office.

Mayor Quinto acknowledged family and friends and reviewed the City's accomplishments over the past year and his plans for his new term in office.

Other members of the Council congratulated the re-elected councilmembers and expressed their appreciation for their service.

6. PUBLIC HEARINGS – None

7. POLICY MATTERS

A. City Council Reorganization

The City Council will elect a Mayor and Mayor Pro Tempore to serve a term of one year.

SELECTION OF THE MAYOR

Sherry Kelly, Acting City Clerk, declared the offices of Mayor and Mayor Pro Tempore vacant and called for nominations for the Office of Mayor.

Actions: Councilmember Fadelli nominated Mayor Pro Tem Pardue-Okimoto to the office of Mayor. There were no other nominations. Moved, seconded (Fadelli/Abelson) and carried unanimously to close nominations for Mayor. By unanimous vote, the City Council selected Mayor Pro Tem Pardue-Okimoto to serve as Mayor for a term of one year.

The City Clerk administered the oath of office to Mayor Pardue-Okimoto.

Mayor Pardue-Okimoto introduced family and friends and spoke about her plans for the City for the upcoming year.

SELECTION OF THE MAYOR PRO TEMPORE

Mayor Pardue-Okimoto called for nominations for the Office of Mayor Pro Tem.

Actions: Councilmember Fadelli nominated Councilmember Lyman to serve as Mayor Pro Tem. There were no other nominations. Moved, seconded (Fadelli/Quinto) and carried unanimously to close nominations. The City Council, by unanimous vote, selected Councilmember Lyman to serve as Mayor Pro Tem.

Mayor Pro Tem Lyman spoke about goals for the upcoming year.

B. Memorandum of Understanding with Public Safety Management Group – Fire Chief

Adopt a Resolution authorizing the City Manager to execute a Memorandum of Understanding (MOU) between the City and the Public Safety Management Group – Fire Chief

Presentation: Assistant City Manager Karen Pinkos presented the staff report. She reported that upon the retirement of Fire Chief Maples, the City Manager has appointed Battalion Chief Pigoni as the new Fire Chief.

Action: Moved, seconded (Quinto/Abelson) and carried unanimously to adopt Resolution No. 2018-65.

8. CITY COUNCIL LOCAL & REGIONAL LIAISON ASSIGNMENTS

There were no reports.

9. ADJOURN REGULAR CITY COUNCIL MEETING

The meeting adjourned at 8:50 p.m. in memory of Lannie Johnson.

Rochelle Pardue-Okimoto, Mayor

This is to certify that the foregoing is a true and correct copy of the minutes of the regular City Council meetings of December 4, 2018 as approved by the El Cerrito City Council.

Sherry M. Kelly
Acting City Clerk

EL CERRITO CITY COUNCIL MINUTES

REGULAR CITY COUNCIL MEETING Tuesday, December 18, 2018 – 7:00 p.m. City Council Chambers

ROLL CALL

Present: Councilmembers Abelson, Fadelli, Lyman, Quinto and Mayor Pardue-Okimoto

CONVENE REGULAR CITY COUNCIL MEETING

Mayor Pardue-Okimoto convened the meeting at 7:00 p.m.

- 1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE**
- 2. COUNCIL/STAFF COMMUNICATIONS**

Councilmember Fadelli announced that he attended the Mayor's Conference in Walnut Creek and the Chamber Luncheon. He said he also worked with Mayor Pro Tem Lyman in the setting up of the Shadi Holiday Display.

Mayor Pro Tem Lyman announced that on Saturday there was a memorial service for Michael Gonzalez, who had been the volunteer electrician for the Shadi Display for many years.

Mayor Pro Tem Lyman encouraged residents to apply for one of the upcoming vacancies on the City's commissions and committees.

Mayor Pardue-Okimoto reported that she participated in a press conference in conjunction with Berkeley's mayor regarding efforts to Save Alta Bates Hospital. She stated that the Health Impact Report has been released and shows that people in West County and people of color will be the most impacted by the closure of Alta Bates.

- 3. ORAL COMMUNICATIONS FROM THE PUBLIC**

Howdy Goudy thanked the City for its support for Item 4(E) and for KARO-ECHO, the volunteer organization that trains to provide emergency communications when there is a disaster.

Karen Fenton, Richmond, thanked the Council and the Fire Department for their support for KARO-ECHO as well as their support of the CERT Program. She provided background on what KARO-ECHO does in the way of organizing, training and testing emergency systems.

Robin Mitchell expressed concern for the City's financial situation based on the report presented by the City's auditor on November 20th. She stated she was

shocked to learn that the City's general fund is considered to have a \$1.8 million deficit because over the years the general fund has loaned monies to other special funds.

Susan Duncan raised the issue of allowing eucalyptus trees on private property and the need for the City to develop fire evacuation plans.

Donald Simon said that he is a communication specialist who has served during many forest fires and earthquakes. He testified to the many benefits of amateur radio communications when power, radio, cell phones and other conventional methods of communication are disrupted, overloaded or non-existent during disasters. He thanked the City for its support of KARO-ECHO.

4. ADOPTION OF THE CONSENT CALENDAR

Action: Moved, seconded (Abelson/Quinto) and carried unanimously to approve the Consent Calendar as indicated below.

A. Quarterly Investment Report

Receive and file the Quarterly Investment Report for the quarter ending September 30, 2018.

Action: Received and filed the report.

B. Annual Review of Investment Policy

Adopt a Resolution approving the Comprehensive Investment Policy and rescinding Resolution No. 2017-88.

Action: Adopted Resolution No. 2018-66 and rescinded Resolution No. 2017-88.

C. Reappointment to Economic Development Committee

Approve the Economic Development Committee's recommendation to reappoint members George Gager and Jean Shrem for terms expiring March 1, 2023

Action: Approved re-appointment of George Gager and Jean Shrem for terms expiring March 1, 2023.

D. Classification Plan Amendment

Adopt a Resolution amending the Classification Plan to revise and retitle the Human Resources Technician class specification to Human Resources Specialist.

Action: Adopted Resolution No. 2018-67.

E. Co-Sponsorship Application – Kensington Amateur Radio Operators – El Cerrito Ham Operators

Adopt a Resolution recognizing the Kensington Amateur Radio Operators – El Cerrito Ham Operators (KARO-ECHO) as a co-sponsored organization and authorizing the City Manager to grant the use of meeting rooms or clubhouses subject to availability, for the KARO-ECHO's monthly meetings at no charge.

Action: Adopted Resolution No. 2018-68.

F. Shelter Crisis

Adopt a Resolution declaring a Shelter Crisis in Contra Costa County in order to receive emergency funding support to expand and improve homelessness

services for individuals and families across the County.

Action: Adopted Resolution No. 2018-69.

5. PRESENTATIONS

A. Presentation of Citizens Street Oversight Committee's Annual Reports

Receive a presentation from Chair Matthew Kelly of the Citizens Street Oversight Committee's Annual Reports for FY 2015-16 and FY 2016-17.

Presentation: Chair Kelly presented the Committee's findings for FY 2015-16 and FY 2016-17. He stated that it was determined funds were expended in the manner required by law.

Action: Received presentation.

6. PUBLIC HEARINGS -

A. Establishment of Transportation Impact Fee Program and Amendment of Master Fee Schedule

Conduct a Public Hearing and upon conclusion, consider taking the following actions related to establishment of a Transportation Impact Fee:

1. Introduce by title, waive any further reading, and adopt first reading of an Ordinance adding Chapter 4.54 – Transportation Impact Fee to the Municipal Code, Title 4 – Revenue and Finance; and

2. Adopt a Resolution adopting a Transportation Impact Fee and amending the Master Fee Schedule to include the new Transportation Impact Fee.

Presentation: Yvetteh Ortiz, Public Works Director/City Engineer, presented the staff report, along with Robert Spencer, Urban Economics, and answered questions raised by members of the Council.

Public Hearing: Mayor Pardue-Okimoto opened the public hearing. There being no one wishing to speak to this matter, it was moved, seconded (Lyman/Abelson) and carried unanimously to close the public hearing.

Actions: Moved, seconded (Lyman/Quinto) and carried unanimously to approve by title and waive first reading of an Ordinance adding Chapter 4.54 – Transportation Impact Fee to the Municipal Code, Title 4 – Revenue and Finance. Second reading is scheduled for January 15, 2019.

Moved, seconded (Quinto/Abelson) and carried unanimously to adopt Resolution No. 2018-70.

7. POLICY MATTERS

A. Tenant Protection Ordinances and Human Relations Commission Resolution

1. Introduce by title and waive any further reading of the following Ordinances being added to the Municipal Code, Chapter 10:

1. An Ordinance adding Chapter 10.100 - Rent Review Program
2. An Ordinance adding Chapter 10.200 – Minimum Lease Terms
3. An Ordinance adding Chapter 10.300 – Termination of Tenancy
4. An Ordinance adding Chapter 10:400 – Tenant Relocation

2. Receive a presentation from the Human Relations Commission regarding an Human Relations Commission Resolution recommending Tenant Protections.

Presentations: Aissia Ashoori, Affordable Housing Analyst, presented the staff report and answered questions raised by members of the Council.

Jessica Laird, Human Relations Commission, stated that the commission believes that housing is a human rights issue. She said that the commission has heard from renters in the community and it is their belief that the proposals presented by staff are inadequate in addressing the issues that renters face. She stated that tenants have expressed fear of retaliation if they seek a rent review without the City putting into place a just cause for eviction ordinance.

Commissioner Laird reported that the HRC resolution was adopted by a five/one vote. This resolution asks the Council to immediately establish: 1) just cause for eviction policies; 2) a temporary measure limiting rent increases to be within a certain percentage to protect tenants from rent gouging, pending the adoption of a rent control ordinance; 3) a permanent citizen board or commission equally represented by renters, landlords and homeowners to advise the Council on matters of housing; and 4) a citizen-led task force specific to the topic of tenant protections to be in existence for the full duration of time while the City is researching, developing and implementing the Affordable Housing Strategy, to work alongside the City to provide a direct and consistent access point for citizen input and advisory on matters of tenants' rights and protections.

Gabrielle Guenette, Vice Chair of the Human Relations Commission, reported that he voted no on the HRC resolution because: 1) he does not believe the issue of housing and rent control is within the scope or mission of the commission and 2) he does not believe that either the proposals presented by the staff or the commission address the housing issues in the City.

Commissioner Guenette stated he could support policies that included some form of income means test. He also expressed support for the City doing what it can to get more affordable and transient oriented housing built in the City.

Makalia Aga, Human Relations Commissioner, expressed her support for the

HRC resolution. She stated that if nothing is done, there will be more poverty and homelessness in the City.

Speakers:

Janet Galvin informed the Council that the building she has been living in has been flipped twice and that tenants need to be protected against continual rent increases. She also stated that there needs to be more affordable senior housing.

Sherry Drobner read a letter from a renter that said her rent has been raised 57% in the last three years and she has been forced to cut back on other necessities to pay rent. Ms. Drobner asked that the Council adopt a just cause for eviction ordinance and put a cap on rents while the City works through the process of developing programs.

Howdy Goudy stated his belief that the proposed non-binding rent review program will not address the problems facing tenants. He stated that the other three staff proposed ordinances are small; but are something. He urged the Council to consider the HRC's recommendations and to adopt an anti-gouging ordinance with a rent increase cap while the Council works through this process.

Zach Lou stated that the City of Concord's non-binding rental program does not protect tenants. He felt that the landlord organizations are not representing an accurate picture of the situation and that they promote programs that benefit landlords and not tenants. It was his opinion that rent stabilization ordinances do allow for a fair return on the property owners' investments.

Eric Meyers informed the Council that he practices real estate law representing both landlords and tenants and that he is also a realtor and a landlord, managing property for others and property that he owns. He stated mediation works, education works and communication works. He expressed support for the programs presented by the staff. He noted that the programs will result in the collection of data that will be useful in determining what works and what doesn't.

Peter Campbell informed the Council that he lives in Albany, but has rental property in El Cerrito, which supplements his fixed income. He stated that what the City needs is more affordable housing; but that the City does not provide incentives for developers to build affordable housing. He suggested the City hold workshops for tenants and landlords.

Robin Mitchell expressed her belief that it is the government's role to speak for those that can't speak for themselves, including tenants and not landlord associations. She urged the Council to immediately put in place a moratorium on rent increases and a just cause for eviction ordinance while the City works through the details of a complete program.

Peter Pan reported that he is a small landlord that charges below market rents, because he has good tenants and wants to keep them. He stated he has a negative cash flow of over \$500 a month, and if the City places a lot of bureaucracy on him, he will not be able to afford to continue as a landlord without raising the rents.

Jane Lundin said that she is a small property owner and that she has great sympathy for tenants that get a 50% rent increase; but doesn't believe this is a regular occurrence or that landlords are evicting tenants for no reason. She stated that the eviction process is very costly and sane landlords would not evict good tenants. She pointed out that when the City of Richmond adopted a just cause for eviction ordinance, rental housing was taken off the market.

Richard Bell stated his belief that the staff proposed ordinances are not sufficient to protect tenants.

Meina Young reported that San Francisco has very strict rent control measures; but also has the highest rents in the area. She asked the Council to work on providing more affordable housing and to not pass these ordinances.

Marline George asked the Council to take more time to study this issue before passing any ordinances. She expressed concern that some of the requirements in the proposed ordinances would be very onerous to landlords,

Bill Kuhlman stated that he served on the Planning Commissioner for eight years and during that time, the commission only approved one housing project. He said that the problem is that there is not enough housing inventory. He cautioned that the proposed ordinances may hurt the mom and pop property owners because they feel the burden of regulations more than larger property owners. He asked the Council to consider reducing the impact of regulations on the small property owners, many who are seniors and need the rental income to supplement their fixed incomes. He suggested that the Council consider increasing the rent review threshold to 10% to minimize the burden on small property owners.

Judith Tannenbaum suggested that the City needs to come up with programs that don't allow bad landlords to get away with unfair practices and doesn't punish good landlords and tenants. She said that she appreciated the work that staff has done on this; but believes non-binding mediation will not protect the tenants and will end up penalizing good landlords with more fees and paperwork. She asked that the Council consider the resolution adopted by the Human Relations Commission.

Steve Barton said he is the co-author of "*Opening the Door for Rent Control*" published by UC Berkeley Haas Institute, and is on the Board of the Bay Area Community Land Trust, which has some rental properties that are being

converted to cooperatives. He noted that rental rates in El Cerrito are typical of others in the Bay Area; but nearly double those in the rest of the U.S. He stated that the longer the City delays in providing some security for tenants, the more gentrification will take place and people will continue to be displaced. Mr. Barton stated his belief that what is needed is rent control with just cause for eviction, along with tenant relocation protections for those properties exempt from Costa-Hawkins.

Nicholas Galloro said that property owners have a lot of legal rights and tenants have very few. He questioned how people are expected to prosper when they spend more than 50% of their income for rent.

Wendy Louie said that a lot of the City's property owners are elderly and depend on their rental income to subsidize their income. She pointed out that a lot of the tenants are also elderly, and the City needs to consider both sides. She stated that property owners also need to be allowed to have family members move into their property. She referred to the City of Berkeley's rental program where there are tenants who have lived in the same place for years, no matter what their income is. As a result, some owners have had to sell their property rather than be able to allow their family members to move into the property because of their rent control laws.

Jeff Nalle said he is in favor of the Human Relations Commission recommendations. He said he supports a fair rate of return for property owners and just cause for eviction of tenants.

Eva Chao reported that she owns a duplex in the City and provides below market rents to her tenants. She felt that the proposed ordinances will create extra expenses for landlords and will reduce good will between tenants and property owners. She asked that the City not impose a minimum one-year lease and that the City not implement additional regulations. She noted that in San Francisco many properties have been removed from the rental market because of their rent control laws.

Amy Chiang told the Council that she has worked hard all of her life and as a result she is able to own a rental property. She stated that she has a lot of expenses to cover including a high mortgage payment, taxes, utilities, and improvements to her property. She said that she has a good relationship with her tenants and asked the City to consider small property owners.

Jeffrey Levin stated that tenant protections are only part of a solution to the housing crisis, and the production of more affordable housing is needed to help solve this crisis. He noted that in the meantime the City needs to protect the most vulnerable by reducing the risk of displacement. He said that he doesn't believe the staff's proposals will do that. He urged the Council to put in place a temporary moratorium on excessive rent increases and just cause for eviction

while the City works on developing a comprehensive program.

Johanna Valle informed the Council that she paid \$2,000 for a fixer up, and her rent has been increased to \$3,000 over the past two years. She stated that she continues to struggle to find housing for her family that she can afford and may need to move and relocate her children from their school and friends. She asked that the Council include single family homes as part of any regulations as her landlord owns multiple properties.

Jeff Bloomfield said that he would like to see the City hold workshops so that tenants can come forward and provide information. He stated his belief that non-binding mediation only works with property owners that are willing to work with their tenants.

Ronnie Polonsky questioned how the City plans on monitoring and enforcing some of the provisions in the proposed ordinances. He said that he doesn't believe non-binding mediation will work because there is a tremendous imbalance of power between landlords and tenants. He said that no one wants to stop property owners from making a reasonable return on their investments.

Michele Manzone informed the Council that he is a realtor, property manager and landlord, and is here representing the mom and pop landlords. He stated that the City has a lot of mom and pop landlords. He offered to provide the City with rental data and stated that there isn't as much price gouging going on as you would think.

Lori Wickliff, Richmond, said rent control has divided landlords and tenants in the City of Richmond. She stated that she is property owner with senior tenants. She stated that she has been charging below market rates but due to rent control she must either raise the rental rates even when she doesn't want to or lose more money over time. She said that landlords in Richmond are now afraid to take a chance on renting to a tenant who may not be perfect because of the difficulty in being able to evict a bad tenant. She suggested the Council take its time and listen to both landlords and tenants. She stated her belief that the proposals before the Council won't address the issue of bad landlords who overcharge or require tenants to pay extra charges.

Ralph Baniello spoke in support of the City adopting a just cause for eviction ordinance and more tenant protections as recommended in the Human Relations Commission resolution. He stated that he pays more than 50% of his income for housing.

Rhovy Lyn Antonio, California Apartment Association, stated their support for the proposed ordinances as being reasonable measures. She stated these ordinances will allow the City to gather data, verify it, and determine if the data warrants further regulations. She stated that the Association recommends the

City consider increasing the rent review threshold to 10% to be consistent with programs in other cities and that the City provide safeguards, such as a phase in period and time to adjust rent rates, for mom and pop property owners, who are 80% of the landlords in El Cerrito. She stated the Association does not support rent control or just cause for eviction.

Council Discussion:

Members of the Council questioned staff about various aspects of each of the proposed ordinances including: 1) penalties and enforcement; 2) data collection; 3) a rent registry; 4) protections for mom and pop landlords with limited incomes; 5) workshops for landlords and tenants; 6) relocation expenses; 7) just cause for eviction; and 8) non-binding mediation.

Actions: Moved, seconded (Lyman/Fadelli) and carried unanimously to waive first reading and introduce an Ordinance adding Chapter 10.200 - Minimum Lease Terms to the Municipal Code.

Moved, seconded (Lyman/Quinto) and carried unanimously to waive first reading and introduce an Ordinance adding Chapter 10.400 - Tenant Relocation to the Municipal Code with a revision offered by Mayor Pro Tem Lyman to add Section 10.400.020(F)(4) "associated accumulated rent increase greater than 20% over two (2) years" and to revise Section 10.400.040(4) to read " Special-Circumstances Household will be paid two (2) additional months of rent for a maximum of five (5) months' rent."

Moved, seconded (Fadelli/Lyman) and carried unanimously to waive first reading and introduce an Ordinance adding Chapter 10.300 – Termination of Tenancy to the Municipal Code with a revision offered by Mayor Pro Tem Lyman that the language under Section 10.300.030(D) be standardized with the Rental Unit definition similar to the language in the other two ordinances and reorder where the exemptions are listed to appear in the definitions section.

Moved, seconded (Lyman/Fadell) and carried (Ayes – Fadelli, Quinto, Lyman; Pardue-Okimoto; Noes – None; Abstain – Abelson) to acknowledge there is a housing shortage in the City of El Cerrito that does require an emphasis on production, preservation, and protection of housing, and as a result we direct staff to move forward with preparation of a just cause for eviction ordinance and a rental registry program.

There was no motion or action taken on adding Chapter 10.100 – Rent Review Program to the Municipal Code.

8. CITY COUNCIL LOCAL & REGIONAL LIAISON ASSIGNMENTS

A. 2019 City Council Liaison Assignments

Review and approve the 2019 City Council Liaison Assignments.

Action: Moved/seconded (Abelson/Quinto) and carried unanimously to approve

the 2019 assignments.

9. ADJOURN REGULAR CITY COUNCIL MEETING

The meeting adjourned at 11:30 p.m.

Rochelle Pardue-Okimoto, Mayor

This is to certify that the foregoing is a true and correct copy of the minutes of the regular City Council meeting of December 18, 2018 as approved by the El Cerrito City Council.

Sherry M. Kelly
Acting City Clerk

ORDINANCE NO. 2019-01

AN ORDINANCE OF THE CITY OF EL CERRITO ADDING CHAPTER 4.54 –
TRANSPORTATION IMPACT FEE TO THE EL CERRITO MUNICIPAL CODE

WHEREAS, the City Council has adopted a General Plan (1999) and the Ohlone Greenway Master Plan (2009), San Pablo Avenue Specific Plan (2014) and Active Transportation Plan (2016) (collectively “Plans”); and conducted the appropriate level of environmental review for these Plans; and

WHEREAS, the General Plan calls for the City to consider collecting a Transportation Impact Fee from developers of new projects to help fund transportation improvements needed to accommodate traffic generated by new development; and

WHEREAS, the Plans provide specific detailed goals, policies, programs and projects for land use and transportation within the City, and show future land uses in the City; and

WHEREAS, the Plans and Nexus Study set forth the relationship between future development in the city, the needed improvements and facilities, and the estimated costs of those improvements and facilities; and

WHEREAS, the City wishes to adopt the Transportation Impact Fee to better implement the goals contained in the Plans, including establishing fee amounts and the improvements and facilities to be constructed with the Transportation Impact Fee revenue; and

WHEREAS, the Transportation Impact Fee will be used to acquire funds for capital projects necessary to maintain transportation services within the City and to maintain acceptable multimodal circulation and access with additional vehicular, bicycle, and/or pedestrian traffic from new development. No existing deficiencies have been found to exist by the Nexus Study because the Fee is no greater than the City’s existing facility standard and level of investment for transportation infrastructure per equivalent dwelling unit as shown in the Nexus Study. As such, the Transportation Impact Fee as it relates to development within the City is not a “project” within the meaning of CEQA (Public Resources Code§ 21080(b)(8)(D)).

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CERRITO
DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Incorporation of Recitals. The City Council finds that the above Recitals are true and correct and are incorporated herein by reference.

Section 2. Amendment of the El Cerrito Municipal Code. Chapter 4.54 is added to Title 4 - Revenue and Finance of the El Cerrito Municipal Code to read in full as follows:

Chapter 4.54

TRANSPORTATION IMPACT FEE

Sections:

- 4.54.010 - Purpose.
- 4.54.020 - Transportation Impact Fee established.
- 4.54.030 - Use of fee revenues.
- 4.54.040 - Developer construction of transportation improvements.
- 4.54.050 - Appeals.
- 4.54.060 - Administrative guidelines.

4.54.010 Purpose.

To implement the goals and objectives of the City of El Cerrito's ("City") General Plan and related master and specific plans and to mitigate the impacts caused by future development in the City, certain transportation improvements must be constructed. The City Council has determined that a Transportation Impact Fee is needed to finance these transportation improvements and to pay for each development's fair share of the construction and acquisition costs of the necessary transportation improvements. In establishing the fee described in the following sections, the City Council has found the fee to be consistent with its general plan and related master and specific plans, and pursuant to Government Code Section 65913.2, has considered the effects of the fee with respect to the city's housing needs as established in the housing element of the general plan.

4.54.020 Transportation Impact Fee established.

A. A Transportation Impact Fee ("fee") is established to pay for transportation improvements.

B. The City Council shall, in a Council resolution adopted after a duly noticed public hearing, set forth the amount of the fee, describe the need for the fee, list the types of transportation improvements to be financed, describe the estimated cost of these improvements, describe the reasonable relationship between the fee and the various types of future development, and set forth time for payment of the fee.

4.54.030 Use of fee revenues.

The revenues raised by payment of the Transportation Impact Fee shall be accounted for in a City capital project fund ("fund"). A separate and special account within the fund shall be used to account for revenues, along with any interest earnings on such account. These moneys shall be used for the following purposes:

A. To pay for design, engineering, environmental review, permits, right-of-way acquisition, utility relocation, project management and construction of the types of transportation improvements designated in the Council resolution and reasonable costs of outside consultant studies related thereto, and associated attorneys' fees, including costs of defense;

B. To reimburse the City for transportation improvements that otherwise would have been eligible for funding with fee revenue and that were constructed by the City with funds, other than gifts or grants, from other sources together with accrued interest;

C. To provide a fee credit and/or reimbursement to developers who have constructed transportation improvements that otherwise would have been eligible for funding with fee revenue where such construction is beyond that which would otherwise be required for approval of the proposed development such as dedications, setbacks, frontage improvements, and/or development-specific transportation mitigation measures which are required by local ordinance, standards, or other practice, and based on actual cost of construction; and/or

D. To pay for and/or reimburse costs of program development and ongoing administration of the Transportation Impact Fee program.

4.54.040 Developer construction of transportation improvements.

If a developer is required, as a condition of approval of a permit, to construct a transportation improvement that has been designated to be financed with transportation impact fees then the developer shall receive a credit against the fee that otherwise would be levied on the development project, and if the cost of the improvement or portion of the improvement as represented in the fee program adjusted for inflation that is the developer's responsibility is greater than the fee obligation for the development project then a reimbursement agreement with the developer shall be offered by the City. The reimbursement amount shall equal the difference between the fee obligation and the actual cost of the improvement that is the developer's responsibility. Reimbursements shall be paid only when and to the extent that moneys are available in the fund. Credits must be approved by the City Manager.

4.54.050 Appeals.

A developer may appeal the amount of the Fee due in writing to the City Manager with supporting documentation. The City Manager shall consider the appeal and shall make a decision on the appeal. The decision of the City Manager shall be final.

4.54.060. Administrative guidelines.

The City Manager shall approve and maintain administrative guidelines to facilitate implementation of the Transportation Impact Fee.

Section 3. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed the Ordinance, and each and every section, subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to whether any portion of this Ordinance would be subsequently declared invalid or unconstitutional.

Section 4. Effective Date and Publication. This Ordinance shall take effect and be enforced thirty days after the date of its adoption. Prior to the expiration of fifteen days from the passage thereof, the ordinance or a summary thereof shall be posted or published as may be required by law, and thereafter the same shall be in full force and effect.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the City Council on December 18, 2018 and passed by the following vote:

AYES: Councilmembers Abelson, Fadelli, Lyman, Quinto and Mayor Pardue-Okimoto

NOES: None

ABSTAIN: None

ABSENT: None

ADOPTED AND ORDERED published at a regular meeting of the City Council held on January 15, 2019 and passed by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

APPROVED:

Rochelle Pardue-Okimoto, Mayor

ATTEST:

Sherry Kelly, Acting City Clerk

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on January XX, 2019.

Sherry Kelly, Acting City Clerk

ORDINANCE CERTIFICATION

I, Sherry Kelly, Acting City Clerk of the City of El Cerrito, do hereby certify that this Ordinance is the true and correct original Ordinance No. 2018-XX of the City of El Cerrito, that said Ordinance was duly enacted and adopted by the City Council of the City of El Cerrito at a meeting of the City Council held on the XX day of December 2018; and that said Ordinance has been published and/or posted in the manner required by law.

WITNESS my hand and the Official Seal of the City of El Cerrito, California, this XX day of January 2019.

Sherry Kelly, Acting City Clerk



AGENDA BILL

Agenda Item No. 4(C)

Date: January 15, 2019
To: El Cerrito City Council
From: Kristen Cunningham, Human Resources Manager
Subject: Designating Primary and Alternate Board Members to the Municipal Pooling Authority of Northern California (MPA)

ACTION REQUESTED

Adopt a resolution designating the Human Resources Manager as Primary Board Member and the Assistant City Manager as Alternate Board Member to the Municipal Pooling Authority of Northern California (MPA).

BACKGROUND

The City of El Cerrito is a member of the Municipal Pooling Authority of Northern California. The Municipal Pooling Authority (MPA) is a Joint Powers Authority established in 1978 for the purpose of providing liability insurance to municipal agencies in Contra Costa County. The governing documents of the MPA require that the City Council of each member city appoint one Board member and one alternate Board member to the Board of Directors of the Authority. MPA governing documents also require the City to appoint its City Manager or the department head or staff person responsible for the City's risk management function as the primary board member, and that the alternate Board member have the same qualifications as the primary Board member.

It has been the responsibility of the Human Resources Division to perform the risk management functions for the City. Currently, the Assistant City Manager is designated as the primary Board member to the MPA, and the Human Resources Manager as the alternate. However, as the Human Resources Manager also serves as the City's Risk Manager, it would be more appropriate to designate the Human Resources Manager as the Primary Board Member to ensure continuity of the City's risk management functions. This resolution will allow the Human Resources Manager to serve as the Primary Board Member going forward, and further designates the Assistant City Manager as the Alternate Board Member.

Reviewed by:

Karen Pinkos, City Manager

Attachments: 1. Resolution

RESOLUTION 2019-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO DESIGNATING A PRIMARY AND ALTERNATE BOARD MEMBER TO THE MUNICIPAL POOLING AUTHORITY OF NORTHERN CALIFORNIA

WHEREAS, the City of El Cerrito is a member of the Municipal Pooling Authority of Northern California, and

WHEREAS, the governing documents of the Municipal Pooling Authority of Northern California require the City Council of each member city to appoint one Board member and to appoint one alternate Board member to the Board of Directors of the Authority; and

WHEREAS, the governing documents of the Municipal Pooling Authority of Northern California require that the City shall appoint its City Manager or the department director or staff person responsible for the City's risk management function as the primary Board member, and that the alternate Board member shall have the same qualifications as the primary Board member.

NOW THEREFORE, BE IT RESOLVED, that the City Council does hereby designate the Human Resources Manager as the City's Board member to the Municipal Pooling Authority of Northern California.

BE IT FURTHER RESOLVED, that the Assistant City Manager is hereby designated as the City's alternate Board member to the Municipal Pooling Authority of Northern California.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon its passage and adoption.

I CERTIFY that at a regular meeting on January 15, 2019, the El Cerrito City Council passed this resolution by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on January XX, 2018.

Sherry Kelly, Acting City Clerk

APPROVED:

Rochelle Pardue-Okimoto, Mayor



AGENDA BILL

Agenda Item No. 4 (D)

Date: January 15, 2019
To: El Cerrito City Council
From: Melanie Mintz, Community Development Director
Mark Rasiah, Finance Director/City Treasurer
Subject: Review and Authorization to Submit the Draft Annual Recognized Obligations Payment Schedule 19-20 (July 1, 2019 - June 30, 2020)

ACTION REQUESTED

Adopt a Successor Agency resolution reviewing and authorizing submittal of the draft Recognized Obligations Payment Schedule 19-20.

BACKGROUND

Recognized Obligation Payment Schedules

ABx1 26 (Dissolution Act) dissolved the El Cerrito Redevelopment Agency (RDA) and established the El Cerrito Redevelopment Successor Agency (Successor Agency) on February 1, 2012. Under the Dissolution Act, the portion of property tax revenues collected in the City of El Cerrito Redevelopment Project Area (Project Area) that was considered Tax Increment prior to the RDA's dissolution are called Redevelopment Property Tax and are deposited by the County Auditor-Controller (Auditor-Controller) into the Redevelopment Property Tax Trust Fund (RPTTF). The Auditor-Controller distributes the funds in the RPTTF with the following priority:

1. Auditor-Controller's administrative costs
2. Pass-through payments to the taxing entities affected by the Redevelopment Plan for the Project Area, calculated the same as prior to RDA dissolution
3. Distribution to the Successor Agency to retire the former RDA's obligations
4. Repayment of loans from the Housing Fund (starting in FY 2014-15)
5. Distribution of residual funds to taxing entities

The Oversight Board to the Successor Agency to the El Cerrito Redevelopment Agency (the "Oversight Board") was formed on April 4, 2012, was dissolved on June 30, 2018 by the County, and a Countywide Oversight Board came into being on January 1, 2019.

Beginning with the previous ROPS period, the Successor Agency must review and authorize submittal of a Recognized Obligation Schedule (ROPS) for each fiscal year. Each ROPS must then be approved by the Countywide Oversight Board and the

California Department of Finance (DOF) before the Auditor-Controller disburses funding for payments on the approved ROPS.

The City Council, acting as the Successor Agency, will review the draft ROPS 19-20 covering payments due during the period of July 2019 to June 2020. The Successor Agency must submit ROPS 19-20 approved by the Countywide Oversight Board to the DOF no later than February 1, 2019. The County-wide Oversight Board is scheduled to consider ROPS 19-20 at its upcoming special meeting. After submittal, DOF then has until April 15th to review the ROPS and approve or disapprove any items. The Successor Agency can request additional review by DOF and has an opportunity to meet and confer on disputed items and must make that request within five business days of receiving a DOF determination. The DOF is required to notify the Successor Agency and Auditor Controller of its final determination of the approved payments at least 15 days prior to the first distribution twice annually, on June 1st and January 2nd of each year. The annual ROPS can be amended once per year as long as the amendment is received by DOF before October 1st of the applicable fiscal year.

ANALYSIS

The proposed ROPS 19-20 is Exhibit A to the attached Successor Agency resolution, authorizing its submittal. It includes: 1) A summary of the funding request; 2) An itemized listing of obligations ("ROPS Detail"); 3) A report of cash balances; Obligations with remaining outstanding balances are included on ROPS 19-20, as follows:

- Tax Allocation Bond Debt Service: In August of 2016 former items 1, 3, and 5 on the ROPS were refinanced into the 2016 Tax Allocation Bonds. This is shown as item 29. Debt service on the 2016 Bonds had been deferred in order to create savings that can flow to the City and the taxing entities in the form of additional residual revenues. A debt service payment is due as part of ROPS 19-20 A in the amount of \$868,327.
- Valente Note (\$288,216): The Successor Agency expects that this note will be fully repaid when the Mayfair property is transferred pursuant to the Disposition and Development Agreement entered into last year. Closing on the property is expected to occur in February 2019 in which event, no payment would be due during the 19-20 ROPS period. However, until the closing occurs, the ROPS continues to list the annual payment which would be due on March 5, 2020 in order to ensure that funds will be available should the Mayfair property not transfer for any reason.
- San Pablo Avenue Streetscape and Streetlights (\$0): In the process of closing out multi-year capital improvement projects, not long after the Dissolution statues were passed, it was determined that commitments of tax increments by the RDA to the City were not transferred to the Capital Improvement Fund, but were relied upon for getting construction contracts. While the commitment of tax increment not transferred by the RDA totaled \$956,511, the City was able to reduce project costs and only \$431,599 of the commitment remains outstanding. This has been recorded on previous ROPS and has been denied repeatedly by the DOF. It is no

longer being recorded on the ROPS as staff and Counsel review other options for dealing with this outstanding issue.

- ERAF and SERAF Loans (\$167,275): Pursuant to Successor Agency Resolution No. 2014-01 and Oversight Board Resolution No. 2014-03, and consistent to the approved SERAF/ERAF Loan Repayment Schedule, an annual repayment amount is listed on the ROPS. This is the final repayment of these loans.
- FY 2019-20 Administrative Allowance (\$250,000): One half of the Successor Agency's administrative allowance is included in each six-month period on the ROPS.

The total amount of RPTTF funding required for ROPS 19-20 is estimated to be \$2,585,843.

STRATEGIC PLAN CONSIDERATIONS

The amended ROPS supports Goal B of the City's Strategic Plan to "Achieve long-term financial sustainability".

FINANCIAL CONSIDERATIONS

It is estimated that the total amount of RPTTF funding required for ROPS 19-20 is \$2,585,843. In order to repay the obligations of the Successor Agency, the ROPS must be approved and submitted to the DOF.

LEGAL CONSIDERATIONS

All actions being requested are consistent with the Dissolution Act, as amended and have been reviewed by the Agency attorney.

Reviewed by:



Karen Pinkos
City Manager

Attachments:

1. Resolution with Exhibit A: ROPS 19-20

SUCCESSOR AGENCY RESOLUTION 2019-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO ACTING AS THE EL CERRITO REDEVELOPMENT AGENCY SUCCESSOR AGENCY AUTHORIZING SUBMITTAL OF THE DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE 19-20, AS REQUIRED UNDER THE DISSOLUTION ACT

WHEREAS, pursuant to the California Community Redevelopment Law (the "Redevelopment Law"), the City Council (the "City Council") of the City of El Cerrito (the "City") adopted the Redevelopment Plan for the City of El Cerrito Redevelopment Project Area by Ordinance No. 77-17, as amended by Ordinances No. 80-13; No. 89-5; No. 94-4; No. 2004-3; No. 2005-01; and No. 2006-10 (collectively, the "Redevelopment Plan"); and

WHEREAS, the El Cerrito Redevelopment Agency (the "RDA") was responsible for implementation of the Redevelopment Plan; and

WHEREAS, as part of the 2011-12 State budget bill, ABx1 26 (the "Dissolution Act") was enacted significantly modifying the Redevelopment Law to require the dissolution of redevelopment agencies throughout California and the establishment of successor agencies to wind down the former redevelopment agencies' affairs; and

WHEREAS, on August 15, 2011, pursuant to the Dissolution Act, the City elected to serve as the El Cerrito Redevelopment Agency Successor Agency (the "Successor Agency"), should the RDA be dissolved; and

WHEREAS, California redevelopment agencies were dissolved on February 1, 2012; and

WHEREAS, pursuant to the Dissolution Act, upon dissolution, the RDA transferred as a matter of law all remaining liabilities, debts and obligations to the Successor Agency; and transferred all unencumbered funds and assets to the Successor Agency's Redevelopment Obligation Retirement Fund (the "RORF"), for disposition and/or use by the Successor Agency to retire RDA debt and pay for RDA obligations; and

WHEREAS, pursuant to the Dissolution Act, the Contra Costa County Auditor Controller (the "Auditor-Controller") established the Redevelopment Property Tax Trust Fund (the "RPTTF") to hold Redevelopment Property Tax collected from the City of El Cerrito Redevelopment Project Area to be disbursed to the Successor Agency for payment of its enforceable obligations and to taxing entities affected by the Redevelopment Plan; and

WHEREAS, SB 107 was enacted on September 22, 2015 modifying the Dissolution Act to require the Successor Agency to form an Oversight Board; and submit an Oversight Board approved annual Recognized Obligations Payment Schedule ("ROPS") to the Department of Finance (the "DOF");

WHEREAS, the Oversight Board to the Successor Agency to the El Cerrito Redevelopment Agency (the "Oversight Board") was formed on April 4, 2012; and was dissolved on June 30, 2018 by the County, and a Countywide Oversight Board came into being on January 1, 2019; and

WHEREAS, the Successor Agency has reviewed the draft ROPS 19-20 that was prepared pursuant to the Dissolution Act, which is attached and incorporated as Exhibit A to this Resolution, for submittal to the Countywide Oversight Board, the Auditor-Controller, and DOF; and

WHEREAS, the Successor Agency has determined that the amounts owed to the City constitute an enforceable obligation pursuant to Section 34171(d)(2) to be listed on the ROPS 19-20; and

WHEREAS, the Successor Agency wishes to authorize Successor Agency staff to amend the ROPS 19-20 administratively to account for any additional changes made by the DOF to the ROPS form or changes made by the Countywide Oversight Board that occur after the Successor Agency's consideration.

NOW THEREFORE, BE IT RESOLVED that the City of El Cerrito Redevelopment Agency Successor Agency hereby finds the above recitals to be true and accurate.

BE IT FURTHER RESOLVED that the El Cerrito Redevelopment Agency Successor Agency authorizes the submittal of the draft Recognized Obligation Payment Schedule 19-20 as required under the Dissolution Act, subject to such changes as may be necessary to accommodate changes in the DOF approved form and any changes made by the Oversight Board any such changes to be approved by the City Manager.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its passage and adoption.

I CERTIFY that at the regular meeting on January 15, 2019, the City Council of the City of El Cerrito acting as the El Cerrito Redevelopment Agency Successor Agency passed this resolution by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

IN WITNESS of this action, I sign this document on January 15, 2019.

Sherry Kelly, Acting City Clerk

APPROVED:

Rochelle Pardue-Okimoto, Mayor

Recognized Obligation Payment Schedule (ROPS 19-20) - Summary
Filed for the July 1, 2019 through June 30, 2020 Period

Successor Agency:	<u>El Cerrito</u>
County:	<u>Contra Costa</u>

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		19-20A Total (July - December)	19-20B Total (January - June)	ROPS 19-20 Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 292,275	\$ -	\$ 292,275
B	Bond Proceeds	-	-	-
C	Reserve Balance	292,275	-	292,275
D	Other Funds	-	-	-
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 868,327	\$ 1,425,241	\$ 2,293,568
F	RPTTF	868,327	1,300,241	2,168,568
G	Administrative RPTTF	-	125,000	125,000
H	Current Period Enforceable Obligations (A+E):	\$ 1,160,602	\$ 1,425,241	\$ 2,585,843

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I
hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named successor
agency.

Name	Title
/s/	
Signature	Date

El Cerrito Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail																						
July 1, 2019 through June 30, 2020																						
(Report Amounts in Whole Dollars)																						
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 19-20 Total	19-20A (July - December)				19-20A Total	19-20B (January - June)					19-20B Total	
											Fund Sources					Fund Sources						
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Admin RPTTF	Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Admin RPTTF
6	2009-10 SERAF Loan	SERAF/ERAF	2/16/2010	11/24/2024	City L&M Housing Fund	Funds advanced for SERAF payment	El Cerrito	\$ 16,482,900		\$ 2,585,843	\$ 0	\$ 292,275	\$ 0	\$ 868,327	\$ 0	\$ 1,160,602	\$ 0	\$ 0	\$ 0	\$ 1,300,241	\$ 125,000	\$ 1,425,241
9	Valente Promissory Note	Third-Party Loans	3/5/2009	3/5/2024	George Valente	Loan for land acquisition	El Cerrito	167,275	N	\$ 167,275		167,275				\$ 167,275						\$
21	Litigation Cost/Cash Flow Loan Agreement	Legal	10/1/2013	6/30/2015	City of El Cerrito	Successor Agency litigation costs funded by ROPS 14-15B RPT and/or by City of El Cerrito Cash Flow Loan pursuant to H&S Code Section 34173(h).	El Cerrito	1,447,077	N	\$ 288,216						\$ -				288,216		\$ 288,216
24	San Pablo Avenue Streetscape	OPA/DDA/Construction	7/1/2004	11/24/2024	City of El Cerrito	Undisbursed commitment for public improvements constructed in 2004-2011	El Cerrito		Y	\$ -						\$ -						\$
25	Administrative Allowance	Admin Costs	6/1/2014	7/31/2023	City of El Cerrito	Annual allowance	El Cerrito	1,375,000	N	\$ 250,000		125,000				\$ 125,000					125,000	\$ 125,000
29	2016 Tax Allocation Bonds	Bonds Issued After 12/31/10	8/4/2016	9/1/2025	Union Bank	Refunding of Items 1, 3, and 5 with private placement issue	El Cerrito	13,493,548	N	\$ 1,880,352					868,327	\$ 868,327				1,012,025		\$ 1,012,025
30									N	\$ -						\$ -						\$
31									N	\$ -						\$ -						\$
32									N	\$ -						\$ -						\$
33									N	\$ -						\$ -						\$
34									N	\$ -						\$ -						\$
35									N	\$ -						\$ -						\$
36									N	\$ -						\$ -						\$
37									N	\$ -						\$ -						\$
38									N	\$ -						\$ -						\$
39									N	\$ -						\$ -						\$
40									N	\$ -						\$ -						\$
41									N	\$ -						\$ -						\$
42									N	\$ -						\$ -						\$
43									N	\$ -						\$ -						\$
44									N	\$ -						\$ -						\$
45									N	\$ -						\$ -						\$
46									N	\$ -						\$ -						\$
47									N	\$ -						\$ -						\$
48									N	\$ -						\$ -						\$
49									N	\$ -						\$ -						\$
50									N	\$ -						\$ -						\$
51									N	\$ -						\$ -						\$
52									N	\$ -						\$ -						\$
53									N	\$ -						\$ -						\$
54									N	\$ -						\$ -						\$
55									N	\$ -						\$ -						\$
56									N	\$ -						\$ -						\$
57									N	\$ -						\$ -						\$
58									N	\$ -						\$ -						\$
59									N	\$ -						\$ -						\$
60									N	\$ -						\$ -						\$
61									N	\$ -						\$ -						\$
62									N	\$ -						\$ -						\$
63									N	\$ -						\$ -						\$
64									N	\$ -						\$ -						\$
65									N	\$ -						\$ -						\$
66									N	\$ -						\$ -						\$
67									N	\$ -						\$ -						\$
68									N	\$ -						\$ -						\$
69									N	\$ -						\$ -						\$
70									N	\$ -						\$ -						\$
71									N	\$ -						\$ -						\$
72									N	\$ -						\$ -						\$
73									N	\$ -						\$ -						\$
74									N	\$ -						\$ -						\$
75									N	\$ -						\$ -						\$
76									N	\$ -						\$ -						\$
77									N	\$ -						\$ -						\$
78									N	\$ -						\$ -						\$
79									N	\$ -						\$ -						\$
80									N	\$ -						\$ -						\$
81									N	\$ -						\$ -						\$
82									N	\$ -						\$ -						\$
83									N	\$ -						\$ -						\$
84									N	\$ -						\$ -						\$
85									N	\$ -						\$ -						\$
86									N	\$ -						\$ -						\$
87									N	\$ -						\$ -						\$
88									N	\$ -						\$ -						\$
89									N	\$ -						\$ -						\$
90									N	\$ -						\$ -						\$
91									N	\$ -						\$ -						\$
92									N	\$ -						\$ -						\$
93									N	\$ -						\$ -						\$
94									N	\$ -						\$ -						\$
95									N	\$ -						\$ -						\$
96									N	\$ -						\$ -						\$
97									N	\$ -						\$ -						\$
98									N	\$ -						\$ -						\$
99									N	\$ -						\$ -						\$
100									N	\$ -						\$ -						\$
101									N	\$ -						\$ -						\$
102									N	\$ -						\$ -						\$
103									N	\$ -						\$ -						\$
104									N	\$ -						\$ -						\$

El Cerrito Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances
July 1, 2016 through June 30, 2017
(Report Amounts in Whole Dollars)

funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H
		Fund Sources					
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, Grants, Interest, etc.	Non-Admin and Admin	
	ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)						Comments
1	Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount			1,200,617	176	0	
2	Revenue/Income (Actual 06/30/17) RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller					1,866,385	
3	Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)			897,698		1,866,385	
4	Retention of Available Cash Balance (Actual 06/30/17) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						
5	ROPS 16-17 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	No entry required					
6	Ending Actual Available Cash Balance (06/30/17) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$ 0	\$ 0	\$ 302,919	\$ 176	\$ 0	

El Cerrito Recognized Obligation Payment Schedule (ROPS 19-20) - Notes July 1, 2019 through June 30, 2020

[illegible]



AGENDA BILL

Agenda Item No. 7(A)

Date: January 15, 2019
To: El Cerrito City Council
From: Sky Woodruff, City Attorney
Melanie Mintz, Community Development Director
Aissia Ashoori, Affordable Housing Analyst
Subject: Consideration of Three Ordinances to Provide Additional Protections for Tenants of Residential Property

ACTION REQUESTED

By motion:

1. Defer action on the three Tenant Protection Ordinances introduced at the December 18, 2018, City Council meeting.
2. Reaffirm direction given to staff at the December 18, 2018, City Council meeting to prepare a Just Cause Eviction ordinance and Rent Registry ordinance.
3. Direct staff to return with an integrated package of ordinances, for Council consideration, that includes the Tenant Protection Ordinances, with appropriate amendments, a Just Cause Eviction ordinance, and a Rent Registry ordinance.

Alternatively, the City Council may waive further reading beyond the titles and adopt the following proposed ordinances, each adding a Chapter to Title 10 the El Cerrito Municipal Code: Chapter 10.100: Minimum Lease Term; Chapter 10.200: Termination of Tenancy; Chapter 10.300: Tenant Relocation Assistance.

The proposed ordinances include amendments made by the City Council prior to introduction, including but not limited to an amendment to the Tenant Relocation Assistance ordinance to require tenant relocation assistance for qualifying tenants displaced as a result of a 20% rent increase over a two year period and to include an additional payment of one month's rent for special circumstances households, as defined in the ordinance.

BACKGROUND

At the December 18, 2018 City Council meeting, the City Council considered four proposed ordinances: a Rent Review Ordinance; a Minimum Lease Term Ordinance; a Termination of Tenancy Ordinance; and a Tenant Relocation Assistance Ordinance.

Agenda Item No. 7(A)

The City Council introduced each of the proposed ordinances except for the Rent Review Ordinance. Staff proposed the ordinances as an integrated package of Tenant Protection Ordinances that had been structured to work together.

Related to the introduction of the Tenant Relocation Ordinance, the City Council modified the draft presented by staff as follows:

- Modified the circumstances that qualify for tenant relocation assistance to require such assistance for qualifying tenants displaced as a result of a 20% rent increase over a 2-year period.
- Included an additional payment of one month's rent for special circumstances households.

The ordinances have been renumbered as a result of the Rent Review Ordinance no longer being considered.

Additionally, the City Council directed staff to return with a Just Cause Eviction ordinance and an ordinance to create a method for collecting data regarding rents for residential units (a "Rent Registry"). Staff recommends conducting study session with the City Council at the February 19 meeting, as there are specific details and options in each ordinance that need to be discussed and for staff to receive direction on.

Staff recommends deferring action on the introduced ordinances for two primary purposes, enumerated here and described in more detail below.

1. The policies all inter-relate and the introduction of new policies (Just Cause Eviction and Rent Registry programs) create necessary or recommended changes to the others.
2. Development and implementation of each program requires staff and outside resources. Moving them forward together is both more efficient from a resource perspective and would facilitate smoother communication and implementation with key stakeholders (landlords and tenants.)

The December 18, 2018, staff report is attached for additional background information.

ANALYSIS

In revising the ordinances to conform to Council direction, staff made several important observations that led to the recommendation to defer action on the ordinances as introduced.

Interplay between Rent-Based Tenant Relocation Assistance Requirement and State Law (Costa Hawkins Act)

As the City Council knows, the Costa Hawkins Act (Civil Code Section 1954.52) (the “Act”), limits the ability of local governments to restrict the ability of landlords to establish the initial and all subsequent rental rates for some residential properties. Most relevant for the purposes of the Tenant Protection Ordinances, the Act allows landlords to establish the initial and subsequent rental rates for:

- Property issued a certificate of occupancy after February 1, 1995. (Civil Code Section 1954.52(a)(1).) and
- Single family homes or units separate from title of other dwelling units (IE: condo unit). (Civil Code Section 1954.52(a)(3)(A).)

Additionally, with limited exceptions, no local law can regulate the initial rental rate for vacated units.

Although the issue has not been adjudicated, there is a good argument that the Act’s limitations apply to the Tenant Relocation Assistance Ordinance, as modified by the City Council, to the extent it includes a provision that requires payment of tenant relocation assistance for qualifying tenants displaced as a result of a 20% rent increase over a two-year period. Because a landlord is required to pay relocation assistance upon certain qualifying increases, one could argue that the requirement constitutes a restriction on the ability of a landlord to establish subsequent rental rates. Thus, to reduce the risk of a legal challenge, the recommendation of staff and the City Attorney’s office is to treat that provision of the Tenant Relocation Assistance Ordinance as not applying to exempt units under the Costa Hawkins Act.

Following the City Council’s introduction of the Tenant Relocation Ordinance, landlord groups asserted that the amendment would violate the Act. The City Attorney’s Office does not agree that the law is settled on the issue, but as noted in the previous paragraph, recommends treating the rent-based tenant relocation assistance requirement as subject to Costa Hawkins.

The Tenant Relocation Assistance Ordinance allows staff to establish administrative regulations to implement the ordinance. As part of these administrative regulations, the City would provide that landlords increasing rent on units which are exempt under the Costa Hawkins Act will not be subject to those provisions of the Tenant Relocation Assistance Ordinance. In the event that the Costa Hawkins Act is repealed or modified in the future, or a court holds that the Act would not apply to that provision of the Tenant Relocation Assistance Ordinance, the administrative regulations could be modified to reflect such changes to include these requirements on all residential rental units including new development, or as directed by Council.

Alternatively, as staff recommends, the Tenant Relocation Assistance Ordinance could be revised to reflect the potential application of the Act, but the City Council would have to reintroduce the ordinance with those changes.

In the interest of maintaining an integrated package of Tenant Protection Ordinances and conservation of staff resources for implementation and administration, including providing consistent and clear support to tenants and landlords, staff believes that it would be appropriate for the City Council to defer action on the Tenant Relocation Assistance Ordinance until after the Council has had an opportunity to evaluate it along with a Just Cause Eviction ordinance and Rent registry ordinance. Changes to address the Costa Hawkins Act issues could be made at that time.

Other Changes to the Tenant Relocation Assistance Ordinance Would be Appropriate to Harmonize Its Provisions with the Rent-Based Relocation Assistance Requirement and Additional Assistance for Special Circumstance Households

In reviewing the Tenant Relocation Assistance Ordinance, in light of the amendments made by the City Council when it introduced the ordinance, it became apparent that some additional amendments might be necessary to make the procedures work with the rent-based relocation assistance requirement and the additional compensation for special circumstance households. Additionally, the third party service provider that Council had considered for implementation of the ordinances has stated that they would not be able to assist with implementing the introduced rent-increase provision due to Fair Housing issues. Staff needs to evaluate the resources that would be needed, costs, and available and appropriate service providers to implement this element.

While those could be addressed through administrative regulations or through a trailer ordinance, it provides good reason to defer action on the Tenant Protection Ordinances until a complete package can be presented to the City Council. As part of the reworking of the ordinances to integrate with potential Just Cause Eviction and Rent Registry ordinances, those changes to the procedures of the Tenant Relocation Assistance Ordinance would be made.

Interplay between Requirement to Provide 90 Days' Notice of Termination of Tenancy and Potential Just Cause Eviction Ordinance

In light of the City Council direction to prepare a Just Cause Eviction ordinance, staff reevaluated the provision of the Tenant Relocation Assistance Ordinance that requires landlords to provide 90 days' Notice of Termination of Tenancy when the tenant will be displaced, as defined in the ordinance. In staff's view, if the City Council adopts a Just Cause Eviction ordinance, the additional notice to tenants being displaced would be unnecessary. The efforts to implement the requirement and simultaneously develop an alternative would create resource challenges and confusion. As an additional consideration, landlord groups have asserted that the 90-day Notice for Termination of Tenancies under the Tenant Relocation Assistance Ordinance violates state law by requiring notice in excess of state law requirements. Their letters did not cite case law

directly ruling on the issue, and after researching the matter, the City Attorney's Office is unaware of any such case law.

Nevertheless, if the Council eventually adopts a Just Cause Eviction ordinance and drops the 90-day notice requirement in the Tenant Relocation Assistance Ordinance, the issue would be moot. Due to this, and the aforementioned reasons, staff is recommending deferring action on the Tenant Relocation Assistance Ordinance until the City Council is able to consider it as part of a package with the other ordinances, including Just Cause Eviction.

Implementation and Administration Issues

The possibility of City Council adoption of a Just Cause Eviction ordinance and Rent Registry ordinance requires that staff consider and evaluate the implementation and administration of the whole package of Tenant Protection Ordinances.

If the City Council adopts the Tenant Protection Ordinances, as amended, staff will begin to implement them as quickly as possible. As discussed at the December meeting, development of the programs will require significant staff effort. If the City Council subsequently adopts a Just Cause Eviction ordinance and Rent Registry ordinance, some of the implementation of the existing Tenant Protection Ordinances will need to be withdrawn or modified. Staff believes that deferring action on the Tenant Protection Ordinances until the City Council is able to consider the whole package would be a prudent conservation of administrative resources. Due to staff resources, implementation of the proposed ordinances and development of the new ordinances would need to be phased, resulting in a delay in development of the new ordinances (Rent Registry, Just Cause Eviction, and modifications to the introduced ordinances.)

Integrated Package of Tenant Protection Ordinances

The Tenant Protection Ordinances were presented to the City Council as an integrated package of policies that would work together to further the goals of the Affordable Housing Strategy. At the December 18, 2018, meeting, the City Council directed staff to develop and bring back to the Council for consideration a Just Cause Eviction ordinance and a Rent Registry ordinance. Deferring action on the current Tenant Protection Ordinances would ensure that the three Tenant Protection Ordinances introduced by the Council are integrated with the final versions of a Just Cause Eviction ordinance or Rent Registry ordinance — if the City Council adopts such ordinances. Staff would revise the current Tenant Protection ordinances as necessary to achieve appropriate integration. The Council could then take up all of the ordinances as a single package. (The current Tenant Protection Ordinances would have to be re-introduced or all of the legislation could be placed into a single ordinance for introduction and adoption.) Furthermore, staff recommends a study session with Council to discuss and receive direction on the newly introduced elements (Just Cause and Rent Registry) and to

consider how all of the policies work together. Considering and implementing the entire package together would facilitate smoother program implementation, including communication and support for renters and landlords and efficient use of staff resources.

STRATEGIC PLAN CONSIDERATIONS

The proposed ordinances fulfill the City's Strategic Plan Goal C: Deepen a sense of place and community identity and specifically the strategy to promote strong neighborhoods.

ENVIRONMENTAL CONSIDERATIONS

This action is exempt from the requirements of the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061 (b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

FINANCIAL CONSIDERATIONS

The financial considerations were identified in the original staff report. The tenant relocation program introduced in December would be triggered when an application is submitted to the City. In these situations, property owners/landlords will be required to pay the costs for a third-party service provider to administer tenant relocation assistance determinations. Fees will be considered by the City Council in the future. With the amendment to the tenant relocation assistance to include rent increases that exceed 20% over a 24-month period for households earning less than one-hundred twenty percent of median income, staff will need to identify a service provider or additional staff resources to administer the income certifications and program implementation. In the time between introduction of this provision and tonight's meeting, this information has not yet been developed or service provider identified. The new ordinances, those introduced and those yet to be considered, will require development of materials and Citywide outreach and education. If the currently introduced and proposed programs, are enacted and implemented separately, additional resources including staff time will be required, i.e. to prepare separate program materials/workshops for Just Cause and Rent Registry. In order to streamline implementation of the Tenant Protection package, to both minimize costs and facilitate coordinated communication with stakeholders, staff recommends that the package be considered as one integrated package.

LEGAL CONSIDERATIONS

The proposed ordinances and recommended actions have been reviewed by the City Attorney and all legal considerations have been addressed.

Separate from the Tenant Protection Ordinances themselves, both the Contra Costa Association of Realtors ("CCAR") and California Apartment Association Contra Costa ("CAA") submitted separate letters alleging that the City Council violated the Brown Act at the December 18, 2018, meeting. CCAR alleged that the amendment to the Tenant

Relocation Assistance Ordinance had to be agendized as a separate item of business prior to Council consideration because it constitutes a form of rent control. It also alleged that the direction to staff to prepare Just Cause Eviction and Rent Registry ordinances also had to be agendized. CAA alleged that the Council adopted the amendment to the Tenant Relocation Assistance Ordinance without discussion of the amendment.

None of the claims are supported in the Brown Act itself or applicable case law. The Brown Act requires that City Council agendas include a “brief general description of each item of business to be transacted or discussed.” (Gov. Code § 54954.2(a).) The agenda for the December 18, 2018, meeting briefly described the Tenant Relocation Assistance Ordinance. That description was supplemented by the written staff report available to the public with the agenda. The amendment to the Tenant Relocation Assistance Ordinance added an additional circumstance under which a tenant would qualify for relocation assistance and increased the amount of relocation assistance for some tenants. It was, therefore, a modification of the item of business described, not a new item of business, even if it indirectly created a limit on rents that might qualify as “rent control”—an effect that the City does not agree occurred. Further, the staff report discussed the issues of rent control and the gathering of information about residential rents. Multiple public speakers requested that the City Council adopt or not adopt rent control and discussed the merits of gathering information about residential rents. The public understood that those topics were encompassed within the agenda item, and there is no evidence that anyone was prejudiced by the absence of the terms “rent control” or “rent registry” on the posted agenda.

Contrary to CCAR’s contention, direction to staff for future agenda items is not itself required to be on the agenda. A “member of a legislative body, or the body itself . . . may . . . request staff to report back to the body at a subsequent meeting concerning any matter, **or take action to direct staff to place a matter of business on a future agenda.**” (Gov. Code § 54954.2(a)(3) (emphasis added).) Therefore, the Brown Act did not require that the topic of just cause eviction ordinances and rent registry ordinances be on the agenda to enable the City Council to direct staff to begin the process of preparing such ordinances.

Finally, without accepting the accuracy of CAA’s summary of the factual events that occurred at the December 18, 2018, City Council meeting, there is nothing in the Brown Act that mandates that the City Council discuss an amendment prior to taking action on it as part of ordinance adoption. The Brown Act requires only that the agenda for the meeting include a “brief general description of each item of business to be transacted or discussed.” The agenda for that meeting included a legally adequate description of the item of business, including the amendment to the Tenant Relocation Assistance Ordinance. Whether a city council discusses amendments prior to acting is a matter of practice and, in some cases, rules of procedure. It is not mandated by the Brown Act.

Reviewed by:

A handwritten signature in black ink, appearing to read "Karen Pinkos", written in a cursive style.

Karen Pinkos
City Manager

Attachments:

1. December 18, 2018 staff report
2. Minimum Lease Term Ordinance
3. Termination of Tenancy Ordinance
4. Tenant Relocation Assistance Ordinance



Agenda Item No. 7(A)
Attachment 1

Date: December 18, 2018
To: El Cerrito City Council
From: Aissia Ashoori, Affordable Housing Analyst
Melanie Mintz, Community Development Director
Subject: Tenant Protection Ordinances and Human Relations Commission Resolution

ACTION REQUESTED

1. Introduce by title and waive any further reading of four Ordinances, each adding a Chapter to Title 10 the El Cerrito Municipal Code:
 1. Chapter 10.100: Rent Review Program
 2. Chapter 10.200: Minimum Lease Term
 3. Chapter 10.300: Termination of Tenancy
 4. Chapter 10.400: Tenant Relocation
2. Receive presentation from Human Relations Commission regarding an HRC Resolution recommending Tenant Protections.

BACKGROUND

On August 15 2017, the [*Affordable Housing Strategy*](#) (*Strategy*), was adopted through Resolution 17-61. The *Strategy* identified four policy pillars, with associated strategies, action items and timelines, to achieve the City's affordable housing goals to protect, produce and preserve housing. The proposed Ordinances tonight are strategies identified in *Policy Pillar B: Reduce the Risk of Displacement and Help Stabilize At-Risk Populations*. As a reminder, the four policy pillars include:

- A. Leverage Private Development to Address Affordable Housing Needs
- B. Reduce the Risk of Displacement and Help Stabilize At-Risk Populations
- C. Encourage Development of "Missing Middle Housing" Housing Types that Serves Low- and Moderate-Income Households
- D. Increase Local Funding to Continue Support of Affordable and Special Needs Housing Development

Additional policy steps taken since the *Strategy* was adopted include the hiring of a dedicated Housing Analyst (January 2018) and adoption of an Inclusionary Zoning Ordinance (June 2018).

On August 21, 2018 staff held a study session with Council to discuss proposed near-term and potential medium-term tenant protection tools and to receive direction and input towards development of the Ordinances before the Council tonight.

Housing in El Cerrito

Affordable housing may be provided in several ways, including 1) through naturally occurring below market rents (e.g. without regulations, based usually on a unit's age, overall supply/demand or tenant/landlord history); 2) through regulation (e.g. tenant protection policies); 3) through subsidy (e.g. Section 8; vouchers) and 4) through deed restriction (either developed by for-profit or non-profit affordable housing developers or through Inclusionary Zoning). Currently, the City has 310 deed restricted units across eight projects, which includes two recently completed and one to be completed in January 2019: 1) Metro 510 (19 BMR units); 2) Resource for Community Development's Ohlone Gardens (56 affordable units); 3) Eden Housing's Hana Gardens, will deliver another 62 units of senior affordable housing. Eden expects to begin moving residents into their new units early January 2019. These units provide housing for households earning extremely-low, very-low, low and moderate-income households as well as special needs populations. Additionally, through implementation of the San Pablo Avenue Specific Plan, another 67 units have been entitled at the Mayfair Block and 10 units are under consideration at the site of the former Taco Bell, together, which will bring the total number of deed restricted units to 387. Below are the 2018 Area Income Limits (AMI) for Contra Costa County and the number of units in El Cerrito with existing or anticipated deed restrictions providing housing for households with specific income levels.

Table 1: BMR Units in El Cerrito by Income Limits

*Household	**Extremely Low (< 30% of AMI)	**Very ***Low (< 50% of AMI)	Low (< 80% of AMI)	Moderate (< 120% of AMI)	Total
1	\$24,400	\$40,700	\$62,750	\$87,700	
2	\$27,900	\$46,500	\$71,700	\$100,250	
3	\$31,400	\$52,300	\$80,650	\$112,750	
4	\$34,850	\$58,100	\$89,600	\$125,300	
Number of Units in El Cerrito	60	284	11	32	387

Notes:

*Households greater than 4 can be viewed www.el-cerrito.org/affordablehousing.

**Hana Gardens occupancy will begin January 2019.

***Includes BRIDGE housing units expected to be completed in 2022.

The Regional Housing Needs Allocation (RHNA) is a state-mandated process for identifying the total number of new housing units (by affordability level) that each jurisdiction must accommodate in its Housing Element. For the 2015-2022 reporting period, El Cerrito is tasked with accommodating 398 new housing units: 100 very-low, 63 low, 69 moderate and 166 above moderate. As of December 1, 2018, the City is on pace to meet its 2015-2022 numbers. The demand for affordable housing continues to grow locally, throughout the State and across the Country.

Table 2: Regional Housing Needs Allocation (RHNA) for 2015-2022, Dec. 1, 2018

	Very Low (0-50% of AMI)	Low (51-80% of AMI)	Moderate (81-120% of AMI)	Above Moderate (over 120% of AMI)	Total
2015-2022 RHNA	100	63	69	166	398
Permitted and/or Built Units	62	6	13	137	218
	38	57	56	29	180
Housing Development					
Proposed	10	13	0	576	599
Entitled	37	30	0	500	567
	47	43	0	1076	1166
Total Permitted, Proposed, Entitled	109	49	13	1213	1384
Remaining Need if Permitted/Built	-9	14	56	-1047	-986

Note: Does not include projects in pre-planning, which will include projects that provide Inclusionary Units

In addition to the deed restricted units, there are approximately 4,000 rentals in El Cerrito which are not subject to City or County imposed deed restrictions, and whose rents are solely established by the leases (i.e. by the market and negotiated by the parties.) The composition of households in El Cerrito are 40% renter occupied and 60% owner-occupied.¹ In forthcoming development (e.g. development without complete applications deemed complete before June 2018), Inclusionary Zoning establishes that 10% of new rental units and 12% of new condominiums will be deed restricted to serve low- and moderate-income households.

¹ 2015-2023 El Cerrito Housing Element

Outreach

During development of the Affordable Housing Strategy, staff convened a Technical Advisory Group, that included other agencies and organizations specializing in displacement and provision of affordable housing. During the development of the Strategy, staff worked with the TAG to identify a set of achievable and balanced policy options and goals. Similarly, during development of the proposed tenant protection (Pillar B) Ordinances, staff endeavored to communicate with renters, property owners and other stakeholders to think through balanced solutions on this very complicated issue. During these dialogues, staff sought to consider and understand the whole suite of commonly used tenant protection tools, including:

- Rent Stabilization/Control
- Tenant/Landlord Mediation: Binding and Non-Binding Programs
- Enhanced Lease Terms
- Extended Noticing Requirements
- Just Cause Eviction and Harassment Protections
- Tenant Relocation Assistance triggered by residential demolition projects

Staff met with stakeholders including: California Apartment Association (CAA), Contra Costa Association of Realtors, East Bay Housing Organization (EBHO), El Cerrito Progressives, Non-Profit Housing (NPH) Association of Northern California and Urban Habitat. And, staff met with the following jurisdictions: Alameda, Albany, Concord, Emeryville, Fremont, Richmond, San Leandro and Union City. Staff also reached out to the City of East Palo Alto, but was unable to connect with a member of their staff.

During preparation of the proposed Ordinances, a community workshop was held on November 8, 2018 to discuss the draft proposals and receive additional input. Property owners/managers, renters and members of the El Cerrito Progressives were all in attendance.

Human Relations Commission

On April 4, 2018 staff attended the Human Relations Commission (HRC) to present the *Strategy* and goals of all four pillars. The Commissioners provided feedback on the Inclusionary Zoning Ordinance and expressed interest in Pillar B. Staff highlighted that tenant protection policies were identified in the *Strategy* as an immediate action item and provided details around the outreach efforts that were underway in preparation for a summer study session at Council. After our August 21st study session, staff met with the HRC during their October 3rd meeting to discuss next steps and timelines for both near and medium-term tenant protection policies. Tonight, Commissioners will present a Resolution on behalf of the Human Relations Commission (*Attachment 7*).

November 2018 Election

As evidence of the importance of housing and affordable housing, during the California midterm elections, there were several housing measures, both regarding rent regulation, and increasing funding for affordable housing, on the ballot throughout the State. Some of those are described below.

- CA Prop 1, Bond to Fund Veteran & Affordable Housing (*Passed, 56%, 44%*): Raises \$4 billion for supportive housing and homeowner assistance program, including \$1.5 billion dedicated to Multifamily Housing Program. ²
- CA Prop 2, Amend Existing Housing Program for Mental Illness (*Passed, 63%, 37%*): Authorizes \$2 billion in previously appropriated funding to created affordable housing for people experiencing chronic homelessness, people with disabilities and people living with mental illness. ³
- CA Proposition 10, Rent Control on Residential Property (*Failed, 59%, 41%*): Repeal the Costa-Hawkins Rental Housing Act and allow cities to enact rent control for multi-family units occupied after February 1, 1995 and to include single-family, condominium, townhomes as well as the removal of vacancy decontrol.
- Cities of Santa Cruz (*Failed, 62%, 38%*), Measure M and National City (51%, 49%), Measure W: Establish rent control and just-cause eviction.

Anti-Gouging Statue and Urgency Ordinance

Anti-Price Gouging, California Penal Code 396, is a statue temporary in nature and generally activated through declaration by the President/Governor during times of emergency as a result of a natural or manmade disaster. It limits increases on consumer goods and services, including rent increases, to no more than 10% for 30-180 days and may be extended. Jurisdictions may adopt local gouging protections that would be triggered by Presidential/Governor declaration. Any violations of this statue are enforceable by civil enforcement. In October 2017, this was activated locally as a result of the Sonoma and Napa County wildfires. And, more recently, in Butte County due to the Camp Fire as well as Los Angeles and Ventura counties as a result of the Woolsey and Hill fires. Moratoriums are generally correlated with rent control or local natural disaster effecting housing supply.

At this time, the staff is not recommending any urgency ordinance or moratorium be implemented locally. A key provision of the proposed ordinances and Pillar B programs is the collection of a strong data set. Staff will report back to Council to determine if the data supports an urgency ordinance and that action is necessary.

² *Non-Profit Housing Association of Northern California*

³ *Non-Profit Housing Association of Northern California*

ANALYSIS

Staff proposes the following Chapters be added to Title 10: Public Peace, Morals and Welfare of the Municipal code.

1. Chapter 10.100: Rent Review Program
2. Chapter 10.200: Minimum Lease Term
3. Chapter 10.300: Termination of Tenancy
4. Chapter 10.400, Tenant Relocation

Rent Review Program (Chapter 10.100)

Overview: The proposed Rent Review Program chapter establishes a 5% annual threshold for landlords issuing rent increases. Rent increases in excess of 5% would be subject to a rent review process initiated only if a tenant chooses to do so. The 5% threshold provides guidance to landlords when issuing rent increases and provides for tenants to dispute any increase that is greater. Participation in the rent review program is mandatory once initiated. The program has three components, including:

1. Notice of Availability for Rent Review
2. Conciliation
3. Mediation

This program facilitates landlord and tenant communication through a neutral third-party trained to negotiate resolution. Conciliation and mediation are handled through a trained third-party service provider.

Step 1 - Notice of Availability for Rent Review:

Under Civil Code Section 827(b) a landlord must provide a tenant with thirty (30) days' notice prior to a rent increase of ten percent (10%) or less and sixty (60) days' notice of a rent increase of greater than ten percent (10%). This provision is in place and will continue.

By adopting this ordinance, landlords will be required additionally to provide tenants with a copy of the City's *Notice of Availability of Rent Review* for any rent increase including those less than 5%. The notice is also required to be provided to tenants when entering a lease agreement. The notice will be prepared by the City and translated in the predominant languages spoken in El Cerrito, as determined by the City Manager or his or her designee. Once the tenant receives the notice, a request for rent review for an increase of greater than 5% must be received in writing from the tenant to both the City (or its program provider) and the landlord within 15 calendar days.

Step 2 - Conciliation:

If the proposed rent increase meets the requirements of the ordinance, and a tenant elects to dispute the increase, the tenant may complete a form to request rent review. The conciliator, a neutral third-party, would then contact the landlord within 5 business days to initiate the conciliation process. The landlord must respond within 10 business days to begin the process. During the conciliation, the conciliator communicates directly with the landlord and directly with the tenant in order to exchange proposals regarding the rent increase. This period cannot exceed ten business days. Conciliation can be waived if an agreement is reached beforehand. If the landlord does not respond, the rent increase is void.

Step 3 - Mediation:

If an agreement is not reached during conciliation, tenants will have 5 business days to request mediation. Mediation must be scheduled no later than 45 calendar days, or sooner, from the date the request is received. Both landlords and tenants will be notified of the date and location at least 10 calendar days prior to the mediation. During the mediation, the mediator facilitates neutral communication between landlord and tenant to exchange proposals and engage in dialogue with the mediator regarding the rent increase. Factors such as past rent increases, family income, the landlord's costs of owning and maintenance of the property, capital improvements and other pertinent information will be considered during this process. The mediator will make a recommendation to both parties upon conclusion.

Participation in the rent review process will not delay the increase. However, both parties may enter into a mutual private agreement to delay the effective date of a rent increase. Failure by either party to participate in any of the above steps will void the increase. Under Civil Code Section 1942.5, it is illegal for a landlord to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights.

Based on the experience of other cities with similar programs, staff believe that the adoption of this ordinance will provide a meaningful disincentive to impose rent increases greater than 5% and provides tenants with an avenue to dispute rent increases. Establishing this program can be managed with minimal staff resources and can be adopted within 60-days. As Council knows, the rent stabilization policy dialogue is complex, with disagreement regarding efficacy. Some argue that establishing a threshold through rent review rather than a fixed amount as rent stabilization programs is not an effective tenant protection tool. Others argue that rent stabilization is not means tested, is cumbersome, and results in unintended consequences (such as deferred maintenance and removal of rentals from the market). Staff feels that in order to comprehensively understand the rent increases occurring in El Cerrito, establishing a rent review ordinance is the first step that will allow staff to collect data, and further develop and/or alter the program once it has been operative for 12-months.

Eden Council for Hope and Opportunity (ECHO) Housing: Through research of how other cities are implementing the proposed rent review program, staff has identified that ECHO housing is one of the only providers of the services the City is looking to procure. In accordance with the City's procurement policies, staff will enter into a Professional Services Agreement with the ECHO Housing for an amount not-to-exceed \$30,000 to implement the program. Direct program costs (staff and outside consultants) will be recoverable through establishment of a \$30/unit fee to landlords. See Financial Considerations for more information.

There are many other cities with similar programs that have been recently put in place and others that have been longstanding. Some of these cities have produced reports that have been reviewed by staff and a list of those are contained in *Attachment 6*.

Table 3: Other Rent Review Programs

	Year Adopted	Year Amended	Fee Charged Per Unit	Number of Units
Albany	2018	N/A	\$15	2,004
Concord	2017	N/A	\$16	8,100
Fremont	1997	2017	\$24	18,000
San Leandro	2001	2016	\$0	13,630
Union City	2017	N/A	\$31.50	6,697

Minimum Lease Terms: (Chapter 10.200)

The Minimum Lease Terms chapter affords tenants the right to lock in their rental rate and lease term for a minimum of 12-months or longer, if desired. Tenants have the option of waiving the minimum term to negotiate a shorter-term or elect to go month to month, but landlords must offer 12-months as an option. Rents cannot be increased, and tenancy cannot be terminated during the lease term (other than as provided for in the lease), providing stability and predictability to the renter. At the end of the lease term, the landlord and tenant may renew the lease at a new rate with the offer of another minimum term. If tenancy is terminated at the end of the lease term, the landlord shall provide the City with a copy of the Termination of Tenancy as required by El Cerrito Municipal Code Chapter 100.300.

Landlords will be required to offer prospective and current tenants minimum lease terms through a *Notice of Tenant's Right to Minimum Lease Term*. The form will be prepared by the City and translated in the predominant languages spoken in El Cerrito, as determined by the City Manager or his or her designee. The manner of delivery must be in writing or electronically, depending on how the rental application and lease are processed. Participation in this program is mandatory.

Currently, staff is not proposing an annual registration fee to landlords for implementation of this ordinance. Since it is complaint based and does not require a third-party service provider, it is anticipated that staff can handle the demand for service. However, staff will monitor time spent administering the entire ordinance, and its sections, over the next year to determine if modifications are needed.

The provisions of this section were developed based upon the various tenant protection models and in consideration with City goals and State law.

Other cities with similar programs include Redwood City (adopted 2018) and Menlo Park (adopted 2016).

Notice of Termination of Tenancy: (Chapter 10.300)

Adoption of this chapter will require landlords to provide the City with a copy of all termination notices within 10 days of delivery to the tenant. This ordinance further allows the City to collect data to quantify the number of tenancies being terminated in El Cerrito and to develop a profile to understand both the volume and some of the reasons for termination. That information may aid in future recommendations of policies beyond those currently being proposed to the City Council. As a reminder, the Rent Review Program is complaint based and does not require a rent registry, as rent control programs often do. Therefore, collecting data through this mechanism, outside of those accessing the rent review program, will inform City staff who can then analyze the information and present Council with the findings. Gathering the best available data will inform ongoing development of our housing policy.

California Civil Code Section 1946.1 – Termination of Tenancy currently requires the following noticing period when terminating tenancy:

- *3-Day Notice:* A landlord must provide a tenant with a 3-day notice to vacate if the tenant has violated their lease terms or engaged in improper conduct that is specified by state law.
- *30-Day Notice:* A landlord must provide a tenant a 30-day notice to vacate if the tenant has lived in the unit for less than one year.
- *60-Day Notice* – A landlord must provide a tenant a 60-day notice to vacate if the tenant has lived in the unit for one year or more.
- *90-Day Notice* – A landlord must provide a tenant a 90-day notice to vacate if the tenant receives subsidized housing.

This ordinance is designed to track and inventory actual displacements. Currently, the City is not proposing a just-cause ordinance as it is opposed by the landlord and real estate community, understood to potentially trigger unintended consequences and is often paired with rent stabilization, for example, to avoid using rent increases as a means to evict. However, just-cause has been identified as a potential medium-term

tenant protection tool and staff will monitor the number of terminations over the next year to determine if an alternative policy is needed.

The provisions of this section were developed based upon the various tenant protection tools utilized in other jurisdictions and in consideration with City goals and State law.

The City is not familiar with any other jurisdictions with an ordinance of this type.

Tenant Relocation: Chapter 10.400

Tenant relocation was identified in the *Strategy* as Strategy 4-2: *Consider enacting an ordinance to regulate the demolition of existing housing units, including requiring tenant relocation assistance.* The proposed Tenant Relocation Assistance Ordinance establishes financial assistance to *eligible residential households* earning less than 120% of Area Median Income (see *Table 1: 2018 Area Median Income Limits for Contra Costa County*) that may be displaced due to remodel, renovation, demolition or repurposing of a property. The chapter is triggered when a planning or building application is submitted to the City for discretionary or ministerial approval of a land use change or improvement of real property that will result in a displacement of a tenant. Eligible households may receive relocation benefits in an amount as much as three months of rent based on Department of Housing and Urban Development's Fair Market Rent (FMR) calculation for Contra Costa County for a similar-sized rental unit with the same number of bedrooms. For FY 2019 the FMR's are as follows: \$1,693 one-bedroom, \$2,109 two-bedroom, \$2,909 three-bedroom and \$3,558 four-bedroom. These figures are subject to change annually and shall be calculated at the time an application is approved by the City with some exceptions to property types. The calculation considers the costs associated with relocation such as first and last month's rent, security deposit and moving costs. However, the ordinance does provide additional compensation to *special circumstance households* an additional one month of rent if one of the eligible household members are:

1. At least one member is 62 years of age or older.
2. At least one member qualifies as disabled as defined by Title 42, United States Code, Section 423 or handicapped as defined by California Health and Safety Code Section 50072.
3. An eligible residential household with one or more minor children (under 18 years of age) who are legally dependent (as determined for federal income tax purposes).
4. An eligible residential household where the tenant has occupied a rental unit for five or more consecutive years.

Adoption of this ordinance will provide financial assistance to households with incomes below 120% AMI should a property owner elect to redevelop existing rental property.

Although relocation payments do not cure displacement, it does alleviate some of the financial burden that is incurred when securing new housing.

Other cities with similar programs include Redwood City and Mountain View.

Implementation Considerations: All Sections

The proposed Ordinances are some of the tools that local government can use to mitigate displacement. Staff aimed to identify and propose tools that could be implemented within current staffing levels, at a reasonable cost and could be helpful in providing additional stability and predictability to renters, while developing a strong local data set to identify if additional policies are warranted in El Cerrito. Some of the next steps that will take place over the next 12-months to identify if additional policies are warranted as described below – see *Other Tools*.

Data Collection

To gather the best available data, staff will track terminations of tenancy, collect rent information and partner with stakeholders (both landlords and tenants) to determine if there are other meaningful and accessible data points/methods. We will utilize our business license renewal process to perform outreach. In consulting with the City Attorney and stakeholders, information will be collected in a non-identifying manner to mitigate concerns from landlords that they would be at a competitive disadvantage in the market. Staff will prepare a separate form, in addition to the termination of tenancy notice, to make the data collected less identifying so that it is more likely to be provided. Staff will also interact with landlords who renew their business licenses in-person to encourage participation and also reach out to tenants to gather information about their rents and tenancy. The preliminary data points are listed below and a report to Council will be provided approximately 12-months after adoption of the proposed Ordinances:

- Landlord Information
 - o Number of Units/Properties Owned in El Cerrito
 - o Year Purchased
- Property Information
 - o Year Built
 - o Number of Units
 - o Unit Sizes
 - o Square Footage
 - o Average Amount of Time Vacant
 - o List of Capital Improvement Projects completed in the last 24-months
- Rent History Information

- o Current Rent
- o Previous Years' Rents
- o Explain Increase
- o Average Lease Term
- o Average Tenancy
- o Reason for Vacating

Outreach Campaign

The following marketing activities will be undertaken if the proposed ordinances are adopted:

1. Citywide mailing
2. Three public workshops between January – February specific to these programs
3. Posting on City Social Media Accounts
4. New City webpages with ordinances and program materials
5. Dedicated housing hotline
6. Program forms/materials at City Hall
7. Housing Analyst staffed at City Hall
8. Focus Groups/Roundtables with stakeholders

Other Tools

Other potential medium-term tools that staff is not recommending move forward at this time, but will continue to study and consider moving forward in the future, depending upon the results of data collection are listed below:

1. Rent Stabilization/Rent Control
2. Tenant/Landlord Mediation: Binding
3. Just-Cause and Harassment Protections

STRATEGIC PLAN CONSIDERATIONS

The proposed development fulfills the City's Strategic Plan Goal C: Deepen a sense of place and community identity and specifically the strategy to promote strong neighborhoods.

ENVIRONMENTAL CONSIDERATIONS

This action is exempt from the requirements of the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061 (b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

FINANCIAL CONSIDERATIONS

The entire program that will result from adoption of these ordinances will be primarily implemented by Community Development staff. Staff estimates that the entire program will require approximately 0.5 FTE plus City Attorney costs and support staff time.

The only programs that requires outside assistance at this time, however, will be the Rent Review and Relocations Assistance programs, which entails working with a neutral, third-party service provider. The entire estimated budget for the Rent Review program is \$79,000, with an up to \$30,000 per year of on-call assistance required for the neutral, third-party service provider which will be procured through the City's Procurement Process. A fee to all eligible rentals of \$30/unit will charged to landlords through the business license renewal process. This means that the Rent Review Program will be self-funded through this fee and existing staff. Staff time is already included as part of the existing adopted operating budget which results in no net impact to the General Fund.

The tenant relocation program is triggered once an application is submitted to the City. In these situations, property owners will be required to pay the costs for a third-party service provider to administer tenant relocation assistance determinations. Staff will return to Council to approve both fees.

The Minimum Lease Term and Termination of Tenancy Ordinances will require outreach and staff anticipates announcing these programs concurrently with the Rent Review Ordinance given the overlap. However, ongoing administration of these ordinances will ultimately be absorbed by the City as indirect costs through staff time. Should Council wish to pursue a fee for these programs, staff can report time spent on the programs after 12-months.

LEGAL CONSIDERATIONS

The proposed ordinances and recommended actions have been reviewed by the City Attorney and all legal considerations have been addressed.

Reviewed by:

Scott Hanin
City Manager

Attachments:

1. Rent Review Program Ordinance
2. Minimum Lease Term Ordinance
3. Termination of Tenancy
4. Tenant Relocation Ordinance
5. Summary of Proposed Tenant Protection Ordinances
6. Resource Sheet: Summary of Tenant Protection Reports
7. Resolution of the Human Relations Commission

ORDINANCE NO. 201~~98~~-XX

AN ORDINANCE OF THE CITY OF EL CERRITO AMENDING TITLE 10 OF THE EL CERRITO MUNICIPAL CODE CHAPTER TO ADD CHAPTER 10.~~200~~100, "MINIMUM LEASE TERM" TO REQUIRE LANDLORDS TO OFFER TENANTS A MINIMUM LEASE TERM OF 12 MONTHS.

WHEREAS, the Community Development Department, with direction from the City Council, identifies the City's goals, objectives, policies and action programs that directly address our housing needs;

WHEREAS, 40% of El Cerrito residents are renters and an essential part of our community;

WHEREAS, maintaining income diversity is important to the City Council and the social fabric of our community;

WHEREAS, the City does not currently have any tenant protection measures in place;

WHEREAS, the El Cerrito Affordable Housing Strategy, adopted August 17, 2017, identifies four policy pillars for implementation over the next five years to produce, protect and preserve affordable housing for El Cerrito residents;

WHEREAS, "Pillar B. Reduce the Risk of Displacement and Help Stabilize At-Risk Populations," recommends explore tenant protection policies for tenants at risk of displacement;

WHEREAS, during the development of the Affordable Housing Strategy, City staff convened a Technical Advisory Group, that included other agencies and organizations specializing in displacement and affordable housing;

WHEREAS, City staff met with and received input from a variety of stakeholders, including renters and property owners to identify potential tenant protection programs in order to reduce the threat of displacement;

WHEREAS, the City Council convened a study session on August 21, 2018 to discuss the tenant protection tools that could be achieved in the near-term and medium-term;

WHEREAS, the City Council directed staff to develop a minimum lease term ordinance;

WHEREAS, staff facilitated a public workshop on November 8, 2018 to discuss the draft ordinance and received input;

WHEREAS, the minimum lease term will provide existing and prospective tenants predictability and stability through fixed rents;

WHEREAS, the minimum lease term will provide existing and prospective tenants with the option to decline or negotiate a shorter term;

WHEREAS, the minimum lease term will provide landlords with predictability to minimize vacancy;

WHEREAS, the provisions of this Ordinance were developed in consideration with State law; and

WHEREAS, the City Council finds and determines that the Minimum Lease Terms Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CERRITO
DOES HEREBY ORDAIN as follows:

Section 1. Incorporation of Recitals. The City Council finds that the above Recitals are true and correct and are incorporated herein by reference.

Section 2. Amendment of Title 10 of the Municipal Code. Title 10, "Public Peace, Morals and Welfare", of the El Cerrito Municipal Code is hereby amended to add Chapter 10.~~200~~100, "Minimum Lease Term" to read as follows:

Chapter 10.~~200~~100 – MINIMUM LEASE TERMS

10.~~200~~100.010 - Findings and Purpose.

A. Findings.

The City Council finds and declares as follows:

1. The City has a substantial government interest in regulating the relationship between landlords and tenants in order to increase certainty, stability, and fairness with the rental market.
2. The Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

B. Purpose

The purpose of this Chapter is to establish a requirement for landlords to offer prospective and current tenants a minimum lease term of 12-months. By providing longer lease terms, tenants will have stability and predictability by establishing rent rates for the duration of the lease. This Chapter supports the City's housing goals and protects public health, safety, and welfare for the residents of El Cerrito.

C. Effective Date.

This Chapter shall be effective thirty (30) days from and after the date of its adoption.

10.209100.020 - Definitions

Accessory Dwelling Unit means the definition given for dwellings in [Chapter 19 Zoning](#) of the El Cerrito Municipal Code.

City means the City of El Cerrito.

City Manager means the City Manager of the City of El Cerrito.

Landlord means an owner, lessor or sublessor, or the agent, representative or successor of any of the foregoing persons who receives, or is entitled to receive, rent for the use and occupancy of any Rental Unit or portion thereof.

Lease means any form of a valid rental agreement for a Rental Unit, whether written or oral.

Rent means a fixed periodic compensation paid by a ~~tenant~~Tenant at fixed intervals to a Landlord for the possession and use of a Rental Unit as defined by the lease between the Landlord and ~~tenant~~Tenant. Rent excludes pass through costs and ancillary costs paid separately to the Landlord for parking, storage, utilities, water, garbage, or any other fee or charge associated with a Rental Unit.

Rental ~~unit~~Unit means a habitable structure offered for rent and used as a place of permanent or customary and usual abode of a ~~tenant~~Tenant. Rental Units include a building, a group of buildings or a portion of a building used and/or designed as dwellings. A Rental Unit shall not include:

1. A Rental Unit with a Certificate of Occupancy issued after January 1, 2015.
2. Single-family Dwelling Unit as defined in Chapter 19 Zoning of the El Cerrito Municipal Code.
3. A room or any other portion of any Rental Unit that is occupied by the Landlord or a member of the Landlord's immediate family.
4. An Accessory Dwelling Unit.
5. Housing accommodations in hotels, motels, group housing, supportive housing, transitional housing, general residential care and bed and breakfasts as those terms are defined in the El Cerrito Municipal Code Chapter 19 and, by reference, in the San Pablo Avenue Specific Plan.
6. Any Rental Unit in a common-interest development where Rental Units are owned by different individuals who share ownership of common areas and facilities.
7. An on-site manager's Rental Unit.

8. Any Rental Unit where the tenancy is an express condition of, or express consideration for, employment by a Landlord.
9. Any Rental Unit where rent is controlled or regulated by any government unit, agency, or authority, or subsidized by any government unit, agency or authority.
10. Any Rental Unit acquired by the City or any other governmental unit, agency or authority, and are intended to be used for public purposes.

Single Family Dwelling Unit means one dwelling unit, attached or detached, located on a single lot as defined in [Chapter 19 Zoning](#) of the El Cerrito Municipal Code. This includes manufactured housing but not mobile homes.

Tenant means a ~~tenant~~[Tenant](#), subtenant, lessee, sublessee or any other person entitled to use or occupancy of a Rental Unit under a valid lease with the Landlord.

~~Lease means any form of a valid rental agreement for a Rental Unit, whether written or oral.~~

10.200100.030 Requirement to Offer Minimum Lease Terms

- A. Offer. If a ~~tenant~~[Tenant](#) or prospective ~~tenant~~[Tenant](#) wishes to enter into a ~~lease~~[Lease](#) for a Rental Unit from a Landlord and the Landlord wishes to enter into a ~~lease~~[Lease](#) for the Rental Unit with the ~~tenant~~[Tenant](#) or prospective ~~tenant~~[Tenant](#), the Landlord must offer to the Tenant or prospective Tenant a written ~~lease~~[Lease](#) which has a minimum term of one (1) year. Offers must be made in writing.
- B. Acceptance. If the ~~tenant~~[Tenant](#) or prospective ~~tenant~~[Tenant](#) accepts the offer of a ~~lease~~[Lease](#) which has a minimum term of one (1) year, this acceptance must be in writing.
- C. Rejection. If the ~~tenant~~[Tenant](#) or prospective ~~tenant~~[Tenant](#) rejects the offer for a ~~lease~~[Lease](#) which has a minimum term of one (1) year, this rejection must be in writing, and the Landlord and ~~tenant~~[Tenant](#) or prospective ~~tenant~~[Tenant](#) may then enter into a ~~lease~~[Lease](#) that provides for a rental term of less than one (1) year.
- D. Rent. If the Landlord and ~~tenant~~[Tenant](#) enter into a ~~lease~~[Lease](#) which has a minimum term of one (1) year, such ~~lease~~[Lease](#) must set the rent for the Rental Unit at a rate or rates certain and these rates shall not otherwise be modified during the duration of the ~~lease~~[Lease](#) except as provided in the ~~lease~~[Lease](#).
- E. Renewal of Lease. Upon the expiration of a ~~lease~~[Lease](#) which has a minimum term of one (1) year, if the Landlord and ~~tenant~~[Tenant](#) desire to continue the

tenancy for the Rental Unit, the Landlord shall offer the ~~tenant~~Tenant a ~~lease~~Lease in accordance with the procedures of subsections A-D above and the following:

1. A Landlord shall annually offer a written ~~lease~~Lease with a minimum term of one (1) year to a ~~tenant~~Tenant who rejected an initial offer of a written ~~lease~~Lease with a minimum term of one (1) year but who has rented a unit from the Landlord for a period of at least twelve (12) months.

F. Termination of Lease. Landlords shall comply with El Cerrito Municipal Code 10.~~300-200~~ – Termination of Tenancy when terminating tenancy.

G. Applicability. This Chapter shall not apply to:

1. A Rental Unit which is rented on or before the effective date of this Chapter, provided that, (A) if the Rental Unit is rented subject to a lease, when the ~~lease~~Lease in effect for such Rental Unit expires, this Chapter shall then apply; and (B) if the Rental Unit is not subject to a written lease, the Landlord shall offer a written ~~lease~~Lease to the ~~tenant~~Tenant in accordance with this Chapter, at the time of lease renewal;
2. A Rental Unit occupied by a ~~tenant~~Tenant who subleases that unit to another ~~tenant~~Tenant for less than one (1) year; or
3. A Rental Unit that is being removed from the rental market in accordance with El Cerrito Municipal Code 10.~~400-300~~ – Tenant Relocation Assistance.

10.~~200~~100.040 Notice of Tenant's Right to Minimum Lease Term

- A. Form. Landlords shall provide all ~~tenant~~Tenants with a notice summarizing the rights afforded by this Chapter. The notification shall state:

THE CITY OF EL CERRITO MUNICIPAL CODE PROVIDES YOU WITH THE RIGHT TO MINIMUM LEASE TERMS. LANDLORDS MUST OFFER TENANTS THE OPTION TO ENTER INTO A MINIMUM ONE (1) YEAR WRITTEN LEASE. IT IS THE TENANT'S CHOICE WHETHER TO ENTER INTO SUCH A WRITTEN LEASE WITH A LANDLORD. FURTHER INFORMATION IS AVAILABLE ON THE CITY'S WEBSITE (WWW.EL-CERRITO.ORG).

- B. Language. Landlords shall provide this notification in English and other predominant languages spoken in the City as determined by the City Manager.
- C. Manner. Landlords shall provide this notice to ~~tenant~~Tenants in writing or electronically if the application and/or ~~lease~~Lease are processed electronically,

or both if both methods are utilized.

10.200100.050 Tenant Remedies

- A. Injunctive Relief. A ~~tenant~~Tenant may seek injunctive relief on his or her own behalf and on behalf of other affected ~~tenant~~Tenants to enjoin the Landlord's violation of this Chapter.
- B. Remedies are Nonexclusive. Remedies provided in this section are in addition to any other existing legal remedies and are not intended to be exclusive.
- C. Nonwaiver. Any waiver or purported wavier by a ~~tenant~~Tenant of his or her rights under this Chapter prior to the time when such rights may be exercised, except a rejection of a one-year ~~lease~~Lease offered in accordance with Section 10.200100.030.C, shall be void as contrary to public policy.

10.200100.060 Enforcement

In addition to any other remedy allowed by law, any person who violates this Chapter is subject to administrative penalties pursuant to El Cerrito Municipal Code Chapter 1.14 – Administrative Penalties.

Section 3. Compliance with the California Environmental Quality Act. Approval of this ordinance is exempt from environmental review under the general rule in California Environmental Quality Act ("CEQA") Guidelines Section 15061(b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

Section 4. Severability. If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The city council hereby declares that it would have passed the ordinance codified in this chapter, and each and every section, subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to whether any portion of this chapter would be subsequently declared invalid or unconstitutional.

Section 5. Effective Date and Publication. This Ordinance shall take effect and be enforced thirty days after the date of its adoption. Prior to the expiration of fifteen days from the passage thereof, the ordinance or a summary thereof shall be posted or published as may be required by law, and thereafter the same shall be in full force and effect.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the City Council on December 18, 2018 and passed by the following vote:

Agenda Item No. 7(A)
Attachment 2A

Formatted: Right

AYES: Councilmembers
NOES: Councilmembers
ABSENT: Councilmembers
ABSTAIN: Councilmembers

ADOPTED AND ORDERED published at a regular meeting of the City Council held on January __, 2019 and passed by the following vote:

AYES: Councilmembers
NOES: Councilmembers
ABSENT: Councilmembers
ABSTAIN: Councilmembers

APPROVED:

Rochelle Pardue-Okimoto, Mayor

ATTEST:

Sherry Kelly, Acting City Clerk

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on January __, 2019.

Sherry Kelly, Acting City Clerk

ORDINANCE CERTIFICATION

I, Sherry Kelly, City Clerk of the City of El Cerrito, do hereby certify that this Ordinance is the true and correct original Ordinance No. 2018-XX of the City of El

Agenda Item No. 7(A)
Attachment 2A

Formatted: Right

Cerrito, that said Ordinance was duly enacted and adopted by the City Council of the City of El Cerrito at a meeting of the City Council held on the ___ day of December 2018; and that said Ordinance has been published and/or posted in the manner required by law.

WITNESS my hand and the Official Seal of the City of El Cerrito, California, this ___ day of January 2019.

Sherry Kelly, Acting City Clerk

3085931.1

3100868.1

ORDINANCE NO. 2019-XX

AN ORDINANCE OF THE CITY OF EL CERRITO AMENDING TITLE 10 OF THE EL CERRITO MUNICIPAL CODE CHAPTER TO ADD CHAPTER 10.100, "MINIMUM LEASE TERM" TO REQUIRE LANDLORDS TO OFFER TENANTS A MINIMUM LEASE TERM OF 12 MONTHS.

WHEREAS, the Community Development Department, with direction from the City Council, identifies the City's goals, objectives, policies and action programs that directly address our housing needs;

WHEREAS, 40% of El Cerrito residents are renters and an essential part of our community;

WHEREAS, maintaining income diversity is important to the City Council and the social fabric of our community;

WHEREAS, the City does not currently have any tenant protection measures in place;

WHEREAS, the El Cerrito Affordable Housing Strategy, adopted August 17, 2017, identifies four policy pillars for implementation over the next five years to produce, protect and preserve affordable housing for El Cerrito residents;

WHEREAS, "Pillar B. Reduce the Risk of Displacement and Help Stabilize At-Risk Populations," recommends explore tenant protection policies for tenants at risk of displacement;

WHEREAS, during the development of the Affordable Housing Strategy, City staff convened a Technical Advisory Group, that included other agencies and organizations specializing in displacement and affordable housing;

WHEREAS, City staff met with and received input from a variety of stakeholders, including renters and property owners to identify potential tenant protection programs in order to reduce the threat of displacement;

WHEREAS, the City Council convened a study session on August 21, 2018 to discuss the tenant protection tools that could be achieved in the near-term and medium-term;

WHEREAS, the City Council directed staff to develop a minimum lease term ordinance;

WHEREAS, staff facilitated a public workshop on November 8, 2018 to discuss the draft ordinance and received input;

WHEREAS, the minimum lease term will provide existing and prospective tenants predictability and stability through fixed rents;

WHEREAS, the minimum lease term will provide existing and prospective tenants with the option to decline or negotiate a shorter term;

WHEREAS, the minimum lease term will provide landlords with predictability to minimize vacancy;

WHEREAS, the provisions of this Ordinance were developed in consideration with State law; and

WHEREAS, the City Council finds and determines that the Minimum Lease Terms Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CERRITO
DOES HEREBY ORDAIN as follows:

Section 1. Incorporation of Recitals. The City Council finds that the above Recitals are true and correct and are incorporated herein by reference.

Section 2. Amendment of Title 10 of the Municipal Code. Title 10, "Public Peace, Morals and Welfare", of the El Cerrito Municipal Code is hereby is amended to add Chapter 10.100, "Minimum Lease Term" to read as follows:

Chapter 10.100 – MINIMUM LEASE TERMS

10.100.010 - Findings and Purpose.

A. Findings.

The City Council finds and declares as follows:

1. The City has a substantial government interest in regulating the relationship between landlords and tenants in order to increase certainty, stability, and fairness with the rental market.
2. The Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

B. Purpose

The purpose of this Chapter is to establish a requirement for landlords to offer prospective and current tenants a minimum lease term of 12-months. By providing longer lease terms, tenants will have stability and predictability by establishing rent rates for the duration of the lease. This Chapter supports the City's housing goals and protects public health, safety, and welfare for the residents of El Cerrito.

C. Effective Date.

This Chapter shall be effective thirty (30) days from and after the date of its adoption.

10.100.020 - Definitions

Accessory Dwelling Unit means the definition given for dwellings in [Chapter 19 Zoning](#) of the El Cerrito Municipal Code.

City means the City of El Cerrito.

City Manager means the City Manager of the City of El Cerrito.

Landlord means an owner, lessor or sublessor, or the agent, representative or successor of any of the foregoing persons who receives, or is entitled to receive, rent for the use and occupancy of any Rental Unit or portion thereof.

Lease means any form of a valid rental agreement for a Rental Unit, whether written or oral.

Rent means a fixed periodic compensation paid by a Tenant at fixed intervals to a Landlord for the possession and use of a Rental Unit as defined by the lease between the Landlord and Tenant. Rent excludes pass through costs and ancillary costs paid separately to the Landlord for parking, storage, utilities, water, garbage, or any other fee or charge associated with a Rental Unit.

Rental Unit means a habitable structure offered for rent and used as a place of permanent or customary and usual abode of a Tenant. Rental Units include a building, a group of buildings or a portion of a building used and/or designed as dwellings. A Rental Unit shall not include:

1. A Rental Unit with a Certificate of Occupancy issued after January 1, 2015.
2. Single-family Dwelling Unit as defined in Chapter 19 Zoning of the El Cerrito Municipal Code.
3. A room or any other portion of any Rental Unit that is occupied by the Landlord or a member of the Landlord's immediate family.
4. An Accessory Dwelling Unit.
5. Housing accommodations in hotels, motels, group housing, supportive housing, transitional housing, general residential care and bed and breakfasts as those terms are defined in the El Cerrito Municipal Code Chapter 19 and, by reference, in the San Pablo Avenue Specific Plan.
6. Any Rental Unit in a common-interest development where Rental Units are owned by different individuals who share ownership of common areas and facilities.
7. An on-site manager's Rental Unit.

8. Any Rental Unit where the tenancy is an express condition of, or express consideration for, employment by a Landlord.
9. Any Rental Unit where rent is controlled or regulated by any government unit, agency, or authority, or subsidized by any government unit, agency or authority.
10. Any Rental Unit acquired by the City or any other governmental unit, agency or authority, and are intended to be used for public purposes.

Single Family Dwelling Unit means one dwelling unit, attached or detached, located on a single lot as defined in [Chapter 19 Zoning](#) of the El Cerrito Municipal Code. This includes manufactured housing but not mobile homes.

Tenant means a Tenant, subtenant, lessee, sublessee or any other person entitled to use or occupancy of a Rental Unit under a valid lease with the Landlord.

10.100.030 Requirement to Offer Minimum Lease Terms

- A. Offer. If a Tenant or prospective Tenant wishes to enter into a Lease for a Rental Unit from a Landlord and the Landlord wishes to enter into a Lease for the Rental Unit with the Tenant or prospective Tenant, the Landlord must offer to the Tenant or prospective Tenant a written Lease which has a minimum term of one (1) year. Offers must be made in writing.
- B. Acceptance. If the Tenant or prospective Tenant accepts the offer of a Lease which has a minimum term of one (1) year, this acceptance must be in writing.
- C. Rejection. If the Tenant or prospective Tenant rejects the offer for a Lease which has a minimum term of one (1) year, this rejection must be in writing, and the Landlord and Tenant or prospective Tenant may then enter into a Lease that provides for a rental term of less than one (1) year.
- D. Rent. If the Landlord and Tenant enter into a Lease which has a minimum term of one (1) year, such Lease must set the rent for the Rental Unit at a rate or rates certain and these rates shall not otherwise be modified during the duration of the Lease except as provided in the Lease.
- E. Renewal of Lease. Upon the expiration of a Lease which has a minimum term of one (1) year, if the Landlord and Tenant desire to continue the tenancy for the Rental Unit, the Landlord shall offer the Tenant a Lease in accordance with the procedures of subsections A-D above and the following:
 1. A Landlord shall annually offer a written Lease with a minimum term of one (1) year to a Tenant who rejected an initial offer of a written Lease

with a minimum term of one (1) year but who has rented a unit from the Landlord for a period of at least twelve (12) months.

- F. Termination of Lease. Landlords shall comply with El Cerrito Municipal Code 10.200 – Termination of Tenancy when terminating tenancy.
- G. Applicability. This Chapter shall not apply to:
 - 1. A Rental Unit which is rented on or before the effective date of this Chapter, provided that, (A) if the Rental Unit is rented subject to a lease, when the Lease in effect for such Rental Unit expires, this Chapter shall then apply; and (B) if the Rental Unit is not subject to a written lease, the Landlord shall offer a written Lease to the Tenant in accordance with this Chapter, at the time of lease renewal;
 - 2. A Rental Unit occupied by a Tenant who subleases that unit to another Tenant for less than one (1) year; or
 - 3. A Rental Unit that is being removed from the rental market in accordance with El Cerrito Municipal Code 10.300 – Tenant Relocation Assistance.

10.100.040 Notice of Tenant's Right to Minimum Lease Term

- A. Form. Landlords shall provide all Tenants with a notice summarizing the rights afforded by this Chapter. The notification shall state:

THE CITY OF EL CERRITO MUNICIPAL CODE PROVIDES YOU WITH THE RIGHT TO MINIMUM LEASE TERMS. LANDLORDS MUST OFFER TENANTS THE OPTION TO ENTER INTO A MINIMUM ONE (1) YEAR WRITTEN LEASE. IT IS THE TENANT'S CHOICE WHETHER TO ENTER INTO SUCH A WRITTEN LEASE WITH A LANDLORD. FURTHER INFORMATION IS AVAILABLE ON THE CITY'S WEBSITE (WWW.EL-CERRITO.ORG).

- B. Language. Landlords shall provide this notification in English and other predominant languages spoken in the City as determined by the City Manager.
- C. Manner. Landlords shall provide this notice to Tenants in writing or electronically if the application and/or Lease are processed electronically, or both if both methods are utilized.

10.100.050 Tenant Remedies

- A. Injunctive Relief. A Tenant may seek injunctive relief on his or her own behalf and on behalf of other affected Tenants to enjoin the Landlord's violation of this Chapter.
- B. Remedies are Nonexclusive. Remedies provided in this section are in addition to any other existing legal remedies and are not intended to be exclusive.

- C. Nonwaiver. Any waiver or purported wavier by a Tenant of his or her rights under this Chapter prior to the time when such rights may be exercised, except a rejection of a one-year Lease offered in accordance with Section 10.100.030.C, shall be void as contrary to public policy.

10.100.060 Enforcement

In addition to any other remedy allowed by law, any person who violates this Chapter is subject to administrative penalties pursuant to El Cerrito Municipal Code Chapter 1.14 – Administrative Penalties.

Section 3. Compliance with the California Environmental Quality Act. Approval of this ordinance is exempt from environmental review under the general rule in California Environmental Quality Act (“CEQA”) Guidelines Section 15061(b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

Section 4. Severability. If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The city council hereby declares that it would have passed the ordinance codified in this chapter, and each and every section, subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to whether any portion of this chapter would be subsequently declared invalid or unconstitutional.

Section 5. Effective Date and Publication. This Ordinance shall take effect and be enforced thirty days after the date of its adoption. Prior to the expiration of fifteen days from the passage thereof, the ordinance or a summary thereof shall be posted or published as may be required by law, and thereafter the same shall be in full force and effect.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the City Council on December 18, 2018 and passed by the following vote:

AYES: Councilmembers

NOES: Councilmembers

ABSENT: Councilmembers

ABSTAIN: Councilmembers

ADOPTED AND ORDERED published at a regular meeting of the City Council held on January __, 2019 and passed by the following vote:

AYES: Councilmembers

NOES: Councilmembers

ABSENT: Councilmembers

ABSTAIN: Councilmembers

APPROVED:

Rochelle Pardue-Okimoto, Mayor

ATTEST:

Sherry Kelly, Acting City Clerk

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on January __, 2019.

Sherry Kelly, Acting City Clerk

ORDINANCE CERTIFICATION

I, Sherry Kelly, City Clerk of the City of El Cerrito, do hereby certify that this Ordinance is the true and correct original Ordinance No. 2018-XX of the City of El Cerrito, that said Ordinance was duly enacted and adopted by the City Council of the City of El Cerrito at a meeting of the City Council held on the __ day of December 2018; and that said Ordinance has been published and/or posted in the manner required by law.

WITNESS my hand and the Official Seal of the City of El Cerrito, California, this
__ day of January 2019.

Sherry Kelly, Acting City Clerk

3085931.1

3100868.1

ORDINANCE NO. 2019-XX

AN ORDINANCE OF THE CITY OF EL CERRITO AMENDING TITLE 10 OF THE EL CERRITO MUNICIPAL CODE CHAPTER TO ADD CHAPTER 10.~~300~~200, "TERMINATION OF TENANCY" RELATED TO THE REQUIREMENT THAT LANDLORDS NOTIFY THE CITY WHEN TERMINATING TENANCY.

WHEREAS, the Community Development Department, with direction from the City Council, identifies the City's goals, objectives, policies and action programs that directly address our housing needs;

WHEREAS, 40% of El Cerrito residents are renters and an essential part of our community;

WHEREAS, the El Cerrito Affordable Housing Strategy, adopted August 17, 2017, identifies four policy pillars for implementation over the next five years to produce, protect and preserve affordable housing for El Cerrito residents;

WHEREAS, "Pillar B. Reduce the Risk of Displacement and Help Stabilize At-Risk Populations," recommends exploring tenant protection policies for tenants at risk of displacement;

WHEREAS, the City does not currently track terminations of tenancy;

WHEREAS, the City Council convened a study session on August 21, 2018 to discuss the tenant protection tools that could be achieved in the near-term and medium-term;

WHEREAS, the City Council directed staff to analyze displacement through data collection;

WHEREAS, City staff will continue to collaborate with a variety of stakeholders, including renters and property owners, to identify opportunities to collect data;

WHEREAS, City staff will report back to City Council with its findings once data has been collected for a 12-month period; and

WHEREAS, the City Council finds and determines that the Termination of Tenancy Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CERRITO
DOES HEREBY ORDAIN as follows:

Section 1. Incorporation of Recitals. The City Council finds that the above Recitals are true and correct and are incorporated herein by reference.

Section 2. Amendment of Title 10 of the Municipal Code. Title 10, “Public Peace, Morals and Welfare”, of the El Cerrito Municipal Code is hereby is amended to add Chapter 10.~~300~~200, “Termination of Tenancy” to read as follows:

Chapter 10.~~300~~200 – TERMINATION OF TENANCY

10.~~300~~200.010 - Findings and Purpose

A. Findings.

The City Council finds and declares as follows:

1. The City has a substantial government interest in regulating the relationship between landlords and tenants in order to increase certainty, stability, and fairness with the rental market.
2. The Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

B. Purpose.

The purpose of this Chapter is to adopt regulations for landlords when terminating tenancy. By notifying the City whenever any tenancy is being terminated, it will allow the City to track and inventory displacement. This data will be prepared in an annual report to the City Council. This Chapter is intended to complement existing State law and protects public health, safety, and welfare for the residents of El Cerrito.

C. Effective Date.

This Chapter shall be effective thirty (30) days from and after the date of its adoption.

10.~~300~~200.020 – Definitions

A. **City Notice of Termination** means a written notice to the City that includes all of the components identified in Section 100.~~300~~200.40.

B. **Landlord** means an owner, lessor, or sublessor who receives or is entitled to receive rent for the use and occupancy of any Rental Unit or portion thereof, and includes any legal entity or other individuals, employees, agents, contractors, and subcontractors that comprise or represent the landlord.

C. **Owner-occupied residence** means a single dwelling unit in which an individual retains no less than a fifty percent ownership interest in the individual unit and resides in that unit as his or her permanent residence no less than ten months of any calendar year.

D. **Rental unit** ~~Unit~~ means ~~any unit in any real property, regardless of zoning status, including the land appurtenant thereto, that is rented or available for rent for residential use or occupancy (regardless of whether the unit is also used for other purposes), together with all housing services connected with use or occupancy of such property, such as common areas and recreational facilities held out for use by the Tenant. A rental unit includes a single-family home.~~ means a habitable structure offered for rent and used as a place of permanent or customary and usual abode of a Tenant. Rental Units include a building, a group of buildings or a portion of a building used and/or designed as dwellings. A Rental Unit shall not include:

1. A room or any other portion of any Rental Unit that is occupied by the Landlord or a member of the Landlord's immediate family.
2. An Accessory Dwelling Unit.
3. Housing accommodations in hotels, motels, group housing, supportive housing, transitional housing, general residential care and bed and breakfasts as those terms are defined in the El Cerrito Municipal Code Chapter 19 and, by reference, in the San Pablo Avenue Specific Plan.
4. Any Rental Unit in a common-interest development where units are owned by different individuals who share ownership of common areas and facilities.
5. An on-site manager's living unit.
6. Any Rental Unit where the tenancy is an express condition of, or express consideration for, employment by a Landlord.
7. Any Rental Units whose rents are controlled or regulated by any government unit, agency, or authority, or whose rent is subsidized by any government unit, agency or authority.
8. Any Rental Units acquired by the City or any other governmental unit, agency or authority, and are intended to be used for public purposes.

E. **Tenant** means any renter, tenant, subtenant, lessee, or sublessee of a Rental Unit, or any group of renters, tenants, subtenants, lessees, sublessees of a Rental Unit, or any other person entitled to the use or occupancy of such Rental Unit, or any successor of any of the foregoing.

~~10.300.030~~ Effective Date and Applicability

~~A. Effective Date.~~

~~This Chapter shall be effective thirty (30) days from and after the date of its adoption.~~

~~B. Applicability.~~

~~The provisions of this Chapter shall apply City-wide to all Rental Units except as exempted per Section 10.300.030.~~

~~C. Exemptions.~~

~~This Chapter shall not apply to any of the following types of units:~~

- ~~1. A room or any other portion of any residential property that is occupied by the Landlord or a member of the Landlord's immediate family.~~
- ~~2. Accessory dwelling units as defined by El Cerrito Municipal Code Chapter 19 Zoning.~~
- ~~3. Housing accommodations in hotels, motels, group housing, supportive housing, transitional housing, general residential care and bed and breakfasts as those terms are defined in the El Cerrito Municipal Code Chapter 19 and, by reference, in the San Pablo Avenue Specific Plan.~~
- ~~4. Any unit in a common-interest development where units are owned by different individuals who share ownership of common areas and facilities.~~
- ~~5. An on-site manager's living unit.~~
- ~~6. Any unit where the tenancy is an express condition of, or express consideration for, employment by a Landlord.~~
- ~~7. Any unit where rent is controlled or regulated by any government unit, agency, or authority, or subsidized by any government unit, agency or authority.~~
- ~~8. Any unit owned by the City or any other governmental unit, agency or authority, and are intended to be used for public purposes.~~

~~10.300~~200.040-030 - Notice of Termination

In order terminate a residential tenancy of a Rental Unit or otherwise endeavor to recover possession of a Rental Unit, a Landlord must send the Tenant a notice of termination in accordance any other notice requirements imposed by local, State or Federal law. Within ten (10) days of delivery of the notice of termination of tenancy to the Tenant, a Landlord must provide a copy of the City notice of termination in substantially the same form as below to the Community Development Department:

CITY OF EL CERRITO NOTICE OF TERMINATION	
Landlord Information	Property Information

Name: _____ Address: _____ No. of Units Owned in El Cerrito _____	Date of move-in: _____ Number of Bedrooms: _____ Name of Tenant: _____
Length of Notice ☐ 30 Days ☐ 60 Days ☐ Other: _____ (Specify Days)	Intended Final Date of Occupancy Landlord requests return of unit by: _____ (Day of the Week, Calendar Date/Month/Year)
Was this notice issued as a result of non-payment of rent? ☐ Yes ☐ No	

The City Notice of Termination may be mailed or otherwise delivered to:

City of El Cerrito, Community Development Department
 ATTN: Notice of Termination of Residential Tenancy
 10890 San Pablo Avenue
 El Cerrito, CA 94530

10. ~~300200.050-040~~ - Enforcement

In addition to any other remedy allowed by law, any person who violates this Chapter is subject to administrative penalties pursuant to El Cerrito Municipal Code Chapter 1.14 – Administrative Penalties.

Section 3. Compliance with the California Environmental Quality Act.
 Approval of this ordinance is exempt from environmental review under the general rule in California Environmental Quality Act (“CEQA”) Guidelines Section 15061(b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

Section 4. Severability. If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The city council hereby declares that it would have passed the ordinance codified in this chapter, and each and every section, subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to

whether any portion of this chapter would be subsequently declared invalid or unconstitutional.

Section 5. Effective Date and Publication. This Ordinance shall take effect and be enforced thirty days after the date of its adoption. Prior to the expiration of fifteen days from the passage thereof, the ordinance or a summary thereof shall be posted or published as may be required by law, and thereafter the same shall be in full force and effect.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the City Council on December 18, 2018 and passed by the following vote:

AYES: Councilmembers
NOES: Councilmembers
ABSENT: Councilmembers
ABSTAIN: Councilmembers

ADOPTED AND ORDERED published at a regular meeting of the City Council held on January __, 2019 and passed by the following vote:

AYES: Councilmembers
NOES: Councilmembers
ABSENT: Councilmembers
ABSTAIN: Councilmembers

APPROVED:

Rochelle Pardue-Okimoto, Mayor

ATTEST:

Sherry Kelly, Acting City Clerk

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on January __, 2019.

Sherry Kelly, Acting City Clerk

ORDINANCE CERTIFICATION

I, Sherry Kelly, City Clerk of the City of El Cerrito, do hereby certify that this Ordinance is the true and correct original Ordinance No. 2018-XX of the City of El Cerrito, that said Ordinance was duly enacted and adopted by the City Council of the City of El Cerrito at a meeting of the City Council held on the ___ day of December 2018; and that said Ordinance has been published and/or posted in the manner required by law.

WITNESS my hand and the Official Seal of the City of El Cerrito, California, this ___ day of January 2019.

Sherry Kelly, Acting City Clerk

3083790.1

3085780.1

3100894.1

ORDINANCE NO. 2019-XX

AN ORDINANCE OF THE CITY OF EL CERRITO AMENDING TITLE 10 OF THE EL CERRITO MUNICIPAL CODE CHAPTER TO ADD CHAPTER 10.200, "TERMINATION OF TENANCY" RELATED TO THE REQUIREMENT THAT LANDLORDS NOTIFY THE CITY WHEN TERMINATING TENANCY.

WHEREAS, the Community Development Department, with direction from the City Council, identifies the City's goals, objectives, policies and action programs that directly address our housing needs;

WHEREAS, 40% of El Cerrito residents are renters and an essential part of our community;

WHEREAS, the El Cerrito Affordable Housing Strategy, adopted August 17, 2017, identifies four policy pillars for implementation over the next five years to produce, protect and preserve affordable housing for El Cerrito residents;

WHEREAS, "Pillar B. Reduce the Risk of Displacement and Help Stabilize At-Risk Populations," recommends exploring tenant protection policies for tenants at risk of displacement;

WHEREAS, the City does not currently track terminations of tenancy;

WHEREAS, the City Council convened a study session on August 21, 2018 to discuss the tenant protection tools that could be achieved in the near-term and medium-term;

WHEREAS, the City Council directed staff to analyze displacement through data collection;

WHEREAS, City staff will continue to collaborate with a variety of stakeholders, including renters and property owners, to identify opportunities to collect data;

WHEREAS, City staff will report back to City Council with its findings once data has been collected for a 12-month period; and

WHEREAS, the City Council finds and determines that the Termination of Tenancy Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CERRITO
DOES HEREBY ORDAIN as follows:

Section 1. Incorporation of Recitals. The City Council finds that the above Recitals are true and correct and are incorporated herein by reference.

Section 2. Amendment of Title 10 of the Municipal Code. Title 10, "Public Peace, Morals and Welfare", of the El Cerrito Municipal Code is hereby is amended to add Chapter 10.200, "Termination of Tenancy" to read as follows:

Chapter 10.200 – TERMINATION OF TENANCY

10.200.010 - Findings and Purpose

A. Findings.

The City Council finds and declares as follows:

1. The City has a substantial government interest in regulating the relationship between landlords and tenants in order to increase certainty, stability, and fairness with the rental market.
2. The Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

B. Purpose.

The purpose of this Chapter is to adopt regulations for landlords when terminating tenancy. By notifying the City whenever any tenancy is being terminated, it will allow the City to track and inventory displacement. This data will be prepared in an annual report to the City Council. This Chapter is intended to complement existing State law and protects public health, safety, and welfare for the residents of El Cerrito. C. Effective Date.

This Chapter shall be effective thirty (30) days from and after the date of its adoption.

10.200.020 – Definitions

A. **City Notice of Termination** means a written notice to the City that includes all of the components identified in Section 100.200.40.

B. **Landlord** means an owner, lessor, or sublessor who receives or is entitled to receive rent for the use and occupancy of any Rental Unit or portion thereof, and includes any legal entity or other individuals, employees, agents, contractors, and subcontractors that comprise or represent the landlord.

C. **Owner-occupied residence** means a single dwelling unit in which an individual retains no less than a fifty percent ownership interest in the individual unit and resides in that unit as his or her permanent residence no less than ten months of any calendar year.

D. **Rental Unit** means a habitable structure offered for rent and used as a place of permanent or customary and usual abode of a Tenant. Rental Units

include a building, a group of buildings or a portion of a building used and/or designed as dwellings. A Rental Unit shall not include:

1. A room or any other portion of any Rental Unit that is occupied by the Landlord or a member of the Landlord's immediate family.
2. An Accessory Dwelling Unit.
3. Housing accommodations in hotels, motels, group housing, supportive housing, transitional housing, general residential care and bed and breakfasts as those terms are defined in the El Cerrito Municipal Code Chapter 19 and, by reference, in the San Pablo Avenue Specific Plan.
4. Any Rental Unit in a common-interest development where units are owned by different individuals who share ownership of common areas and facilities.
5. An on-site manager's living unit.
6. Any Rental Unit where the tenancy is an express condition of, or express consideration for, employment by a Landlord.
7. Any Rental Units whose rents are controlled or regulated by any government unit, agency, or authority, or whose rent is subsidized by any government unit, agency or authority.
8. Any Rental Units acquired by the City or any other governmental unit, agency or authority, and are intended to be used for public purposes.

E. **Tenant** means any renter, tenant, subtenant, lessee, or sublessee of a Rental Unit, or any group of renters, tenants, subtenants, lessees, sublessees of a Rental Unit, or any other person entitled to the use or occupancy of such Rental Unit, or any successor of any of the foregoing.

10.200.030 - Notice of Termination

In order to terminate a residential tenancy of a Rental Unit or otherwise endeavor to recover possession of a Rental Unit, a Landlord must send the Tenant a notice of termination in accordance with any other notice requirements imposed by local, State or Federal law. Within ten (10) days of delivery of the notice of termination of tenancy to the Tenant, a Landlord must provide a copy of the City notice of termination in substantially the same form as below to the Community Development Department:

CITY OF EL CERRITO NOTICE OF TERMINATION	
Landlord Information Name: _____ Address: _____ No. of Units Owned in El Cerrito _____	Property Information Date of move-in: _____ Number of Bedrooms: _____ Name of Tenant: _____
Length of Notice ☐ 30 Days ☐ 60 Days ☐ Other: _____ (Specify Days)	Intended Final Date of Occupancy Landlord requests return of unit by: _____ (Day of the Week, Calendar Date/Month/Year)
Was this notice issued as a result of non-payment of rent? ☐ Yes ☐ No	

The City Notice of Termination may be mailed or otherwise delivered to:

City of El Cerrito, Community Development Department
ATTN: Notice of Termination of Residential Tenancy
10890 San Pablo Avenue
El Cerrito, CA 94530

10.200.040 - Enforcement

In addition to any other remedy allowed by law, any person who violates this Chapter is subject to administrative penalties pursuant to El Cerrito Municipal Code Chapter 1.14 – Administrative Penalties.

Section 3. Compliance with the California Environmental Quality Act.
Approval of this ordinance is exempt from environmental review under the general rule in California Environmental Quality Act (“CEQA”) Guidelines Section 15061(b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

Section 4. Severability. If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The city council hereby declares that it would have

passed the ordinance codified in this chapter, and each and every section, subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to whether any portion of this chapter would be subsequently declared invalid or unconstitutional.

Section 5. Effective Date and Publication. This Ordinance shall take effect and be enforced thirty days after the date of its adoption. Prior to the expiration of fifteen days from the passage thereof, the ordinance or a summary thereof shall be posted or published as may be required by law, and thereafter the same shall be in full force and effect.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the City Council on December 18, 2018 and passed by the following vote:

AYES: Councilmembers

NOES: Councilmembers

ABSENT: Councilmembers

ABSTAIN: Councilmembers

ADOPTED AND ORDERED published at a regular meeting of the City Council held on January __, 2019 and passed by the following vote:

AYES: Councilmembers

NOES: Councilmembers

ABSENT: Councilmembers

ABSTAIN: Councilmembers

APPROVED:

Rochelle Pardue-Okimoto, Mayor

ATTEST:

Sherry Kelly, Acting City Clerk

IN WITNESS of this action, I sign this document and affix the corporate seal of

the City of El Cerrito on January ___, 2019.

Sherry Kelly, Acting City Clerk

ORDINANCE CERTIFICATION

I, Sherry Kelly, City Clerk of the City of El Cerrito, do hereby certify that this Ordinance is the true and correct original Ordinance No. 2018-XX of the City of El Cerrito, that said Ordinance was duly enacted and adopted by the City Council of the City of El Cerrito at a meeting of the City Council held on the ___ day of December 2018; and that said Ordinance has been published and/or posted in the manner required by law.

WITNESS my hand and the Official Seal of the City of El Cerrito, California, this ___ day of January 2019.

Sherry Kelly, Acting City Clerk

3083790.1

3085780.1

3100894.1

ORDINANCE NO. 2019-XX

AN ORDINANCE OF THE CITY OF EL CERRITO AMENDING TITLE 10 OF THE EL CERRITO MUNICIPAL CODE CHAPTER TO ADD CHAPTER 10.~~400~~300, "TENANT RELOCATION ASSISTANCE" RELATED TO TENANT RELOCATION PAYMENTS.

WHEREAS, the Community Development Department, with direction from the City Council, identifies the City's goals, objectives, policies and action programs that directly address our housing needs;

WHEREAS, housing affordability continues to be a regional issue, especially for the residents of El Cerrito;

WHEREAS, 40% of El Cerrito residents are renters and an essential part of our community;

WHEREAS, the City does not currently have any tenant protection measures in place;

WHEREAS, the San Pablo Avenue Specific Plan was adopted in 2014 to encourage new high-density and mixed-use multi-family projects in transit-oriented development;

WHEREAS, the 2015-2023 Housing Element identifies Goal H1, Policy H1.2, Conserve and improve El Cerrito's existing housing supply, discourage the conversion of residential uses to non-residential uses, unless there is a finding of clear public benefit and equivalent housing can be provided for those who would be displaced by the proposed conversion;

WHEREAS, the El Cerrito Affordable Housing Strategy, adopted August 17, 2017, identifies four policy pillars for implementation over the next five years to produce, protect and preserve affordable housing for El Cerrito residents;

WHEREAS, "Pillar B. Reduce the Risk of Displacement and Help Stabilize At-Risk Populations," recommends explore tenant protection policies for tenants at risk of displacement;

WHEREAS, the Affordable Housing "Strategy 4-2: Consider enacting an ordinance to regulate the demolition of existing housing units, including requiring tenant relocation assistance";

WHEREAS, during the development of the Affordable Housing Strategy, City staff convened a Technical Advisory Group, that included other agencies and organizations specializing in displacement and affordable housing;

WHEREAS, City staff met with and received input from a variety of stakeholders, including renters and property owners to identify potential tenant protection programs in order to reduce the threat of displacement;

WHEREAS, the City Council convened a study session on August 21, 2018 to discuss the tenant protection tools that could be achieved in the near-term and medium-term;

WHEREAS, the City Council directed staff direction to develop tenant relocation assistance for properties being demolished, renovated, remodeled or repurposed;

WHEREAS, staff facilitated a public workshop on November 8, 2018 to discuss the draft tenant relocation assistance and received input;

WHEREAS, tenant relocation assistance will provide financial compensation for eligible households earning less than 120% of area median income;

WHEREAS, the provisions of the Ordinance were developed based upon the tenant protection models detailed in the *Affordable Housing Strategy* and in consideration with State law; and

WHEREAS, the City Council finds and determines that the Tenant Relocation Assistance Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CERRITO
DOES HEREBY ORDAIN as follows:

Section 1. Incorporation of Recitals. The City Council finds that the above Recitals are true and correct and are incorporated herein by reference.

Section 2. Amendment of Title 10 of the Municipal Code. Title 10, "Public Peace, Morals and Welfare", of the El Cerrito Municipal Code is hereby is amended to add Chapter 10.~~400~~300, "Tenant Relocation Assistance" to read as follows:

Chapter 10.~~400~~300 – TENANT RELOCATION ASSISTANCE

10.~~400~~300.010 - Findings and Purpose.

A. Findings.

The City Council finds and declares as follows:

1. The City has a substantial government interest in regulating the relationship between landlords and tenants in order to increase certainty, stability, and fairness with the rental market.
2. The Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

B. Purpose.

The purpose of this Chapter is to establish tenant relocation assistance as a result of displacement. This intent of this Chapter is to mitigate the impacts of displacement and protect public health, safety, and welfare for the residents of El Cerrito.

C. Effective Date.

This Chapter shall be effective thirty (30) days from and after the date of its adoption.

10. ~~400~~300.020 – Definitions.

A. Accessory Dwelling Unit means the definition given for dwellings in [Chapter 19 Zoning](#) of the El Cerrito Municipal Code.

B. Application means any planning, building and/or demolition Application required to be submitted to the City for discretionary or ministerial approval of a land use change or improvement of real property that will result in a Displacement of a Tenant. An Application deemed complete prior to the effective date of this Chapter is not subject to the requirements of this Chapter.

B.C. Base Rent means the rent for a Rental Unit required to be paid by the Landlord in the month immediately preceding the effective date of the Rent Increase. Base Rent shall not include ancillary services, including but not limited, to pet deposits, storage, additional parking or utility pass-throughs.

C.D. City means the City of El Cerrito.

D.E. City Manager means the City Manager of the City of El Cerrito, or his or her designated representative.

E.F. Community Development Director means the director of the Community Development Department of the City El Cerrito or his or her designee. A designee may include staff, and/or a party or organization contracted by the City to provide the necessary services to implement the procedures contained in this Chapter.

F.G. Displace or Displacement means the required vacating of one (1) or more Rental Units by a Tenant upon notice from the Landlord, including a Tenant or Tenants whose termination of tenancy was issued within twelve months of an Application being submitted to the City, as the result of or to enable any of the following:

1. The Landlord seeks to recover possession to demolish or otherwise remove a Rental Unit from residential rental housing use after having obtained all proper permits from the City, if any such permits are required;
2. The Landlord seeks to recover possession of the Rental Unit to remodel, renovate or rehabilitate the unit resulting in permanent Displacement of a Tenant; or
3. A change of use of Rental Unit from a residential use to a nonresidential use that requires a City approval.

Displacement also means the circumstance where the Landlord provides the Tenant with a proposed a Rent Increase that raises the Rent, or proposed multiple Rent Increases that cumulatively raise the Rent, to an amount more than twenty percent (20%) greater than the Base Rent that was in place at any time during a twenty-four (24) month period, and the Tenant elects to not remain in the Rental Unit. This excludes circumstances where the proposed Rent Increase is rescinded by the Landlord.

For the purposes of this Chapter, a Displacement does not include an action of a Landlord to vacate a Rental Unit as the result of the following:

1. A Landlord's compliance with an enforcement order of the City's chief Building Official for which the property owner has been ordered to pay relocation expenses pursuant to Health and Safety Code Section 17975, *et seq.*, or any other state or federal law;
2. The Tenant is required to vacate the Rental Unit due solely to damage resulting from an earthquake, fire, flood, natural disaster, civil disturbance, or accident outside the control of the Landlord;
3. Temporary Displacement from the Rental Unit where the Tenant has been provided with alternative housing on site or nearby provided that such Displacement shall be for a period of no more than one year; or
4. Displacement as a result of Landlord occupancy, which shall include and be limited to the Landlord, his or her spouse, Landlord's parent or parents or Landlord's spouse's parent or parents, Landlord's child or children or Landlord's spouse's

child or children, and Landlord's or Landlord's spouses grandchildren.

G.H. Eligible Residential Household means a Tenant subject to Displacement whose annual household income does not exceed one hundred-twenty percent (120) of the area median household income for Contra Costa County as adjusted for household size according to the United States Department of Housing and Urban Development, as may be adjusted from time to time, and whose rental payments to the Landlord remain current through the date of Displacement. An Eligible Residential Household excludes the following:

1. The Tenant: (a) is in the process of being evicted pursuant to the terms of a Lease for failure to pay rent or other breach of the Lease; or (b) has been found guilty of unlawful detainer pursuant to Subdivisions 2, 3, 4 or 5 of Section 1161 of the Code of Civil Procedure as evidenced by a final judgment of a court of competent jurisdiction; or (c) has entered into a stipulated agreement in an unlawful detainer action which requires vacation of the Rental Unit; or
2. The Tenant received written notice, prior to entering into a Lease to become a Tenant, that an Application to convert the Rental Unit to another use was on file with the City or had already been approved and would result in Displacement.

H.I. Landlord means an owner, lessor or sublessor of a Rental Unit (including any person, firm, corporation or other entity) offering a Rental Unit for rent or Lease in the City, or the agent, representative or successor of any of the foregoing.

I.J. Lease means any form of a valid rental agreement for a Rental Unit, whether written or oral.

J.K. Rent means a fixed periodic compensation paid by a Tenant at fixed intervals to a Landlord for the possession and use of Rental Unit as defined by the Lease between the Landlord and Tenant. Rent excludes pass through costs and ancillary costs paid separately to the Landlord for parking, storage, utilities, water, garbage, or any other fee or charge associated with a Rental Unit.

K.L. Rent Increase means an upward adjustment of the Rent from the Base Rent amount.

L.M. Rental Unit means a habitable structure located on one (1) parcel with two (2) or more dwelling units offered for rent and used as a place of

permanent or customary and usual abode of a Tenant. Rental Units include a building, a group of buildings or a portion of a building used and/or designed as dwellings. A Rental Unit shall not include:

1. Single-family Dwelling Unit as defined in Chapter 19 Zoning of the El Cerrito Municipal Code.
2. A room or any other portion of any Rental Unit that is occupied by the Landlord or a member of the Landlord's immediate family.
3. An Accessory Dwelling Unit.
4. Housing accommodations in hotels, motels, group housing, supportive housing, transitional housing, general residential care and bed and breakfasts as those terms are defined in the El Cerrito Municipal Code Chapter 19 and, by reference, in the San Pablo Avenue Specific Plan.
5. Any Rental Unit in a common-interest development where units are owned by different individuals who share ownership of common areas and facilities.
6. An on-site manager's living unit.
7. Any Rental Unit where the tenancy is an express condition of, or express consideration for, employment by a Landlord.
8. Any Rental Units whose rents are controlled or regulated by any government unit, agency, or authority, or whose rent is subsidized by any government unit, agency or authority.
9. Any Rental Units acquired by the City or any other governmental unit, agency or authority, and are intended to be used for public purposes.

M.N. Single Family Dwelling Unit means one dwelling unit, attached or detached, located on a single lot as defined in [Chapter 19 Zoning](#) of the El Cerrito Municipal Code. This includes manufactured housing but not mobile homes.

N.O. Special-circumstances households means an Eligible Residential Household with any of the following characteristics:

1. At least one (1) member is sixty-two (62) years of age or older.
2. At least one (1) member qualifies as disabled as defined by Title 42, United States Code, Section 423 or handicapped as defined by California Health and Safety Code Section 50072.
3. An Eligible Residential Household with one (1) or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes).

4. An Eligible Residential Household where the Tenant has occupied a Rental Unit for five (5) or more consecutive years.

O.P. Tenant means a Tenant, subtenant, lessee, sublessee or any other person entitled to occupy a Rental Unit under a Lease with the Landlord.

P.Q. Third-party agency means a relocation assistance specialist, agency and/or other third- party agency hired by the City and paid for by the Landlord to assist with the relocation assistance process set forth in this Chapter.

10.~~400300~~.030 Requirement to Provide Relocation Assistance

No Landlord shall effectuate a Displacement without providing relocation assistance as required by Section 10.~~400300~~.040.

10.~~400300~~.040 Relocation Assistance

Landlords shall provide relocation assistance to Eligible Residential Households as a result of Displacement, which shall consist of the following:

1. A full refund of a Tenant's security deposit, except for funds that may be necessary to repair Tenant's damage to the Rental Unit that will be reoccupied prior to undergoing renovation or demolition.
2. A sixty (60) day subscription to a rental agency service.
3. The cash equivalent of three (3) months' rent shall be paid to the Eligible Residential Household. The amount to be paid shall be calculated at the time the Application is approved by the City or calculated using the date for which the Rent Increase notice was issued based on the most recent Department of Housing and Urban Development's Fair Market Rent calculation for Contra Costa County for a similar-sized Rental Unit with the same number of bedrooms.
4. Special-Circumstances Household will be paid ~~one-two~~ (~~12~~) additional month of rent for a maximum of ~~four-five~~ (~~54~~) months' rent.

10.~~400300~~.050 Relocation Assistance Payments

- A. Third-party processing. The City shall contract with the Third-party Agency to assist with the administration of this Chapter. Landlord shall pay fees for the Third-party Agency and shall deposit sufficient funds with the Third-party Agency and/or City pursuant to the procedures established by the Community Development Director when a Landlord files an Application, or upon issuance of a Rent Increase notice of more than 20% greater than the Base Rent, or Rent Increase notices that are cumulatively more than 20% greater than the Base Rent, during a twenty-four (24) month period and the Tenant elects not to remain in the Rental Unit, for the sole purpose of reimbursement of the estimated cost of the relocation assistance

services. The Third-party Agency shall provide bilingual assistance, as necessary, and hold an informational meeting with Tenants, respond to questions, verify current household incomes, disperse checks to Eligible Residential Households and provide an accounting of dispersed funds to the Landlord and City.

- B. Payments escrow account. The Landlord shall open an escrow account and deposit relocation assistance required by Section 10.~~400~~300.040 into the escrow account no later than thirty (30) days after filing an Application, or issuing a Rent Increase notice more than 20% greater than the Base Rent, or Rent Increase notices that are cumulatively more than 20% greater than the Base Rent, during a twenty-four (24) month period and the Tenant elects not to remain in the Rental Unit. The funds deposited into the escrow account will be used by the Third-party Agency to pay relocation assistance to Eligible Residential Households. The amount of the deposit shall be determined by the Community Development Director or his/her designee and unused funds shall be returned to the Landlord after all relocation assistance has been paid as verified by the Third-party Agency.
- C. Relocation assistance claims. Tenants requesting relocation assistance must provide the necessary information to the Third-party Agency to determine eligibility for relocation assistance. Tenants must file a claim before the date to vacate as stated on the notice of termination or before the Rent Increase becomes effective in order to be eligible for relocation assistance. After determination of eligibility, half of the relocation assistance shall be paid to the Tenants within fifteen (15) days of the date the claim is submitted to the Third-party Agency and the remaining half shall be paid when the Tenant vacates the Rental Unit.
- D. Payments to Eligible Residential Households. Relocation assistance is paid per Rental Unit, not per Tenant. If multiple Tenants occupy a Rental Unit, relocation assistance shall be paid to the Tenant or Tenants entitled to occupy a Rental Unit under a valid Lease with the Landlord and evenly divided between the multiple Tenants entitled to occupy the Rental Unit. Landlord may deduct from the relocation assistance payable any and all past due rent owed by the Tenant during the twelve months prior to termination of tenancy.
- E. Verification of payment. Prior to issuance of demolition permits, building permits or other City permits that would result in a Displacement, the City must receive verification from the Third-party Agency that all Eligible Residential Households who applied and qualified for relocation assistance have received relocation assistance. This verification shall be submitted in a form acceptable to the City.
- F. Administrative costs. For the sole purpose of reimbursing the City and/or the Third-party Agency for the reasonable costs of administering this Chapter, the Landlord of each Rental Unit shall pay a fee in an amount to be set by the City based on estimated cost of providing services.

10.~~400~~300.060 - Tenant Displacement Notices

- A. Notice of intent. No later than thirty (30) days after filing an Application with the City, or simultaneously when issuing a Rent Increase notice more than 20% greater than the Base Rent, or Rent Increase notices that are cumulatively more than 20% greater than the Base Rent, during a twenty-four (24) month period and the Tenant elects not to remain in the Rental Unit, the Landlord shall notify each Eligible Residential Household using the form prepared and made available by the City. The notice of intent shall be sent by regular and certified mail and posted on the door of each Rental Unit. The Landlord must submit evidence of compliance with this section to the City in order for the Application to be deemed complete.
- B. Notice of intent verification. The Landlord shall provide the City with a duplicate copy of the notice of intent form provided to each Eligible Residential Household and a declaration indicating that each notice was sent by regular and certified mail and posted on the door of the Rental Unit.
- C. Notice of Application approval. No later than fifteen (15) days after receiving final approval of an Application (including any appeal period), the Landlord or the Landlord's agent shall notify each Eligible Residential Household that the Application has been approved. The notice shall be sent by regular and certified mail and posted on the door of each Rental Unit.
- ~~CD~~. Notice of termination. Landlord shall provide a written notice of termination to all Tenants subject to Displacement at least ninety (90) days prior to the date a Tenant must vacate.

10.~~400~~300.070 Landlord Relocation Submittal Requirements

Concurrent with the filing of an Application, or simultaneously when issuing a Rent Increase notice more than 20% greater than the Base Rent, or Rent Increase notices that are cumulatively more than 20% greater than the Base Rent, during a twenty-four (24) month period and the Tenant elects not to remain in the Rental Unit, the Landlord shall provide the Community Development Director with the address number of each Rental Unit in the rental development, the monthly rents for those units and the names of every member of the Eligible Residential Household who is a signatory on a written Lease for ~~that~~ each Rental Unit resulting in Displacement, the household income as shown on the Lease and the number of household members included on the Lease. Where there is no written Lease, the Landlord shall provide the name of every person the Landlord considers to be a Tenant under an oral Lease or rental agreement.

10.~~400~~300.080 Alternative Mitigation

- A. All Applications governed by this Chapter shall be required to submit the required information; however, the Landlord may also submit an alternate mitigation strategy that meets the goals of this Chapter. An alternate strategy

may include, but shall not be limited to, providing other mitigation and concessions to Tenants such as permanent relocation of displaced Tenants into similar apartments on-site or nearby, ongoing rent concessions or suitable notice and other elements of mitigation that would serve the goals and purposes of this Chapter. Prior to submitting any alternate mitigation strategy, a Landlord shall discuss the strategy with existing Tenants and make good faith efforts to arrive at an alternate mitigation strategy that is acceptable to existing Tenants. Evidence of an agreement with a Tenant for an alternate mitigation strategy may be submitted to the City for review. With each such alternate mitigation strategy submission, the Landlord shall provide complete information as determined necessary by the Community Development Director.

After an alternate mitigation strategy is submitted, the Landlord shall provide the Tenant with notice of the submission by regular and certified mail and posting on the door of each Rental Unit. Tenants shall have fourteen (14) days from the date notice is posted or mailed, whichever is later, to submit comments on the alternatives to the Community Development Director.

Alternate mitigation proposals shall be approved or denied by the Community Development Director. Within seven days of the decision, the City shall provide notice of the decision to the Landlord and all Tenants. The Landlord or Tenants may appeal any decision of the Community Development Director to the City Manager or designee within fourteen (14) days after notice is provided.

10. ~~400300~~.090 Administrative Regulations

The Community Development Director may, from time to time, promulgate regulations implementing the provisions of this Chapter, violations of which shall be considered a violation of this Chapter.

10. ~~400300~~.100 Mitigation Not Exclusive

Nothing in this Chapter shall be interpreted to interfere with the City's ability and/or obligation to require relocation assistance for displaced Tenants who are not covered by this Chapter.

Section 3. Compliance with the California Environmental Quality Act. Approval of this ordinance is exempt from environmental review under the general rule in California Environmental Quality Act ("CEQA") Guidelines Section 15061(b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

Section 4. Severability. If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by a decision of

any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The city council hereby declares that it would have passed the ordinance codified in this chapter, and each and every section, subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to whether any portion of this chapter would be subsequently declared invalid or unconstitutional.

Section 5. Effective Date and Publication. This Ordinance shall take effect and be enforced thirty days after the date of its adoption. Prior to the expiration of fifteen days from the passage thereof, the ordinance or a summary thereof shall be posted or published as may be required by law, and thereafter the same shall be in full force and effect.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the City Council on December 18, 2018 and passed by the following vote:

AYES: Councilmembers

NOES: Councilmembers

ABSENT: Councilmembers

ABSTAIN: Councilmembers

ADOPTED AND ORDERED published at a regular meeting of the City Council held on January __, 2019 and passed by the following vote:

AYES: Councilmembers

NOES: Councilmembers

ABSENT: Councilmembers

ABSTAIN: Councilmembers

APPROVED:

Rochelle Pardue-Okimoto, Mayor

ATTEST:

Sherry Kelly, Acting City Clerk

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on January ___, 2019.

Sherry Kelly, Acting City Clerk

ORDINANCE CERTIFICATION

I, Sherry Kelly, City Clerk of the City of El Cerrito, do hereby certify that this Ordinance is the true and correct original Ordinance No. 2018-XX of the City of El Cerrito, that said Ordinance was duly enacted and adopted by the City Council of the City of El Cerrito at a meeting of the City Council held on the ___ day of December 2018; and that said Ordinance has been published and/or posted in the manner required by law.

WITNESS my hand and the Official Seal of the City of El Cerrito, California, this ___ day of January 2019.

Sherry Kelly, Acting City Clerk

3085998.1

3100913.1

ORDINANCE NO. 2019-XX

AN ORDINANCE OF THE CITY OF EL CERRITO AMENDING TITLE 10 OF THE EL CERRITO MUNICIPAL CODE CHAPTER TO ADD CHAPTER 10.300, "TENANT RELOCATION ASSISTANCE" RELATED TO TENANT RELOCATION PAYMENTS.

WHEREAS, the Community Development Department, with direction from the City Council, identifies the City's goals, objectives, policies and action programs that directly address our housing needs;

WHEREAS, housing affordability continues to be a regional issue, especially for the residents of El Cerrito;

WHEREAS, 40% of El Cerrito residents are renters and an essential part of our community;

WHEREAS, the City does not currently have any tenant protection measures in place;

WHEREAS, the San Pablo Avenue Specific Plan was adopted in 2014 to encourage new high-density and mixed-use multi-family projects in transit-oriented development;

WHEREAS, the 2015-2023 Housing Element identifies Goal H1, Policy H1.2, Conserve and improve El Cerrito's existing housing supply, discourage the conversion of residential uses to non-residential uses, unless there is a finding of clear public benefit and equivalent housing can be provided for those who would be displaced by the proposed conversion;

WHEREAS, the El Cerrito Affordable Housing Strategy, adopted August 17, 2017, identifies four policy pillars for implementation over the next five years to produce, protect and preserve affordable housing for El Cerrito residents;

WHEREAS, "Pillar B. Reduce the Risk of Displacement and Help Stabilize At-Risk Populations," recommends explore tenant protection policies for tenants at risk of displacement;

WHEREAS, the Affordable Housing "Strategy 4-2: Consider enacting an ordinance to regulate the demolition of existing housing units, including requiring tenant relocation assistance";

WHEREAS, during the development of the Affordable Housing Strategy, City staff convened a Technical Advisory Group, that included other agencies and organizations specializing in displacement and affordable housing;

WHEREAS, City staff met with and received input from a variety of stakeholders, including renters and property owners to identify potential tenant protection programs in order to reduce the threat of displacement;

WHEREAS, the City Council convened a study session on August 21, 2018 to discuss the tenant protection tools that could be achieved in the near-term and medium-term;

WHEREAS, the City Council directed staff direction to develop tenant relocation assistance for properties being demolished, renovated, remodeled or repurposed;

WHEREAS, staff facilitated a public workshop on November 8, 2018 to discuss the draft tenant relocation assistance and received input;

WHEREAS, tenant relocation assistance will provide financial compensation for eligible households earning less than 120% of area median income;

WHEREAS, the provisions of the Ordinance were developed based upon the tenant protection models detailed in the *Affordable Housing Strategy* and in consideration with State law; and

WHEREAS, the City Council finds and determines that the Tenant Relocation Assistance Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CERRITO
DOES HEREBY ORDAIN as follows:

Section 1. Incorporation of Recitals. The City Council finds that the above Recitals are true and correct and are incorporated herein by reference.

Section 2. Amendment of Title 10 of the Municipal Code. Title 10, "Public Peace, Morals and Welfare", of the El Cerrito Municipal Code is hereby is amended to add Chapter 10.300, "Tenant Relocation Assistance" to read as follows:

Chapter 10.300 – TENANT RELOCATION ASSISTANCE

10.300.010 - Findings and Purpose.

A. Findings.

The City Council finds and declares as follows:

1. The City has a substantial government interest in regulating the relationship between landlords and tenants in order to increase certainty, stability, and fairness with the rental market.
2. The Ordinance codified in this Chapter is being adopted pursuant to the City's police power authority to protect the public health, safety, and welfare.

B. Purpose.

The purpose of this Chapter is to establish tenant relocation assistance as a result of displacement. This intent of this Chapter is to mitigate the impacts of displacement and protect public health, safety, and welfare for the residents of El Cerrito.

C. Effective Date.

This Chapter shall be effective thirty (30) days from and after the date of its adoption.

10.300.020 – Definitions.

- A. **Accessory Dwelling Unit** means the definition given for dwellings in [Chapter 19 Zoning](#) of the El Cerrito Municipal Code.
- B. **Application** means any planning, building and/or demolition Application required to be submitted to the City for discretionary or ministerial approval of a land use change or improvement of real property that will result in a Displacement of a Tenant. An Application deemed complete prior to the effective date of this Chapter is not subject to the requirements of this Chapter.
- C. **Base Rent** means the rent for a Rental Unit required to be paid by the Landlord in the month immediately preceding the effective date of the Rent Increase. Base Rent shall not include ancillary services, including but not limited, to pet deposits, storage, additional parking or utility pass-throughs.
- D. **City** means the City of El Cerrito.
- E. **City Manager** means the City Manager of the City of El Cerrito, or his or her designated representative.
- F. **Community Development Director** means the director of the Community Development Department of the City El Cerrito or his or her designee. A designee may include staff, and/or a party or organization contracted by the City to provide the necessary services to implement the procedures contained in this Chapter.
- G. **Displace or Displacement** means the required vacating of one (1) or more Rental Units by a Tenant upon notice from the Landlord, including a Tenant or Tenants whose termination of tenancy was issued within twelve months of an Application being submitted to the City, as the result of or to enable any of the following:

1. The Landlord seeks to recover possession to demolish or otherwise remove a Rental Unit from residential rental housing use after having obtained all proper permits from the City, if any such permits are required;
2. The Landlord seeks to recover possession of the Rental Unit to remodel, renovate or rehabilitate the unit resulting in permanent Displacement of a Tenant; or
3. A change of use of Rental Unit from a residential use to a nonresidential use that requires a City approval.

Displacement also means the circumstance where the Landlord provides the Tenant with a proposed a Rent Increase that raises the Rent, or proposed multiple Rent Increases that cumulatively raise the Rent, to an amount more than twenty percent (20%) greater than the Base Rent that was in place at any time during a twenty-four (24) month period, and the Tenant elects to not remain in the Rental Unit. This excludes circumstances where the proposed Rent Increase is rescinded by the Landlord.

For the purposes of this Chapter, a Displacement does not include an action of a Landlord to vacate a Rental Unit as the result of the following:

1. A Landlord's compliance with an enforcement order of the City's chief Building Official for which the property owner has been ordered to pay relocation expenses pursuant to Health and Safety Code Section 17975, *et seq.*, or any other state or federal law;
2. The Tenant is required to vacate the Rental Unit due solely to damage resulting from an earthquake, fire, flood, natural disaster, civil disturbance, or accident outside the control of the Landlord;
3. Temporary Displacement from the Rental Unit where the Tenant has been provided with alternative housing on site or nearby provided that such Displacement shall be for a period of no more than one year; or
4. Displacement as a result of Landlord occupancy, which shall include and be limited to the Landlord, his or her spouse, Landlord's parent or parents or Landlord's spouse's parent or parents, Landlord's child or children or Landlord's spouse's

child or children, and Landlord's or Landlord's spouses grandchildren.

- H. Eligible Residential Household** means a Tenant subject to Displacement whose annual household income does not exceed one hundred-twenty percent (120) of the area median household income for Contra Costa County as adjusted for household size according to the United States Department of Housing and Urban Development, as may be adjusted from time to time, and whose rental payments to the Landlord remain current through the date of Displacement. An Eligible Residential Household excludes the following:
1. The Tenant: (a) is in the process of being evicted pursuant to the terms of a Lease for failure to pay rent or other breach of the Lease; or (b) has been found guilty of unlawful detainer pursuant to Subdivisions 2, 3, 4 or 5 of Section 1161 of the Code of Civil Procedure as evidenced by a final judgment of a court of competent jurisdiction; or (c) has entered into a stipulated agreement in an unlawful detainer action which requires vacation of the Rental Unit; or
 2. The Tenant received written notice, prior to entering into a Lease to become a Tenant, that an Application to convert the Rental Unit to another use was on file with the City or had already been approved and would result in Displacement.
- I. Landlord** means an owner, lessor or sublessor of a Rental Unit (including any person, firm, corporation or other entity) offering a Rental Unit for rent or Lease in the City, or the agent, representative or successor of any of the foregoing.
- J. Lease** means any form of a valid rental agreement for a Rental Unit, whether written or oral.
- K. Rent** means a fixed periodic compensation paid by a Tenant at fixed intervals to a Landlord for the possession and use of Rental Unit as defined by the Lease between the Landlord and Tenant. Rent excludes pass through costs and ancillary costs paid separately to the Landlord for parking, storage, utilities, water, garbage, or any other fee or charge associated with a Rental Unit.
- L. Rent Increase** means an upward adjustment of the Rent from the Base Rent amount.
- M. Rental Unit** means a habitable structure located on one (1) parcel with two (2) or more dwelling units offered for rent and used as a place of

permanent or customary and usual abode of a Tenant. Rental Units include a building, a group of buildings or a portion of a building used and/or designed as dwellings. A Rental Unit shall not include:

1. Single-family Dwelling Unit as defined in Chapter 19 Zoning of the El Cerrito Municipal Code.
2. A room or any other portion of any Rental Unit that is occupied by the Landlord or a member of the Landlord's immediate family.
3. An Accessory Dwelling Unit.
4. Housing accommodations in hotels, motels, group housing, supportive housing, transitional housing, general residential care and bed and breakfasts as those terms are defined in the El Cerrito Municipal Code Chapter 19 and, by reference, in the San Pablo Avenue Specific Plan.
5. Any Rental Unit in a common-interest development where units are owned by different individuals who share ownership of common areas and facilities.
6. An on-site manager's living unit.
7. Any Rental Unit where the tenancy is an express condition of, or express consideration for, employment by a Landlord.
8. Any Rental Units whose rents are controlled or regulated by any government unit, agency, or authority, or whose rent is subsidized by any government unit, agency or authority.
9. Any Rental Units acquired by the City or any other governmental unit, agency or authority, and are intended to be used for public purposes.

N. Single Family Dwelling Unit means one dwelling unit, attached or detached, located on a single lot as defined in [Chapter 19 Zoning](#) of the El Cerrito Municipal Code. This includes manufactured housing but not mobile homes.

O. Special-circumstances households means an Eligible Residential Household with any of the following characteristics:

1. At least one (1) member is sixty-two (62) years of age or older.
2. At least one (1) member qualifies as disabled as defined by Title 42, United States Code, Section 423 or handicapped as defined by California Health and Safety Code Section 50072.
3. An Eligible Residential Household with one (1) or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes).

4. An Eligible Residential Household where the Tenant has occupied a Rental Unit for five (5) or more consecutive years.

P. Tenant means a Tenant, subtenant, lessee, sublessee or any other person entitled to occupy a Rental Unit under a Lease with the Landlord.

Q. Third-party agency means a relocation assistance specialist, agency and/or other third- party agency hired by the City and paid for by the Landlord to assist with the relocation assistance process set forth in this Chapter.

10.300.030 Requirement to Provide Relocation Assistance

No Landlord shall effectuate a Displacement without providing relocation assistance as required by Section 10.300.040.

10.300.040 Relocation Assistance

Landlords shall provide relocation assistance to Eligible Residential Households as a result of Displacement, which shall consist of the following:

1. A full refund of a Tenant's security deposit, except for funds that may be necessary to repair Tenant's damage to the Rental Unit that will be reoccupied prior to undergoing renovation or demolition.
2. A sixty (60) day subscription to a rental agency service.
3. The cash equivalent of three (3) months' rent shall be paid to the Eligible Residential Household. The amount to be paid shall be calculated at the time the Application is approved by the City or calculated using the date for which the Rent Increase notice was issued based on the most recent Department of Housing and Urban Development's Fair Market Rent calculation for Contra Costa County for a similar-sized Rental Unit with the same number of bedrooms.
4. Special-Circumstances Household will be paid two (2) additional month of rent for a maximum of five (5) months' rent.

10.300.050 Relocation Assistance Payments

- A. Third-party processing. The City shall contract with the Third-party Agency to assist with the administration of this Chapter. Landlord shall pay fees for the Third-party Agency and shall deposit sufficient funds with the Third-party Agency and/or City pursuant to the procedures established by the Community Development Director when a Landlord files an Application, or upon issuance of a Rent Increase notice of more than 20% greater than the Base Rent, or Rent Increase notices that are cumulatively more than 20% greater than the Base Rent, during a twenty-four (24) month period and the Tenant elects not to remain in the Rental Unit, for the sole purpose of reimbursement of the estimated cost of the relocation assistance

services. The Third-party Agency shall provide bilingual assistance, as necessary, and hold an informational meeting with Tenants, respond to questions, verify current household incomes, disperse checks to Eligible Residential Households and provide an accounting of dispersed funds to the Landlord and City.

- B. Payments escrow account. The Landlord shall open an escrow account and deposit relocation assistance required by Section 10.300.040 into the escrow account no later than thirty (30) days after filing an Application, or issuing a Rent Increase notice more than 20% greater than the Base Rent, or Rent Increase notices that are cumulatively more than 20% greater than the Base Rent, during a twenty-four (24) month period and the Tenant elects not to remain in the Rental Unit. The funds deposited into the escrow account will be used by the Third-party Agency to pay relocation assistance to Eligible Residential Households. The amount of the deposit shall be determined by the Community Development Director or his/her designee and unused funds shall be returned to the Landlord after all relocation assistance has been paid as verified by the Third-party Agency.
- C. Relocation assistance claims. Tenants requesting relocation assistance must provide the necessary information to the Third-party Agency to determine eligibility for relocation assistance. Tenants must file a claim before the date to vacate as stated on the notice of termination or before the Rent Increase becomes effective in order to be eligible for relocation assistance. After determination of eligibility, half of the relocation assistance shall be paid to the Tenants within fifteen (15) days of the date the claim is submitted to the Third-party Agency and the remaining half shall be paid when the Tenant vacates the Rental Unit.
- D. Payments to Eligible Residential Households. Relocation assistance is paid per Rental Unit, not per Tenant. If multiple Tenants occupy a Rental Unit, relocation assistance shall be paid to the Tenant or Tenants entitled to occupy a Rental Unit under a valid Lease with the Landlord and evenly divided between the multiple Tenants entitled to occupy the Rental Unit. Landlord may deduct from the relocation assistance payable any and all past due rent owed by the Tenant during the twelve months prior to termination of tenancy.
- E. Verification of payment. Prior to issuance of demolition permits, building permits or other City permits that would result in a Displacement, the City must receive verification from the Third-party Agency that all Eligible Residential Households who applied and qualified for relocation assistance have received relocation assistance. This verification shall be submitted in a form acceptable to the City.
- F. Administrative costs. For the sole purpose of reimbursing the City and/or the Third-party Agency for the reasonable costs of administering this Chapter, the Landlord of each Rental Unit shall pay a fee in an amount to be set by the City based on estimated cost of providing services.

10.300.060 - Tenant Displacement Notices

- A. Notice of intent. No later than thirty (30) days after filing an Application with the City, or simultaneously when issuing a Rent Increase notice more than 20% greater than the Base Rent, or Rent Increase notices that are cumulatively more than 20% greater than the Base Rent, during a twenty-four (24) month period and the Tenant elects not to remain in the Rental Unit, the Landlord shall notify each Eligible Residential Household using the form prepared and made available by the City. The notice of intent shall be sent by regular and certified mail and posted on the door of each Rental Unit. The Landlord must submit evidence of compliance with this section to the City in order for the Application to be deemed complete.
- B. Notice of intent verification. The Landlord shall provide the City with a duplicate copy of the notice of intent form provided to each Eligible Residential Household and a declaration indicating that each notice was sent by regular and certified mail and posted on the door of the Rental Unit.
- C. Notice of Application approval. No later than fifteen (15) days after receiving final approval of an Application (including any appeal period), the Landlord or the Landlord's agent shall notify each Eligible Residential Household that the Application has been approved. The notice shall be sent by regular and certified mail and posted on the door of each Rental Unit.
- D. Notice of termination. Landlord shall provide a written notice of termination to all Tenants subject to Displacement at least ninety (90) days prior to the date a Tenant must vacate.

10.300.070 Landlord Relocation Submittal Requirements

Concurrent with the filing of an Application, or simultaneously when issuing a Rent Increase notice more than 20% greater than the Base Rent, or Rent Increase notices that are cumulatively more than 20% greater than the Base Rent, during a twenty-four (24) month period and the Tenant elects not to remain in the Rental Unit, the Landlord shall provide the Community Development Director with the address number of each Rental Unit in the rental development, the monthly rents for those units and the names of every member of the Eligible Residential Household who is a signatory on a written Lease for each Rental Unit resulting in Displacement, the household income as shown on the Lease and the number of household members included on the Lease. Where there is no written Lease, the Landlord shall provide the name of every person the Landlord considers to be a Tenant under an oral Lease or rental agreement.

10.300.080 Alternative Mitigation

- A. All Applications governed by this Chapter shall be required to submit the required information; however, the Landlord may also submit an alternate mitigation strategy that meets the goals of this Chapter. An alternate strategy

may include, but shall not be limited to, providing other mitigation and concessions to Tenants such as permanent relocation of displaced Tenants into similar apartments on-site or nearby, ongoing rent concessions or suitable notice and other elements of mitigation that would serve the goals and purposes of this Chapter. Prior to submitting any alternate mitigation strategy, a Landlord shall discuss the strategy with existing Tenants and make good faith efforts to arrive at an alternate mitigation strategy that is acceptable to existing Tenants. Evidence of an agreement with a Tenant for an alternate mitigation strategy may be submitted to the City for review. With each such alternate mitigation strategy submission, the Landlord shall provide complete information as determined necessary by the Community Development Director.

After an alternate mitigation strategy is submitted, the Landlord shall provide the Tenant with notice of the submission by regular and certified mail and posting on the door of each Rental Unit. Tenants shall have fourteen (14) days from the date notice is posted or mailed, whichever is later, to submit comments on the alternatives to the Community Development Director.

Alternate mitigation proposals shall be approved or denied by the Community Development Director. Within seven days of the decision, the City shall provide notice of the decision to the Landlord and all Tenants. The Landlord or Tenants may appeal any decision of the Community Development Director to the City Manager or designee within fourteen (14) days after notice is provided.

10.300.090 Administrative Regulations

The Community Development Director may, from time to time, promulgate regulations implementing the provisions of this Chapter, violations of which shall be considered a violation of this Chapter.

10.300.100 Mitigation Not Exclusive

Nothing in this Chapter shall be interpreted to interfere with the City's ability and/or obligation to require relocation assistance for displaced Tenants who are not covered by this Chapter.

Section 3. Compliance with the California Environmental Quality Act. Approval of this ordinance is exempt from environmental review under the general rule in California Environmental Quality Act ("CEQA") Guidelines Section 15061(b)(3). The activity is covered by the general rule which exempts activities that can be seen with certainty to have no possibility for causing a significant effect on the environment.

Section 4. Severability. If any section, subsection, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional by a decision of

any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this chapter. The city council hereby declares that it would have passed the ordinance codified in this chapter, and each and every section, subsection, sentence, clause or phrase not declared invalid or unconstitutional without regard to whether any portion of this chapter would be subsequently declared invalid or unconstitutional.

Section 5. Effective Date and Publication. This Ordinance shall take effect and be enforced thirty days after the date of its adoption. Prior to the expiration of fifteen days from the passage thereof, the ordinance or a summary thereof shall be posted or published as may be required by law, and thereafter the same shall be in full force and effect.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the City Council on December 18, 2018 and passed by the following vote:

AYES: Councilmembers

NOES: Councilmembers

ABSENT: Councilmembers

ABSTAIN: Councilmembers

ADOPTED AND ORDERED published at a regular meeting of the City Council held on January __, 2019 and passed by the following vote:

AYES: Councilmembers

NOES: Councilmembers

ABSENT: Councilmembers

ABSTAIN: Councilmembers

APPROVED:

Rochelle Pardue-Okimoto, Mayor

ATTEST:

Sherry Kelly, Acting City Clerk

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on January __, 2019.

Sherry Kelly, Acting City Clerk

ORDINANCE CERTIFICATION

I, Sherry Kelly, City Clerk of the City of El Cerrito, do hereby certify that this Ordinance is the true and correct original Ordinance No. 2018-XX of the City of El Cerrito, that said Ordinance was duly enacted and adopted by the City Council of the City of El Cerrito at a meeting of the City Council held on the __ day of December 2018; and that said Ordinance has been published and/or posted in the manner required by law.

WITNESS my hand and the Official Seal of the City of El Cerrito, California, this __ day of January 2019.

Sherry Kelly, Acting City Clerk

3085998.1

3100913.1



AGENDA BILL

Agenda Item No. 7(B)

Date: January 15, 2019
To: El Cerrito City Council
From: Mark R. Rasiah, Finance Director/City Treasurer
Subject: Annual Review of Comprehensive Financial Policy

ACTION REQUESTED

No action is requested at this time. This policy presentation is for information purposes only and to gather feedback from City Council. Staff will address any comments or changes and bring the Comprehensive Financial Policy document back for adoption at a later date, with changes if any.

BACKGROUND

The financial policy serves as the foundation of a local agency's financial goals and priorities. If the financial policy is carefully researched, effectively drafted, and reviewed regularly to assure that it continues to meet the agency's fiscal goals/priorities, it can help protect the assets of the organization. The existence of an approved financial policy demonstrates that the governing body is performing its fiduciary responsibilities, thereby, inspiring trust and confidence among the public that it serves.

It has been the practice of City staff to bring the Comprehensive Financial Policy to the City Council for review and approval annually. Each year the policy is reviewed by City staff and the Financial Advisory Board (FAB). Any recommended changes to these policies are brought to the City Council for review and approval. After months of review and discussion the FAB at their October 9, 2018 meeting passed a motion to recommend City Council approval of the Comprehensive Financial Policy (Attachment 1) with changes that have been incorporated into the draft document and are shown in track changes mode.

The Policy was last modified and approved by the City Council at its December 6, 2016 Council meeting.

ANALYSIS

The Comprehensive Financial Policy which includes General Fund reserve policies is intended to provide financial direction to staff and greater assurance to the City Council on the processes and procedures taken to assure the City's financial stability. A fiscally prudent General Fund reserve policy is necessary to maintain the City's financial position; ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses; protect the City's credit-worthiness and is consistent with the City's strategic planning goals and budget objectives.

Aside from formatting and renumbering of sections due to deletions and additions, the

following is a summary of the significant changes proposed by the FAB:

1. Establish a \$6 million Economic & Disaster Recover Fund (EDRF), to be funded through annual budget appropriations over the next several years. The cash balance in this fund to be used in the event of a major disaster such as an earthquake, fire, or significant economic down turn that results in a substantial reduction in revenues. Only City Council can authorize the use of funds. When fully funded, the cash reserve will provide for approximately 3 months of operational staff salaries, to maintain continuity of Public Safety and Administrative services during severe economic down turns or major disasters. The balance in this fund would eventually be equivalent to about 15% of General Fund budgeted expenditures.
2. Once the EDRF funding begins through budget action, reduce the current policy General Fund reserve ratio from 15% to 10% of budgeted expenditures. The General Fund operating reserve to be used to balance short term operational budget needs only.
3. All future requests for City Council action shall include an analysis of the immediate and future fiscal impact of such actions, particularly as it impacts the General Fund target reserve ratio.

By motion made and seconded, the FAB unanimously recommends that City Council consider and approve the changes to the City's Comprehensive Financial Policy attached herewith.

STRATEGIC PLAN CONSIDERATIONS

The long term goal of the City's Comprehensive Financial Policy is to enhance the City's economic condition, improve the City's debt rating and thereby reduce the cost of long term borrowings, and fulfills City Strategic Plan Goal B: Achieve long-term financial sustainability.

FINANCIAL CONSIDERATIONS

City staff will continue to explore options to improve cash flow and build General Fund reserves. There is no fiscal impact of adopting this policy.

LEGAL CONSIDERATIONS

Annual approval of the Comprehensive Financial Policy by the City Council is not required by California Government Code but constitutes best practice in public finance.

Reviewed by:

A handwritten signature in black ink, appearing to read "Karen Pinkos", written in a cursive style.

Karen Pinkos
City Manager

Attachments:

1. Draft Comprehensive Financial Policy

City of El Cerrito
Comprehensive Financial Policy

Approved Resolution:

PURPOSE:

To establish a comprehensive set of financial policies for the City that will serve as a guideline for operational and strategic decision making related to financial matters.

POLICY:

The following financial policies are intended to establish a comprehensive set of guidelines for use by the City Council and staff on decision-making that has a fiscal impact. The goal is to maintain the City's financial stability in order to be able to continually adapt to local, regional and national economic changes. Such policies will allow the City to maintain and enhance a sound fiscal condition.

This financial policy will be reviewed annually by the Financial Advisory Board and any proposed substantive revisions will be submitted to the City Council for approval. The City's comprehensive financial policies will be utilized when preparing the Annual Operating Budget and shall be in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

1. OVERVIEW & LONG-TERM FINANCIAL PLANNING

- 1.1. A Five-Year Year Financial Plan will be prepared at a minimum for the General Fund, and Integrated Waste Management Funds. The City's Five-Year Financial Plan is the long-term picture of the City's finances and will be updated annually as part of the annual budget process.
- 1.2. The City shall seek a balance in the overall revenue structure between more stable revenue sources (e.g. Property Tax and Utility Taxes) and economically sensitive revenue sources (e.g., Sales Tax).
- 1.3. The City shall develop and maintain methods for the evaluation of future development and major fiscal impacts on the City budget.
- 1.4. The City shall develop and implement a financial plan to address its funding

needs for issues like deferred maintenance and unfunded liabilities.

- 1.5. The City shall address issues related to cash flow requirements and any short term borrowing requirements on a timely basis.
- 1.6. The City shall require any annexation agreements to have a long-term beneficial financial impact on the City.

2. BUDGET POLICIES

- 2.1. The City Manager shall prepare a proposed annual budget to be reviewed by the Financial Advisory Board and presented to the City Council within all statutorily prescribed deadlines. The City Council will adopt the budget at a public hearing by June 30 of each year.
- 2.2. A Budget will be adopted by Resolution of the City Council annually, which will contain the budget amendment process, budget amendment authority, and spending authorities.

All departments are responsible for meeting the City's financial policy goals and ensuring the City's long-term financial health. Budget control is maintained at the fund level. The City Manager is authorized to transfer budgeted amounts within departments and within funds. In addition, amendments that are made to authorize spending of increased or new special purpose revenues may be approved by the City Manager. Budget modifications between funds or increases or decreases to a fund's overall budget must be approved by the City Council.

- 2.3. It is the City's policy to adopt a balanced General Fund budget where operating revenue is equal to, or exceeds, operating expenditures. In the event a balanced budget is not adopted, due to a deliberate reduction of accumulated fund balance or if the cause of the imbalance is expected to last for no more than one year, as with the case of a one time

settlement or large purchase, the planned use of reserves to balance the budget is permitted as long as the reserve is consistent with the amounts described in Section 3., General Fund Balance Reserve Policy.

- 2.4. The operating budget shall serve as the annual financial plan for the City. It shall serve as the City's management plan for implementing goals and objectives of the City Council, City Manager and departments and will define service levels.
- 2.5. During the annual budget development process, the existing budget shall be examined to assure removal or reduction of any services or programs that should be eliminated or reduced in cost.
- 2.6. The annual review process shall include an assessment to determine if funds are available to operate and maintain proposed capital facilities and other public improvements.
- 2.7. Any year-end operating surpluses will revert to unappropriated balances for use in maintaining reserve levels set by policy and will be available for capital projects and/or one-time expenditures upon approval of the City Council/.
- 2.8. Where practical, the City's annual budget will include performance measures of workload, efficiency, and effectiveness.

2.9. Revenues:

2.9.1. The City will estimate annual revenues using an objective, analytical process; specific assumptions will be documented and maintained. Budgeted revenues will be estimated conservatively using accepted standards and estimates provided by the state, other governmental agencies, and/or reliable economic forecasters when available.

2.9.2. Specific revenue sources will not be dedicated for specific purposes, unless required by law or Generally Accepted Accounting Principles (GAAP). All non-tax increment, non-restricted revenues will be deposited in the General Fund and appropriated through the budget process. On-going revenues will fund on-going expenditures.

2.9.3. A diversified and stable revenue system will be maintained to the extent possible to protect programs from short-term fluctuations in any single revenue source.

2.10. Appropriations:

2.10.1. The City shall, to the extent possible, pay for current year expenditures with current year revenues. Where authorized activities or equipment remain incomplete and/or unpurchased, revenues and/or fund balance may be carried forward at the City Manager's direction to the next fiscal year to support such an activity/purchase.

2.10.2. The City shall avoid budgetary procedures which rely on financial strategies that defer payment of current operating expenses to future years.

2.10.3. Department Heads are responsible for ensuring that department expenditures stay within the department's budgeted appropriation.

2.10.4. A City Council Resolution is necessary to increase any total fund appropriation where no corresponding revenue offset exists that is restricted for that purpose.

2.10.5. The City Manager may adjust appropriations among departments within a fund.

3. GENERAL FUND RESERVE POLICY

3.1. The purpose of the reserve policy is to set aside funds to insure against events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. The reserve is designed to ~~provide adequate cash flow,~~ protect bond ratings and offset ~~economic~~ economic downturns and revenue shortfalls. ~~The reserve is also available to provide for one-time funding in the event of an emergency situation such as a natural disaster or unanticipated liability.~~

3.2. It is a goal of the City to achieve a general fund annual operating reserve of ~~15~~10%, ~~with a minimum of 10%,~~ of projected General Fund operating expenditures in each fiscal year. As part of the annual budget process, the City Council shall consider a Five-Year Plan that attempts to maintain ~~the minimum~~

City of El Cerrito
Comprehensive Financial Policy

Approved Resolution:

reserve balance of ~~15~~10%. The City Council may adopt a deficit budget ~~to deal with the uses discussed in Section 3.5~~ so long as the projected reserve does not go below 10% in any year of the Five-Year Plan. Should the General Fund reserve fall below 10%, each budget year the City will adopt a plan to restore the reserve percentage to 10% within five years ~~and 15% within 10 years~~.

~~3.3. It is a goal of the City to achieve and maintain a minimum cash balance equal to 15 days of authorized operating expenses in order to meet anticipated City obligations without reliance on borrowed funds. Should the cash balance fall below the minimum due to unanticipated circumstances, the minimum cash balance should be restored as soon as practical.~~

~~3.4. The portion of the reserve below 10% should be utilized only for a financial emergency (as determined by the City Council), natural disaster or significant unanticipated liability. If this portion of the reserve is utilized for such an event, the Ten-Year Plan presented with the Annual Operating Budget must be developed so that the 10% base threshold is replenished within five years.~~

~~3.5-3.3. The unreserved fund balance in an Internal Service Fund may be transferred to the General Fund only for a fiscal emergency or for one-time uses such as natural disasters or unforeseen liabilities.~~

~~3.6. The reserves between the 10% and 15% level are designed to be used by the City to deal with revenue fluctuations that arise as a result of changes in the economy and provide opportunities to maintain services and programs where funding may be difficult. Also, a portion of any operating reserve in excess of 10% of annual revenues resulting from the previous fiscal year's operations could be committed to capital improvement projects or used to retire existing debt, fund future liabilities or potential legislative actions, establish or~~

~~replenish equipment replacement funds, and/or establish or replenish deferred maintenance funds as long as the amount is considered in the adopted Ten-Year Plan to achieve a balance of 15% within ten years.~~

~~3.7. One-time revenues will not be used to fund ongoing City programs. Any one-time revenue receipt during the fiscal year should be recognized and recorded in a "non-recurring revenue source" category. One-time revenue windfalls include: sales of City-owned real estate, CalPERS rebates, lump sum (net present value) savings from debt restructuring, litigation settlement, unexpected revenues, and other similar sources of revenue as designated by the City Council.~~

~~3.8. The operating reserve should be itemized as cash or cash equivalents and be separately stated on the financial statements.~~

4. EMERGENCY AND DISASTER RECOVERY FUND

~~4.1. The City shall maintain a separate fund on its books called the Emergency and Disaster Recovery Fund (EDRF), separate from the City's General Fund. The cash in this fund will be invested in accordance with the City's investment policy.~~

~~4.2. The purpose of this fund is to provide cash reserves in the event of severe economic downturns and/or disasters as declared by the Mayor. The City Council shall fund \$6 million in the EDRF intended to cover three months of payroll costs. The cash reserve requirement shall be reviewed every biennial budget cycle. The City budget shall contain a plan to achieve the target cash reserve in the EDRF over two biennial budget cycles.~~

4.5. FINANCIAL REPORTING POLICIES

4.1.5.1. Accounting

Standards:

~~4.2. The City's accounting and financial reporting systems shall be maintained in conformance with all state and federal~~

Formatted: Indent: Left: 0.6", No bullets or numbering

Formatted: Indent: Left: 0.3"

Formatted: Indent: Left: 0.6", No bullets or numbering

Formatted: Font: Not Bold, Not Italic

Formatted: Normal, Level 1, Tab stops: 0.5", Left + 1.25", List tab

Formatted: Indent: Left: 0.6"

Formatted: Indent: Left: 0.6", No bullets or numbering

Formatted: Indent: Left: 0.25", No bullets or numbering

Formatted: Indent: Left: 0.6", No bullets or numbering, Tab stops: Not at 1.25"

Formatted: Font: Not Bold

Formatted: Indent: Left: 0.55", No bullets or numbering

laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA). The City will make every attempt to implement all changes to governmental accounting practices at the earliest practicable time.

Annual Audit:

4.2.1-5.1.1. An annual audit will be performed by an independent public accounting firm with an audit opinion to be included with the City's published Comprehensive Annual Financial Report (CAFR). The CAFR will be submitted annually to the Government Finance Officers Association for peer review with the goal of continuing receipt of the Certificate of Achievement for Excellence in Financial Reporting.

4.2.2-5.1.2. The independent firm will be selected through a competitive bidding process at least once every five years. The contract may be for an initial period of three years with two additional one-year options at the City Council's discretion. The current firm may be allowed to participate in the bid process. The need for rotation of the audit staff or audit firm will be considered in the bid process. The Finance Director will review the qualifications of prospective firms and make a recommendation to the City Council. The audit contract will be awarded by the City Council.

5.6. OPERATIONAL MANAGEMENT POLICIES

5.1.6.1. The City shall ~~not endeavor to avoid committing~~ to new spending for operating or capital improvement purposes until an analysis of all current and future cost implications relating to those programs and projects is completed.

5.2.6.2. All departments ~~will participate in the responsibility of~~ are responsible for meeting policy goals and ensuring long-term financial health. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources and future service requirements.

5.3.6.3. Departmental requests for increases in staffing will be thoroughly

analyzed; only those that meet adopted program initiatives and policy directives will be considered. To the extent feasible, personnel cost reductions will be achieved through attrition.

5.4-6.4. User Fees and Charges and Development Impact Fees:

5.4.1-6.4.1. Where direct services to users can be measured, as set forth in the Master Fee Schedule, the City should use appropriate fees, charges or assessments rather than general tax funds. All user fees and charges will be examined or adjusted annually to determine the direct and indirect cost of service. User fees and charges for services shall be established at a level related to the cost of providing such service except where the City Council has determined there is a public benefit to subsidize the service with tax based revenue. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council following public review.

5.4.2-6.4.2. The City may identify the costs associated with new development as a basis for establishing development impact fees but the long-term benefit of the development to the City should be considered in establishing such fees.

5.5-6.5. Grant Management:

5.5.1-6.5.1. The City shall actively pursue federal, state and other grant opportunities when deemed appropriate. Before accepting any grant, the City shall thoroughly consider the implications in terms of ongoing obligations that will be required in connection with acceptance of said grant and present that report for approval by the City Council.

5.5.2-6.5.2. The term of Grant funded positions for programs should be clearly identified and presented to the City Council for approval. It is mandatory to disclose if General Fund revenues will be needed to fund a position during or after the Grant or program expires.

5.5.3-6.5.3. Grant funding will be considered to leverage City funds. Inconsistent and/or fluctuating grants should not be used to fund ongoing programs. Programs financed with grant monies will be budgeted in separate cost centers, and the service program will be

City of El Cerrito
Comprehensive Financial Policy

Approved Resolution:

adjusted to reflect the level of available funding. In the event of reduced grant funding, City resources may be substituted only after all program priorities and alternatives are considered.

5.5.4.6.5.4. The cost of all externally mandated services for which funding is available shall be fully evaluated, including overhead, to allow for complete reimbursement of expenses.

5-6-6.6. **Revenue Collection Policy:**

5-6-1-6.6.1. The City will pursue revenue collection and auditing to assure that monies due the City are received in a timely manner.

5-6-2-6.6.2. The City will seek reimbursement from the appropriate agency for State and Federal mandated costs whenever possible.

5-6-3-6.6.3. The City will centralize accounts receivable/collection activities so that all receivables are handled consistently.

5-6-4-6.6.4. Accounts receivable management and diligent oversight of collections from all revenue sources are imperative. Sound financial management principles include the establishment of an allowance for doubtful accounts. Efforts shall be made to pursue the timely collection of delinquent accounts. When such accounts are deemed uncollectible, they will be written-off from the financial statements in accordance with established policies.

6-7. **FINANCIAL MANAGEMENT POLICIES**

6-1-7.1. Staff shall keep City Council apprised of financial opportunities available and shall develop appropriate recommendations.

6-2-7.2. All requests for City Council action shall include an analysis of the immediate and future fiscal impact of such action particularly impacts on the General Fund target reserve ratio. No appropriation for new or expanded programs or staffing levels shall be approved without identifying the amount and source of available funds.

~~6.3. All externally mandated services for which funding is available shall be charged to allow for complete reimbursement of expenses including overhead.~~

6-4-7.3. **Cash Management Investment:**

6-4-1-7.3.1. Cash and investment programs will be maintained in accordance with California Government Code Section 53600 et seq. and the City's adopted investment policy and will ensure that proper controls and safeguards are maintained. Pursuant to the Investment Policy, the Financial Advisory Board, at least annually will review, and the City Council will affirm, a detailed investment policy.

6-4-2-7.3.2. Reports on the investment portfolio and cash position will be developed and presented to the Financial Advisory Board and the City Council in conformity with the California Government Code.

6-4-3-7.3.3. Funds will be managed in a prudent and diligent manner with emphasis on safety of principal, liquidity, and yield, in that order.

6-4-4-7.3.4. The quarterly report shall include a statement in compliance with government-California Government code Code 53646.

7-8. **CAPITAL IMPROVEMENT PROJECT POLICIES**

7-1-8.1. A Ten-year ~~Capital Improvement~~ Capital Improvement Plan will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as infrastructure or equipment purchases or construction which result in a capitalized asset and have a useful (depreciable) life of two years or more.

7-2-8.2. Each Capital Improvement Project will identify, where applicable, current operating maintenance costs and funding streams available to repair and/or replace deteriorating infrastructure and to avoid significant unfunded liabilities.

7-3-8.3. The City will develop and implement a post-implementation evaluation of its infrastructures condition

Formatted: Indent: Left: 0.3", Outline numbered + Level: 2
+ Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left
+ Aligned at: 0.25" + Tab after: 0.55" + Indent at: 0.55",
Tab stops: 1.25", List tab

on a specified periodic basis, estimating the remaining useful life, and projecting replacement costs.

7.4.8.4. The City shall actively pursue outside funding sources for all Capital Improvement Projects. Outside funding sources, such as grants, shall be used to finance only those Capital Improvement Projects that are consistent with the Ten-year Capital Improvement Plan and/or local governmental priorities, and whose operating and maintenance costs will be included in future operating budget forecasts.

7.5.8.5. Capital improvement lifecycle costs will be coordinated with the development of the Operating Budget. Future operating, maintenance and replacement costs associated with new capital improvements will be forecasted, matched to available revenue sources, and included in the Operating Budget. Capital project contract awards will include a fiscal impact statement disclosing the expected operating impact of the project and when such cost is expected to occur.

7.6.8.6. The City must carefully seek and analyze the appropriate type of financing instrument appropriate for financing capital projects. Several options may be available – general obligation debt, fee-supported debt, fund reserves, tax increment, etc. All debt financing mechanisms shall be carefully considered and analyzed for fiscal benefit and cost effectiveness. Long-term borrowing shall be restricted to projects too large to be financed from current revenues (pay-as-you-go). Where possible, special assessment, revenue or other self-supporting bonds shall be used in lieu of general obligation bonds.

8. DEBT MANAGEMENT POLICIES

~~New (Replaces Section 8 of the current Comprehensive Financial Policies)~~

8.1 These Debt Management Policies are intended to comply with Government Code Section 8855(i), and shall govern all debt undertaken by the City. The City hereby recognizes that a

fiscally prudent debt policy is required in order to:

- Maintain the City's sound financial position.
- Ensure the City has the flexibility to respond to changes in future ~~service priorities~~ service priorities, revenue levels, and operating expenses.
- Protect the City's credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the City.
- Ensure that the City's debt is consistent with the City's planning goals and objectives and capital improvement program or budget, as applicable.

8.2 Purposes For Which Debt May Be Issued

(i) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the City.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the City and its taxpayers and ratepayers.
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

Formatted: Outline numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 8 + Alignment: Left + Aligned at: 0" + Tab after: 0.25" + Indent at: 0.25"

Formatted: Level 1

City of El Cerrito
Comprehensive Financial Policy

Approved Resolution:

(b) Long-term debt financings are not appropriate for current operating expenses and routine maintenance expenses.

(c) The City may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the City Council.
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project.
- The City estimates that sufficient revenues will be available to service the debt through its maturity.
- The City determines that the issuance of the debt will comply with the applicable state and federal law.

(ii) Short-term debt. Short-term debt may be issued to provide financing for the City's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The City may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

8.3 Types of Debt

The following types of debt are

allowable under these Debt Management Policies:

- general obligation bonds
- bond or grant anticipation notes
- tax and revenue anticipation notes
- lease revenue bonds, certificates of participation and lease-purchase transactions
- other revenue bonds (including sales tax revenue bonds) and certificates of participation
- pension obligation bonds
- land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- tax increment financing to the extent permitted under state law
- conduit financings, such as financings for affordable rental housing and qualified 501c3 organizations

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and the City Council may approve such debt by amending these Debt Management Policies.

Debt shall be issued as fixed rate debt unless the City makes a specific determination as to why a variable rate issue would be beneficial to the City in a specific circumstance.

8.4 Relationship of Debt to Capital Improvement Program and Budget

New debt issues, and refinancing of existing debt, must be analyzed for

Formatted: Indent: Left: 0.5"

compatibility within the City's Ten-Year Capital Improvement Plan. The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear. The City shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

8.5 Policy Goals Related to Planning Goals and Objectives

The City is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in these Debt Management Policies and to implement policy decisions incorporated in the City's Five-Year Financial Plan and its annual operating budget.

It is a policy goal of the City to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 5% of the refunded

principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

8.6 Internal Control Procedures

When issuing debt, in addition to complying with the terms of these Debt Management Policies, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The City will periodically review the requirements of and will remain in compliance with the following:

- the City's Disclosure Policies and Procedures,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- the City's investment policies as they relate to the investment of bond proceeds.

Whenever reasonably possible, and for the purpose of ensuring that proceeds of debt will be used for their intended purpose, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds. The City will submit a requisition signed by the Finance Director only after obtaining the signature of the City Manager.

8.7 Debt Limits

The outstanding principal amount of debt described in Section B will not exceed two percent (2%) of the total assessed value of property in the City, and debt service and lease payments incurred for financing purposes that are payable from the City's general fund will not exceed 5% of operational appropriations.

City of El Cerrito
Comprehensive Financial Policy

Approved Resolution:

9. EQUIPMENT REPLACEMENT FUND

9.1. The City may maintain a dedicated fund to provide for replacement of vehicles and certain equipment. Unreserved fund balance will be available for transfer to the General Fund only in the event of a fiscal emergency, as described in Section 3.4.

10. ENTERPRISE FUNDS

~~10.1.~~ All Enterprise Funds user fees will be examined annually to ensure that they recover all direct and indirect costs of service, provide for:

~~10.1.~~ capital improvements and maintenance, and maintain adequate reserves.

~~10.2.~~
~~10.3-10.2.~~ Rate increases shall be approved by the City Council following formal noticing and a public hearing. Rate adjustments will be based on the projected expenditures in the Ten-Year Financial plan.

Formatted: Outline numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 9 + Alignment: Left + Aligned at: 0" + Tab after: 0.25" + Indent at: 0.25"

Formatted: Indent: Left: 0.31", First line: 0", Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.55" + Indent at: 0.55"

Formatted: Outline numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 9 + Alignment: Left + Aligned at: 0" + Tab after: 0.25" + Indent at: 0.25"

Formatted: Indent: Left: 0.31", First line: 0", Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.55" + Indent at: 0.55"

Formatted: Indent: Left: 0.31", No bullets or numbering

Formatted: Indent: Left: 0.31", First line: 0", Outline numbered + Level: 2 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Tab after: 0.55" + Indent at: 0.55"



AGENDA BILL

Agenda Item No. 7(C)

Date: January 15, 2019
To: El Cerrito City Council
From: Melanie Mintz, Community Development Director
Subject: Exclusive Negotiating Right Agreement 6111 Potrero Avenue and 11335-41 San Pablo Avenue.

ACTION REQUESTED

Staff recommends the City Council adopt a resolution authorizing execution of an Exclusive Negotiating Rights Agreement with ("Proposed Purchaser") for the disposition of 6111 Potrero Avenue and 11335-41 San Pablo Avenue (APNs 513-372-018 and -015).

BACKGROUND

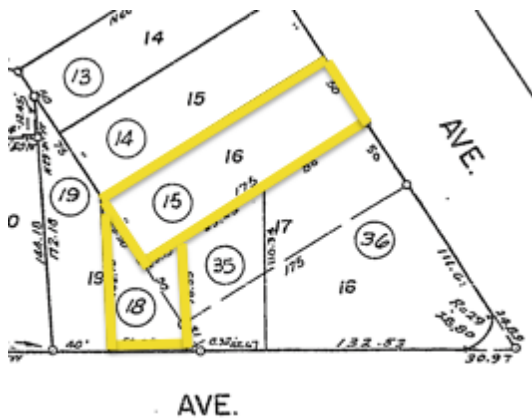
The former El Cerrito Redevelopment Agency ("Agency") previously owned the properties located at 6111 Potrero Avenue and 11335-41 San Pablo Avenue. The Agency acquired the small "Eastshore Triangle" properties in 1991 with the goal of assembling a larger development site to assist in the redevelopment of the Del Norte area consistent with the goals and objectives of the El Cerrito Redevelopment Plan, including the alleviation of blighting conditions and the stimulation of development. As a result of dissolution of the Redevelopment Agency, and in accordance with Health and Safety Code section 34191.5, the Successor Agency to the El Cerrito Redevelopment Agency prepared a Long Range Property Management Plan (LRPMP), which was approved by the Oversight Board to the Successor Agency and the State Department of Finance. As directed by the LRPMP, the properties were transferred to the City for future development (Resolution No. 2016-39). Under redevelopment dissolution laws, the City has the obligation to sell the properties and distribute the sales proceeds to the various taxing entities that serve the City. The City entered into a Purchase and Sale Agreement for the additional former RDA owned Eastshore Triangle property for development of a hotel in earlier this year. (Resolution No. 2018-27).

The subject City owned parcels are small (6111 Potrero Avenue is 3,612 square feet and 11335-41 San Pablo Avenue is 8,750 square feet; Figure 1 and Figure 2, Parcels 1 and 2) and roughly in an L-Shape, likely difficult to develop alone. The Proposed Purchaser purchased the 5,863 square foot property (1615 Potrero Avenue, Figure 2, Parcel 3) adjacent to the subject properties in 2010. The combined properties are 18,225 square feet and form a more developable site. The Proposed Purchaser, which includes an established East Bay restaurateur, aims to build a mixed-use building consisting of an approximately 4,600 square feet ground floor brewery on the Potrero Avenue frontage, a 3,000 square foot beer garden/restaurant and outdoor plaza along San Pablo Avenue, and approximately 40 units of residential. (Attachment 3)

Completion of this proposed mixed-use development would further advance the City's goals for economic development in the Uptown area, and build upon other upcoming development. It would assist in ameliorating blighting influences, serve as a catalyst for continued pedestrian-oriented commercial development and serve as an amenity to attract additional residential development to the Uptown area. Taxing entities would benefit from the increased property tax

assessment. The purpose of the recommended Exclusive Negotiating Right Agreement (ENRA) is to establish procedures and standards for the negotiation by the City and the proposed Purchaser of a Purchase and Sale Agreement (PSA) including certain predevelopment tasks to determine feasibility of the acquisition and development plan for the property.

Figures 1 and 2



SOURCE: CITY GIS. PARCEL BOUNDARIES NOT PRECISE.

ANALYSIS

The attached ENRA (Attachment 2) contains the following major provisions:

- The term of the agreement is 120 days
- Developer will make a good faith deposit of \$20,000 to the City to cover appraisal and costs incurred to complete the negotiations
- City will appraise the fair market value of the city property to establish a gross sale value
- Developer will prepare and submit a schedule of performance for obtaining entitlements and financing for the development
- Developer will conduct physical inspections of the property conditions including soils studies
- After completion of the appraisal, developer will have 15 days to determine if the purchase price based on the appraisal is acceptable
- If the purchase price is not acceptable the ENRA may be terminated

- If the purchase price is acceptable, City and Developer will negotiate the terms of the Purchase and Sale Agreement, which will be brought to the City Council for consideration

Owner Participation

The process proposed for the subject properties is akin to the process used for the disposition of 1718 Eastshore for development of a hotel. This process is similar to what the prior redevelopment plan allowed, which encourages an owner of property in the project area to acquire and develop property in a non-competitive process. The reasons for this recommendation to sell the property to the adjacent property owner are: 1) the parcel sizes and shape make the parcel difficult to develop on its own; 2) the City parcel is more developable in combination with the Proposed Purchaser owned adjacent parcel; and 3) the Proposed Purchaser is an established East Bay restaurateur with demonstrated success, whose experience will help advance the goals for the Uptown area.

Next Steps

If the City Council approves the ENRA, and the staff and the Proposed Purchaser are able to agree on a sales price for the property, the next steps will include the following:

- Sales terms will be set forth in a Purchase and Sale Agreement (PSA) requiring City Council approval
- Proposed Purchaser will then start the entitlement process for City approval pursuant to the San Pablo Avenue Specific Plan

It is anticipated that the Purchase and Sale Agreement will include terms similar to that entered into for the 1718 Eastshore Property, which include that if the Proposed Purchaser does not proceed with development and instead resells the properties, the City would receive fifty percent of the net proceeds of sale after payment of the Proposed Purchaser's costs.

STRATEGIC PLAN CONSIDERATIONS

The proposed action supports several Strategic Plan goals, including, *Goal B: Achieve long-term financial sustainability by maximizing opportunities for existing and expanding businesses and exploring opportunities for public/private partnerships* and *Goal C: Deepen a sense of place and community identity by developing a vision for underdeveloped and underutilized properties through advanced planning efforts that encourage investment and/or new development*. The proposed Agreement also implements the Economic Development Action Plan *Goal 3 D: Proceed with the disposition and development of former redevelopment assets, by negotiating purchase and sale agreement based on the development objectives of the San Pablo Avenue Specific Plan and Long Range Property Management Plan*.

ENVIRONMENTAL CONSIDERATIONS

The negotiation for the sale of the parcel does not require environmental analysis under the California Environmental Quality Act (CEQA). CEQA analysis will be required at the point where the developer is seeking permit approvals for a specific development.

FINANCIAL CONSIDERATIONS

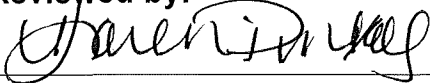
Costs to the City - There are no outside costs to the City for entering into the ENRA. The cost of the appraisals and consultant time (legal and economic) for analyzing the developer documents and drafting the PSA will be paid for from the developer deposit.

Revenues to the City – Revenues will consist of one time sales proceeds from sale of the property, on-going property taxes from the new development, and sales tax from the commercial components. The current fair market value of the parcel is unknown and will be determined by the appraisal. The City will receive approximately 22% of the sales proceeds, with the remainder distributed amongst the other taxing entities pursuant to the approved Compensation Agreement. (Resolution No. 2018-49)

LEGAL CONSIDERATIONS

The resolution has been reviewed and approved by Counsel.

Reviewed by:



Karen Pinkos
City Manager

Attachments:

1. Resolution
2. Proposed Exclusive Negotiating Rights Agreement (ENRA)
3. Site Development Concept and Project Summary

RESOLUTION 2019-XX

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO
AUTHORIZING EXECUTION OF AN EXCLUSIVE NEGOTIATING RIGHTS
AGREEMENT WITH POTRERO STREET PARTNERS FOR THE DISPOSITION OF
6111 POTRERO AVENUE AND 11335-41 SAN PABLO AVENUE**

WHEREAS, the former El Cerrito Redevelopment Agency ("Agency") acquired those certain properties located at 6111 Potrero Avenue (APN 513-372-018) and 11335-41 San Pablo Avenue (APN 513-372-015) (the "Property") for the purposes of facilitating development of the Property consistent with the El Cerrito Redevelopment Plan; and

WHEREAS, the former Agency was dissolved in accordance with State law effective February 1, 2012; and

WHEREAS, the Successor Agency to the El Cerrito Redevelopment Agency ("Successor Agency"), in accordance with Health and Safety Code Section 34191.5 approved a long range property management plan ("LRPMP") dealing with the disposition of all of the former Agency owned property; and

WHEREAS, the LRPMP was approved by the Oversight Board to the Successor Agency and subsequently approved by the California Department of Finance; and

WHEREAS, the LRPMP calls for the Property to be transferred to the City for future development; and

WHEREAS, the adjacent property owner, Potrero Street Partners ("Proposed Purchaser") has expressed interest in acquiring the Property for purposes of constructing a mixed use development; and

WHEREAS, the disposition of the Property to the Proposed Purchaser for purposes of development of residential and commercial space would be consistent with the Redevelopment Plan and the purposes for which the former Redevelopment Agency acquired the Property and would also further the owner participation goals of the Redevelopment Plan; and

WHEREAS, the Proposed Purchaser has requested to enter into an Exclusive Negotiating Rights Agreement with the City to negotiate a Purchase and Sale Agreement ("PSA") for the development of the Property whereby the City would convey the Property on terms to be determined by the parties but not less than the fair market value of the property; and

WHEREAS, the City desires to enter into an Exclusive Negotiating Rights Agreement with the Proposed Purchaser, substantially in the form on file with the City Clerk, to seek to negotiate the terms of the PSA.

NOW, THEREFORE, BE IT RESOLVED, that the City authorizes and directs the City Manager to execute the Exclusive Negotiating Rights Agreement with the Proposed Purchaser on behalf of the City, substantially in the form on file with the City Clerk, with such modifications as the City Manager determines appropriate to effectuate the purposes of this Resolution, such determination to be conclusively evidenced by the City Manager's execution of the Exclusive Negotiating Rights Agreement.

BE IT FURTHER RESOLVED that this Resolution shall become effective immediately upon its passage and adoption.

I CERTIFY that at a regular meeting on January 15, 2019 the City Council of the City of El Cerrito passed this Resolution by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on January 15, 2019.

Sherry Kelly, Acting City Clerk

APPROVED:

Rochelle Pardue-Okimoto, Mayor

**EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT
6111 POTRERO AVENUE AND 11335-41 SAN PABLO AVENUE**

This Exclusive Negotiating Rights Agreement ("**Agreement**") is entered into as of this ____ day of _____, 2019 ("**Effective Date**"), by and between the City of El Cerrito, a municipal corporation ("**City**"), and Potrero Street Partners (collectively, "**Developer**"), on the basis of the following facts:

RECITALS

A. The former El Cerrito Redevelopment Agency ("**Dissolved Redevelopment Agency**") owned that certain property located at 6111 Potrero Avenue and 11335-41 San Pablo Avenue in El Cerrito, Contra Costa County, California (APN 513-372-018 and 513-372-015), as more fully described and mapped in the attached Exhibit A ("**Property**") prior to dissolution of the Dissolved Redevelopment Agency pursuant to California law.

B. The Dissolved Redevelopment Agency acquired the Property in order to assist in the redevelopment of the Property consistent with the goals and objective of the El Cerrito Redevelopment Plan (the "**Redevelopment Plan**"), which goals and objectives include the alleviation of blighting conditions and the stimulation of development in the Del Norte portion of the Redevelopment Project Area (the "**Project Area**").

C. The Successor Agency to the El Cerrito Redevelopment Agency ("**Successor Agency**") succeeded to the Dissolved Redevelopment Agency's rights in the Property.

D. In accordance with Health and Safety Code Section 34191.5 the Successor Agency prepared a Long Range Property Management Plan (the "**LRPMP**") which LRPMP was approved by the Oversight Board to the Successor Agency and the State Department of Finance.

E. In accordance with the LRPMP, the Property was transferred to the City for future development consistent with the Redevelopment Plan.

F. The Developer owns a property adjacent to the Property (1615 Potrero Avenue; APN 513-272-046). Developer desires to build a mixed-use building on the three combined parcels consisting of approximately 4,600 square feet of ground floor brewery, a 3,000 square foot beer garden and approximately 40 units of upper floor residential. Development of the Property would be consistent with the goals and objectives of the Redevelopment Plan and the San Pablo Specific Plan.

H. Completion of the Development will assist in ameliorating blighting influences in the Project Area, will serve as a catalyst for economic development in the Project Area, and will provide benefits to the taxing entities in the form of increased property taxes.

G. The purpose of this Agreement is to establish procedures and standards for the negotiation by the City and the Developer of a purchase and sale agreement (the "**PSA**") including achievement of certain predevelopment tasks to determine the feasibility of development of the Property consistent with the proposed Development. As more fully set forth

in Section 4.1, the parties acknowledge and agree that this Agreement in itself does not obligate either party to acquire or convey any property, does not grant the Developer the right to develop the Property, and does not obligate the parties to undertake any activities or costs, except for the preliminary analysis and negotiations contemplated by this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties mutually agree as follows:

ARTICLE I EXCLUSIVE NEGOTIATIONS RIGHT

Section 1.1. Good Faith Negotiations. During the Negotiating Period, the Parties shall use good faith efforts to negotiate a purchase price for the property in accordance with the procedure set forth in Article 2 and the terms of a PSA during the Negotiating Period.

Section 1.2. Negotiating Period. The negotiating period (the "**Negotiating Period**") under this Agreement shall be one hundred twenty (120) days, commencing on the Effective Date. The Developer may request to extend the Negotiating Period for up to ninety (90) days, if upon expiration of the initial Negotiating Period, Developer has met all of the requirements of Article 3 (or satisfaction of such requirements has been waived by City) or the extension is necessary in order to complete the appraisal for the Development, obtain entitlements necessary to execute the PSA, or as a result of delays unrelated to the Developer's performance of the requirements of Article 3. The City Manager shall approve the Developer's request for an extension for up to an additional ninety (90) days, provided the above conditions are met.

If the PSA has not been executed by the City and the Developer by the expiration of the Negotiating Period (as the Negotiating Period may be extended by operation of the preceding paragraph), then either party may terminate this Agreement upon ten (10) days' written notice to the other, and upon such termination, neither party shall have any further rights or obligations under this Agreement. If the PSA is executed by the City and the Developer then, upon such execution, this Agreement shall terminate, and all rights and obligations of the parties shall be as set forth in the executed PSA.

Section 1.3. Exclusive Negotiations. During the Negotiating Period (as such Negotiating Period may be extended by operation of Section 1.2), the City shall not negotiate with any person or entity, other than the Developer, regarding development of the Property, or solicit or entertain bids or proposals to do so.

Section 1.4. Good Faith Deposit. In consideration for this Agreement, the Developer will deposit with the City no later than five (5) days after the City Council approval of the execution of this Agreement, a cash deposit of Twenty Thousand Dollars (\$20,000) ("**Good Faith Deposit**"). During the Negotiating Period, the City may (but shall not be required to) invest the Good Faith Deposit for purposes of earning interest thereon. The Good Faith Deposit

is in addition to any fees the Developer may be required to pay the City of El Cerrito for processing of applications including the fees required for the preparation of CEQA documents.

The City may from time to time deduct funds from the Good Faith Deposit to pay the costs and consulting fees actually and reasonably incurred and documented by the City in connection with implementing this Agreement. The fees for the following services are anticipated to be paid through deductions from the Good Faith Deposit: appraisal of the Property by a certified appraiser or the preparation of a reuse appraisal of the Property by a real estate economist; review of required financial feasibility studies; and the negotiation and preparation of the proposed PSA by the City's attorneys. There shall be no deductions from the Good Faith Deposit for City staff time or overhead expenses. In the event that the Good Faith Deposit is insufficient to pay all of the costs and consulting fees actually and reasonably incurred by the City in connection with implementing this Agreement, the City shall be responsible for such costs from its own resources.

If this Agreement is terminated without execution of a PSA for any reason other than the Developer's breach of its obligations pursuant to this Agreement, then the Good Faith Deposit and any interest earned thereon shall be refunded promptly to the Developer, except that the City may retain the amount of costs and consulting fees actually and reasonably incurred and documented by the City in connection with implementing this Agreement.

If this Agreement is terminated by the City due to a breach of the Developer's obligations pursuant to this Agreement, the Good Faith Deposit and any interest earned thereon shall be retained by the City, as more fully provided in Section 4.8.

If performance of this Agreement results in execution of a PSA, the disposition of the Good Faith Deposit and any interest earned thereon shall be as set forth in the PSA.

Section 1.5. Identification of Developer Representatives. The Developer's representatives to negotiate the purchase price and the PSA with the City are Kim Marienthal and Deepak Aggarwal. Communications from the City to the Developer under this Agreement shall be transmitted in accordance with the provisions of Section 4.2.

ARTICLE II PURCHASE PRICE

Section 2.1. Purchase Price Terms for Property. During the Negotiating Period the City and the Developer shall diligently take all actions necessary to agree upon the purchase price for the Property. The proposed purchase price for the Property shall be subject to confirmation and refinement pursuant to an appraisal to be obtained by the parties as set forth below. Within thirty (30) days after the Effective Date, the City and the Developer shall mutually select an appraiser and shall agree upon the appraisal instructions for such appraisal. The parties may agree to modify the appraisal instructions or engage a second appraiser, as necessary or appropriate, including based upon new information not previously available or substantial changes in circumstances. The cost of the appraisal shall be paid from the Good Faith Deposit.

The Developer shall have fifteen (15) days from receipt of the appraisal to determine whether to proceed with the negotiation of the PSA based on a purchase price for the Property as determined in the appraisal. If the Developer does not provide the City with written notice within fifteen (15) days of receipt of the appraisal accepting the appraised value of the Property as the purchase price for the Property, this Agreement shall terminate, the City shall have no obligation to proceed with negotiation of a PSA and the Good Faith Deposit, minus any expenses incurred by the City prior to the termination date of this Agreement will be returned to the Developer. If the Developer delivers notice to the City within fifteen (15) days of receipt of the appraisal that the Developer accepts the appraised value of the Property as the purchase price, the Developer and the City shall proceed to negotiate the terms of the PSA.

ARTICLE III NEGOTIATION TASKS

Section 3.1. Overview. To facilitate negotiation of the PSA, the parties shall use reasonable good faith efforts to accomplish the tasks set forth in this Article 3 in a timeframe that will support negotiation and execution of a mutually acceptable PSA prior to the expiration of the Negotiating Period.

Section 3.2. Feasibility Study. The Developer shall, within sixty (60) days of the commencement of the Negotiating Period, submit to the City a financial feasibility study for the Development showing projected development costs, sources of financing and a projected operating budget for the Development. The City shall review the financial feasibility study within fifteen (15) days of receipt and shall provide the Developer with comments. If the City determines, after reviewing the financial feasibility study submitted by the Developer that the Development is not financially feasible, the City may either terminate this Agreement or provide the Developer with the opportunity to provide a revised financial feasibility study. If the City elects to terminate this Agreement pursuant to this Section 3.2, the City shall within thirty (30) days of such termination return to the Developer any portion of the Good Faith Deposit remaining after payment of all City expenses incurred prior to the termination.

Section 3.3. Schedule of Performance. Within sixty (60) days of the commencement of the Negotiating Period, the Developer shall provide the City with a proposed detailed schedule of performance for the Development which shall include, but not be limited to: the proposed or estimated dates for obtaining land use entitlements, including CEQA review, planning approvals and building permits, will serve letters from utility providers, and the date for satisfaction of all preconditions to conveyance of the Property, including obtaining financing for the Development.

Section 3.4. Due Diligence Regarding Physical Condition and Title. During the Negotiating Period, the Developer shall conduct any and all investigations it deems necessary to negotiate the terms to be contained in the PSA regarding the physical condition of the Property (including any environmental, soil/geotechnical analysis and engineering studies) and the title condition of the Property at the time of conveyance. The City acknowledges and agrees that the Developer may perform invasive testing of the Property, provided that Developer submits a work plan for approval by the City at least five (5) business days prior to commencing such testing, which approval shall not be unreasonably withheld, conditioned or delayed. As part of

the Developer's due diligence the Developer shall work with the Stege Sanitary District determine how sanitary sewer service will be provided to the Development.

Section 3.5. Reports. Unless otherwise waived by the receiving party, each party shall provide the other with copies of all reports, studies, analyses, correspondence and similar documents (but excluding detailed property appraisals and confidential or proprietary information) prepared or commissioned by each party with respect to this Agreement and the Development, promptly upon their completion.

While desiring to preserve its rights with respect to treatment of certain information on a confidential or proprietary basis, the Developer acknowledges that the City will need sufficient, detailed information about the proposed Development (including but not limited to the financial information described in Section 3.2) to make informed decisions about the content and approval of the PSA. The City will work with the Developer to maintain the confidentiality of proprietary information subject to the requirements that may be applicable to the City by the Public Records Act (Government Code Section 6250 et seq.). The Developer acknowledges that the City may share information provided by the Developer of a financial and potential proprietary nature with third party consultants and City Council members as part of the negotiation and decision making process. If this Agreement is terminated without the execution of the PSA, the City shall return to the Developer any information submitted by the Developer under this Agreement.

Section 3.6. Organizational Documents. During the Negotiating Period and prior to execution of the PSA, the Developer shall provide the City with such information and documentation as is necessary and appropriate to identify Developer's organizational structure and if the Developer intends to create a single purpose entity for the purpose of developing the Property, provide the City with the organizational documents for that entity.

Section 3.7. Costs of Land Use Entitlements, Building Permits & Preparation of the PSA. The Developer will be responsible for obtaining any land use entitlements including any required environmental review, utility will serve letters, and building permits, including paying any customary fees for such entitlements and permits, for approval of the Development, in addition to coordinating design review with City staff.

Section 3.8. Section 52201 Report. The City is obligated to comply with the requirements of Government Code Section 52201 with regards to the disposition of the Property. The City shall prepare the necessary documentation pursuant to Section 52201 of the California Government Code to be submitted to the City Council in conjunction with the City's consideration of any PSA that is prepared under this Agreement.

Section 3.9. Progress Reports. From time to time as reasonably agreed upon by the parties, each party shall make written progress reports advising the other party on studies being made and matters being evaluated by the reporting party with respect to this Agreement and the Development.

Section 3.10. City Cooperation. The City agrees to: (a) gather and provide all available reports, studies, and documentation pertaining to the Property in the City's possession; (b) cooperate with Developer in processing all applications by Developer for any required City

approvals within the City's standard processing time frames; and (c) respond promptly to requests for coordination, consultation, and scheduling additional meetings regarding the Project.

ARTICLE IV GENERAL PROVISIONS

Section 4.1. Limitation on Effect of Agreement. This Agreement shall not obligate either the City or the Developer to enter into the PSA. By execution of this Agreement, the City is not committing itself to or agreeing to undertake disposition of the Property. Execution of this Agreement by the City is merely an agreement to conduct a period of exclusive negotiations in accordance with the terms hereof, reserving for subsequent City Council approval the final discretion regarding the execution of any PSA and all proceedings and decisions in connection therewith. Any PSA resulting from negotiations pursuant to this Agreement shall become effective only if and after such PSA has been considered and approved by the City Council, following conduct of all legally required procedures, and executed by duly authorized representatives of the City and the Developer. Until and unless the PSA is signed by the Developer, approved by the City Council, and executed by the City, no agreement drafts, actions, deliverables or communications arising from the performance of this Agreement shall impose any legally binding obligation on either party to enter into or support entering into the PSA or be used as evidence of any oral or implied agreement by either party to enter into any other legally binding document.

Section 4.2. Notices. Formal notices, demands and communications between the City and the Developer shall be sufficiently given if, and shall not be deemed given unless, dispatched by certified mail, postage prepaid, return receipt requested, or sent by express delivery or overnight courier service, to the office of the parties shown as follows, or such other address as the parties may designate in writing from time to time:

CITY: City of El Cerrito
 10890 San Pablo Avenue
 El Cerrito, CA 94530
 Attention: City Manager

DEVELOPER(S): Deepak Aggarwal
 (To Be Inserted)

 Kim Marienthal
 (To Be Inserted)

Such written notices, demands and communications shall be effective on the date shown on the delivery receipt as the date delivered or the date on which delivery was refused.

Section 4.3. Waiver of Lis Pendens. It is expressly understood and agreed by the parties that no lis pendens shall be filed against any portion of the Property with respect to this Agreement or any dispute or act arising from it.

Section 4.4. Right of Entry.

(a) The City shall grant the Developer the right to enter onto the Property, for purposes of conducting investigations to further the objectives of this Agreement. In connection with such entry and investigation, the Developer shall:

- (1) give the City reasonable advance notice (at least five (5) days for invasive testing and at least two (2) business days for all other purposes);
- (2) repair and restore any damage it may cause;
- (3) deliver to the City, within ten (10) days of receipt thereof, a complete copy of any investigation, test, report or study which the Developer conducts, or causes to be conducted, with respect to the Property via the method described in Section 4.2 (except confidential or proprietary information);
- (4) indemnify, defend and hold the City and its directors, officers, employees and agents harmless from any and all claims, liabilities, damages, losses, expenses, costs and fees (including attorneys' fees and costs) to the extent arising out of the Developer's entry upon the applicable parcel or the investigation(s) and test(s) which the Developer may conduct; provided, however, that this indemnity shall not apply to matters to the extent arising from the results of the Developer's investigations, tests and inspections (including the discovery of existing environmental conditions on the Property), or due to the negligence or willful misconduct of the City or its directors, officers, employees, or agents; and
- (5) prior to entry, cause the City to be named as an additional insured on a Commercial General Liability insurance with limits not less than Two Million Dollars (\$2,000,000) each occurrence combined single limit for Bodily Injury and Property Damage, including coverage for Contractual Liability, Personal Injury, Broadform Property Damage, Products and Completed Operations. The required insurance shall be provided under an occurrence form by an insurer authorized and licensed to provide such insurance in the State of California, and the Developer shall maintain such coverage for not less than two (2) years after the expiration of this Agreement.

Section 4.5. Costs and Expenses. Except for the deposit set forth in Section 1.4 above, each party shall be responsible for its own costs and expenses in connection with any activities and negotiations undertaken in connection with this Agreement, and the performance of each party's obligations under this Agreement.

Section 4.6. No Commissions. Neither party shall be liable for any real estate commissions or brokerage fees that may arise from this Agreement or any PSA resulting from this Agreement. The parties represent and warrant that they have not engaged any brokers, agents or finders in connection with this transaction. The Developer shall defend and hold the City harmless from any claims by any broker, agent or finder retained by the Developer. The City shall defend and hold the Developer harmless from any claims by any broker, agent or finder retained by the City.

Section 4.7. Termination. Developer shall have the right to terminate this Agreement upon ten (10) days written notice to City if Developer, for any reason, elects not to move forward with the Development. Upon such termination, the City shall return to the Developer the Good Faith Deposit minus any expenses incurred by the City prior to such termination.

Section 4.8. Defaults and Remedies.

(a) Default. The following events shall constitute a default under this Agreement:

(1) failure of the Developer to submit to the City any of the documents required pursuant to Article 3, subject to Force Majeure.

(2) failure by either party to negotiate in good faith as provided in this Agreement.

In the event any of the above occurs, the non-defaulting party shall give written notice of a default to the defaulting party, specifying the nature of the default and the required action to cure the default. If a default remains uncured ten (10) days after receipt by the defaulting party of such notice (subject to Force Majeure), the non-defaulting party may exercise the remedies set forth in subsection (b).

(b) Remedies. In the event of an uncured default by a party, the non-defaulting party shall have, as its sole and exclusive remedy, the right to terminate this Agreement. Following such termination, neither party shall have any further right, remedy or obligation under this Agreement, except as set forth in Sections 4.4 and 4.6, and if the termination is not the result of a default by the Developer, the Developer shall be entitled to a return of the Good Faith Deposit minus any expenses incurred by the City prior to the termination.

Section 4.9. Force Majeure. For the purpose of this Agreement, neither Developer nor City (the "**Delayed Party**," as applicable) will be considered in breach of or default in any obligation or satisfaction of a condition to an obligation of the other party in the event of Force Majeure, and the time fixed for performance of any such obligation or satisfaction of conditions shall be extended by a period of time equal to the duration of the Force Majeure event, provided, the Delayed Party provides written notice to the other party of the Force Majeure event within seven (7) days of obtaining knowledge of such event and its election to invoke a Force Majeure delay. For purposes hereof, "**Force Majeure**" means events beyond the Delayed Party's reasonable control that prevent the action that is being delayed, including: acts of nature or of the public enemy; war; acts of the government; fires; floods; tidal waves; epidemics; quarantine restrictions; freight embargoes; earthquakes; unusually severe weather; strikes or other substantial interruption of work because of labor disputes. Notwithstanding anything set forth herein, in no event shall any Force Majeure delay continue for longer than one hundred twenty (120) days, after which either party may terminate this Agreement by providing written notice to the other party.

Section 4.10. Attorneys' Fees. The prevailing party in any action to enforce this Agreement shall be entitled to recover attorneys' fees and costs from the other party.

Section 4.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 4.12. Entire Agreement. This Agreement constitutes the entire agreement of the parties regarding the subject matters of this Agreement.

Section 4.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same agreement.

Section 4.14. Assignment. Neither party shall transfer or assign any or all of its rights or obligations hereunder except with the prior written consent of the other party, which consent shall be granted or withheld in the other party's good faith discretion, and any such attempted transfer or assignment without the prior written consent of the other party shall be void.

Section 4.15. No Third Party Beneficiaries. This Agreement is made and entered into solely for the benefit of the City and the Developer and no other person shall have any right of action under or by reason of this Agreement.

Section 4.16. Actions By The City. Whenever this Agreement calls for or permits the approval, consent, authorization or waiver of the City, the approval, consent, authorization, or waiver of the City Manager shall constitute the approval, consent, authorization or waiver of the City without further action of the City Council.

IN WITNESS WHEREOF, this Agreement has been executed, in triplicate, by the parties on the date first above written.

DEVELOPER(S):

By:_____

Its:_____

By:_____

Its:_____

CITY:

City of El Cerrito, a California municipal
corporation

By:_____

Karen Pinkos
City Manager

EXHIBIT A

PROPERTY LEGAL DESCRIPTION AND MAP

The land referred to is situated in the County of Contra Costa, City of El Cerrito, State of California, and is described as follows:

PARCEL ONE:

Lot 16 in Block 18, Map of Alta Punta Tract, on April 22, 1905 in Book D of Maps, at Page 90, Contra Costa County Records.

APN: 513-372-015

PARCEL TWO:

Portion of Lots 17, 18 and 19 in Block 18 on April 22, 1905 in Book D of Maps, at Page 90, Contra Costa County Records, described as follows:

Beginning on the North line of Potrero Avenue, distant thereon North 87° 06' West, 214.49 feet from the most Easterly corner of Lot 18 in Block 18, as designated on said Map; thence from said point of beginning North 87° 06' West along said North line, 50 feet to the East line of the Parcel of land described in the Deed from Joseph Lavigne, et ux, to Giulie Giudici, dated December 19, 1905 and recorded December 28, 1905, in Book 114 of Deeds, at Page 244; thence North along said East line, 102.50 feet to the West line of Lot 16 in said Block 18; thence South 28° 59' East along said line 49.30 feet to the most Southerly corner of said Lot 16; thence North 61° 01' East along the South line of said Lot, 29.75 feet; thence South, 76.35 feet to the point of beginning.

APN: 513-372-018

61111 Potrero and 11335-41 San Pablo Avenue, El Cerrito



Potrero Ave & San Pablo Ave, El Cerrito (AGG01)

October 29, 2018

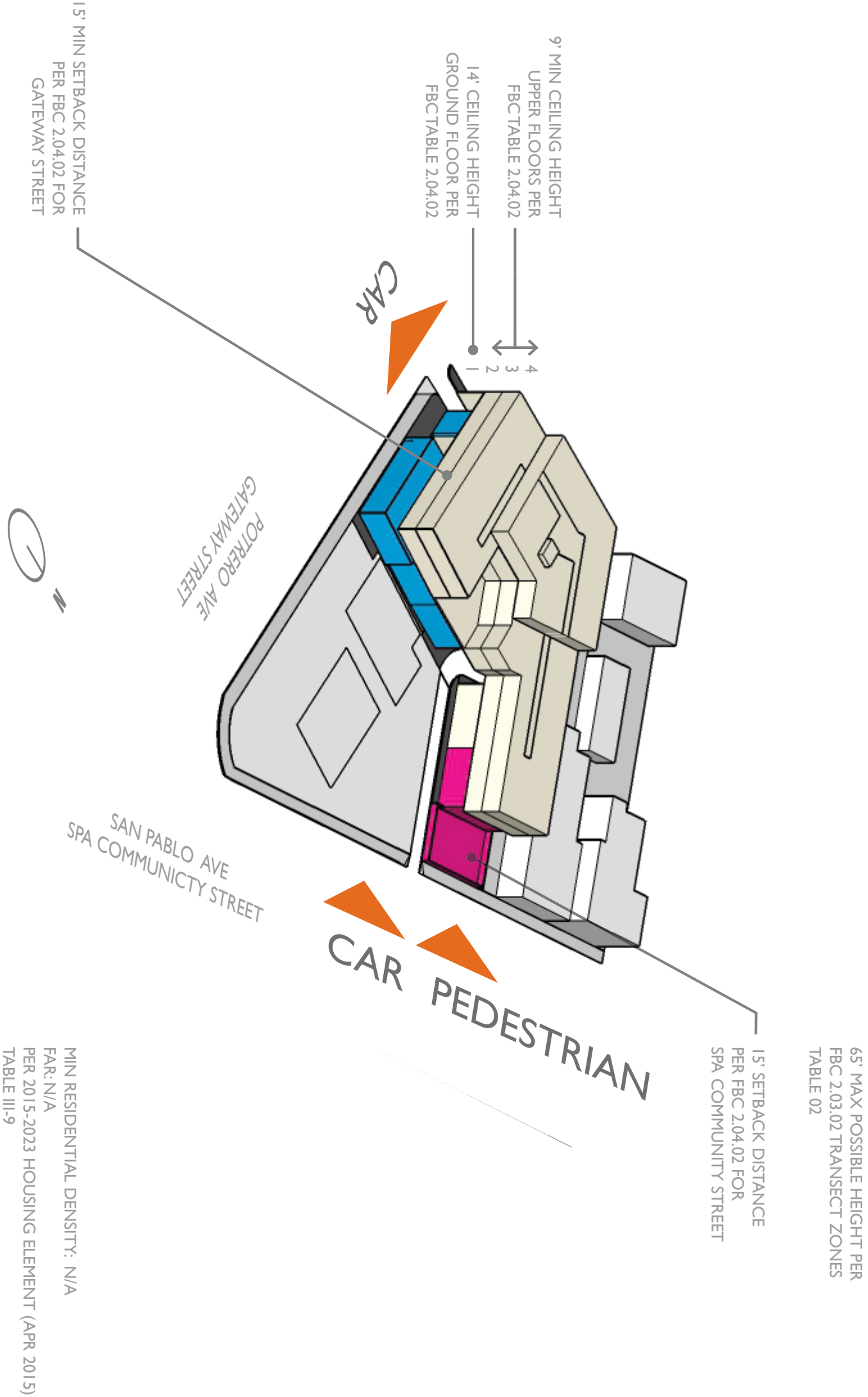
Proposed Project Summary

The proposed project is a new mixed-use retail and multi-family housing building on a +/-17,500 sq.ft. site at the intersection of Potrero Ave and San Pablo Ave. The site is comprised of a +/-5,000 sq.ft. lot currently owned by Deepak Aggarwal and 2 adjacent +/-3,750 sq.ft. and +/-8,750 sq.ft. lots currently owned by the City of El Cerrito. The proposed building is 3 to 4 stories (where 6 stories are allowed), with +/-4,600 sq.ft. of ground floor retail & 40 units on the upper floors consisting of studios, 1 & 2-bedrooms. There will be 25 associated parking spaces per the City's retail requirement and .5 stall per residential unit requirement. Our proposal also features a +/-3,000 sq.ft. beer garden with an outdoor plaza along San Pablo Ave.

The overall design of our proposal aims to provide pedestrian friendly retail and restaurant(s) fronting the sidewalks on both Potrero and San Pablo. The top (4th) floor is stepped back from both streets to reduce the massing of the overall building, while giving opportunities for rooftop decks to gain access to the elevated views of the Bay and the El Cerrito/Albany hills. A proposed open Southeast-facing courtyard is located on the 1st floor roof to allow for more natural light within the units.

We envision the beer garden to be a community focused space intended for families, couples and group gatherings. The design team has not yet developed full elevations for the project, but assures the City that this will be a landmark building held to the highest design standards of Studio KDA.

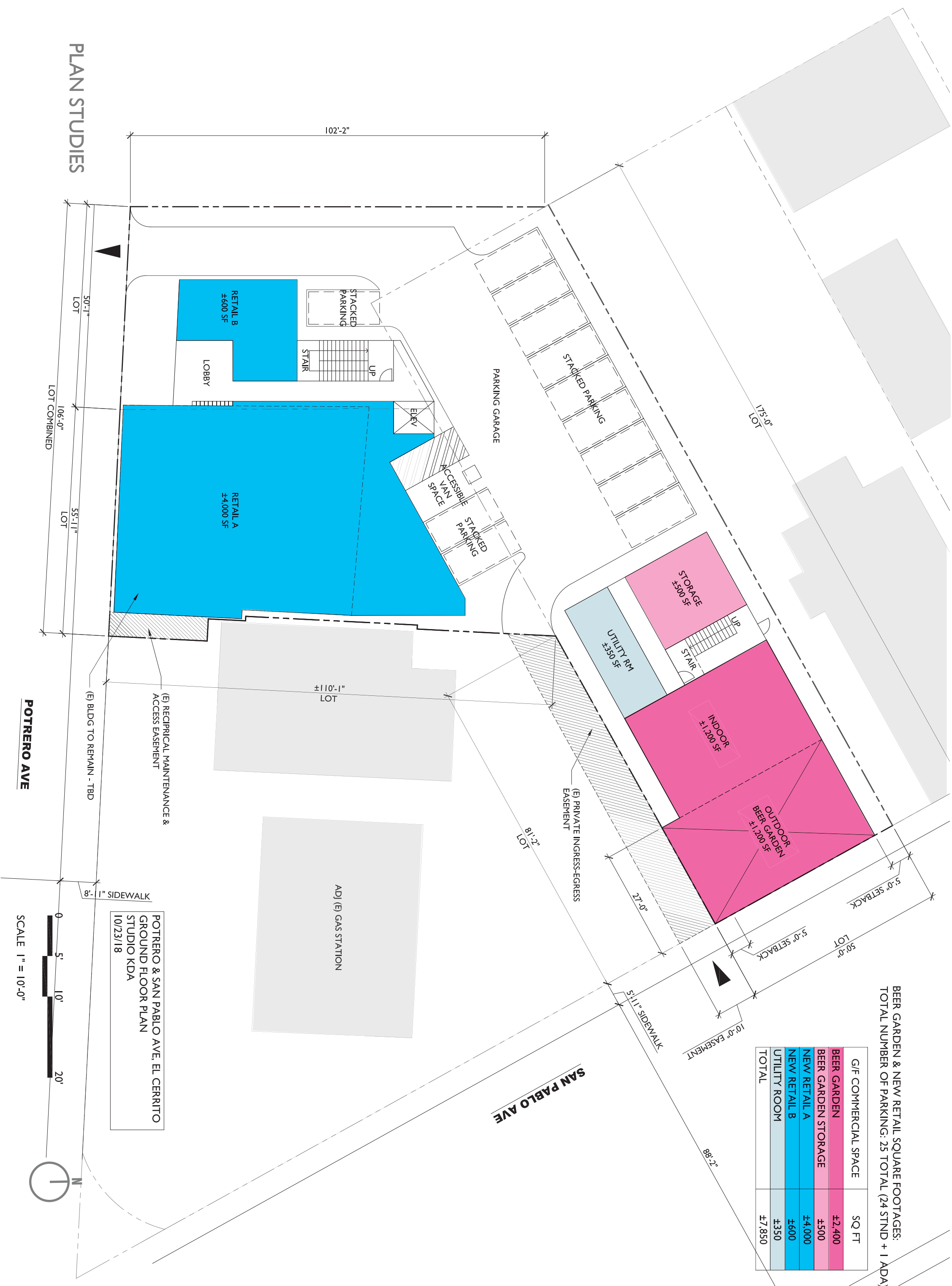
YIELD STUDIES



ZONING ENVELOPE

BEER GARDEN & NEW RETAIL SQUARE FOOTAGES:
TOTAL NUMBER OF PARKING: 25 TOTAL (24 STND + 1 ADA)

G/F COMMERCIAL SPACE	SQ FT
BEER GARDEN	±2,400
BEER GARDEN STORAGE	±500
NEW RETAIL A	±4,000
NEW RETAIL B	±600
UTILITY ROOM	±350
TOTAL	±7,850

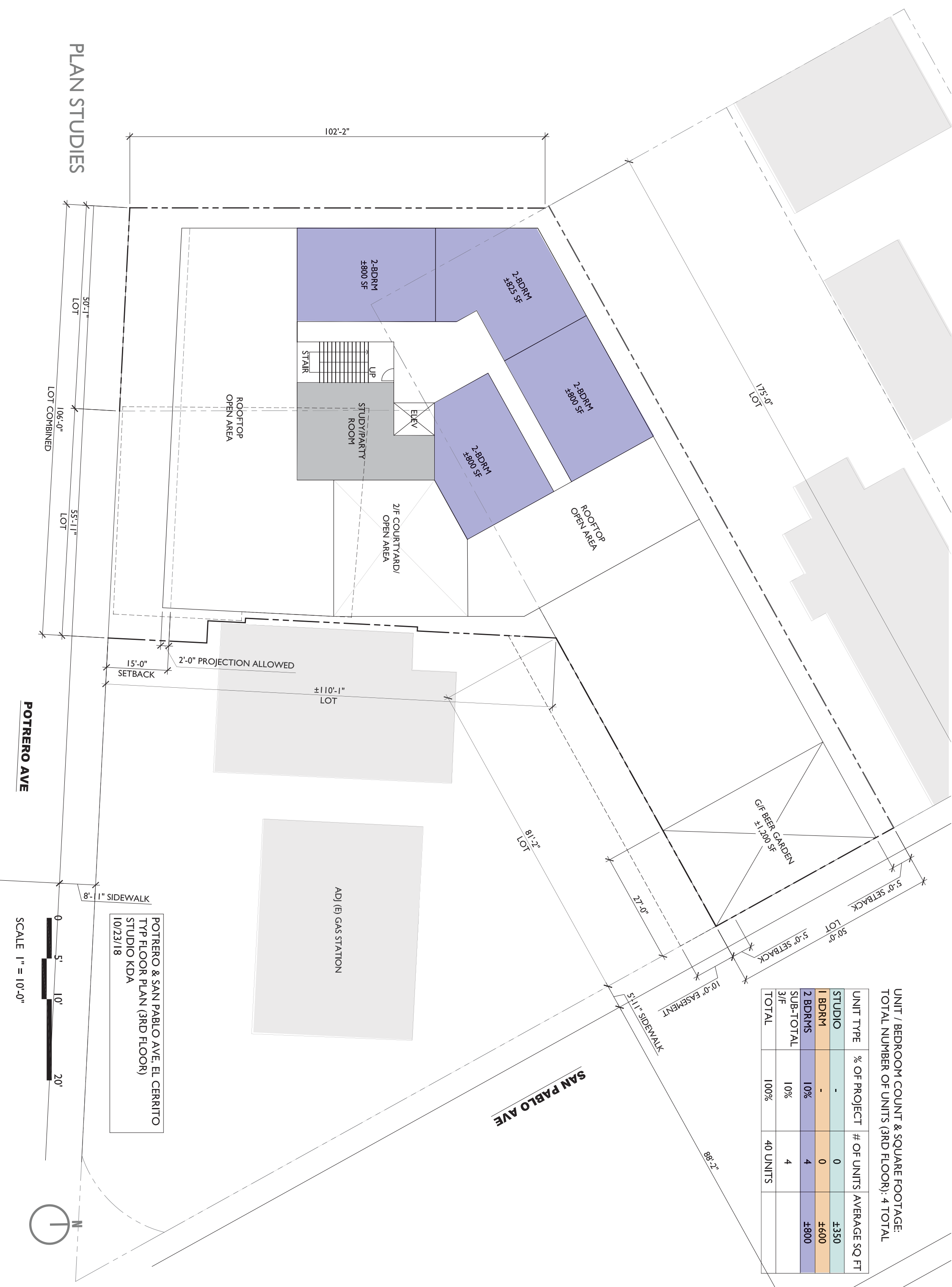


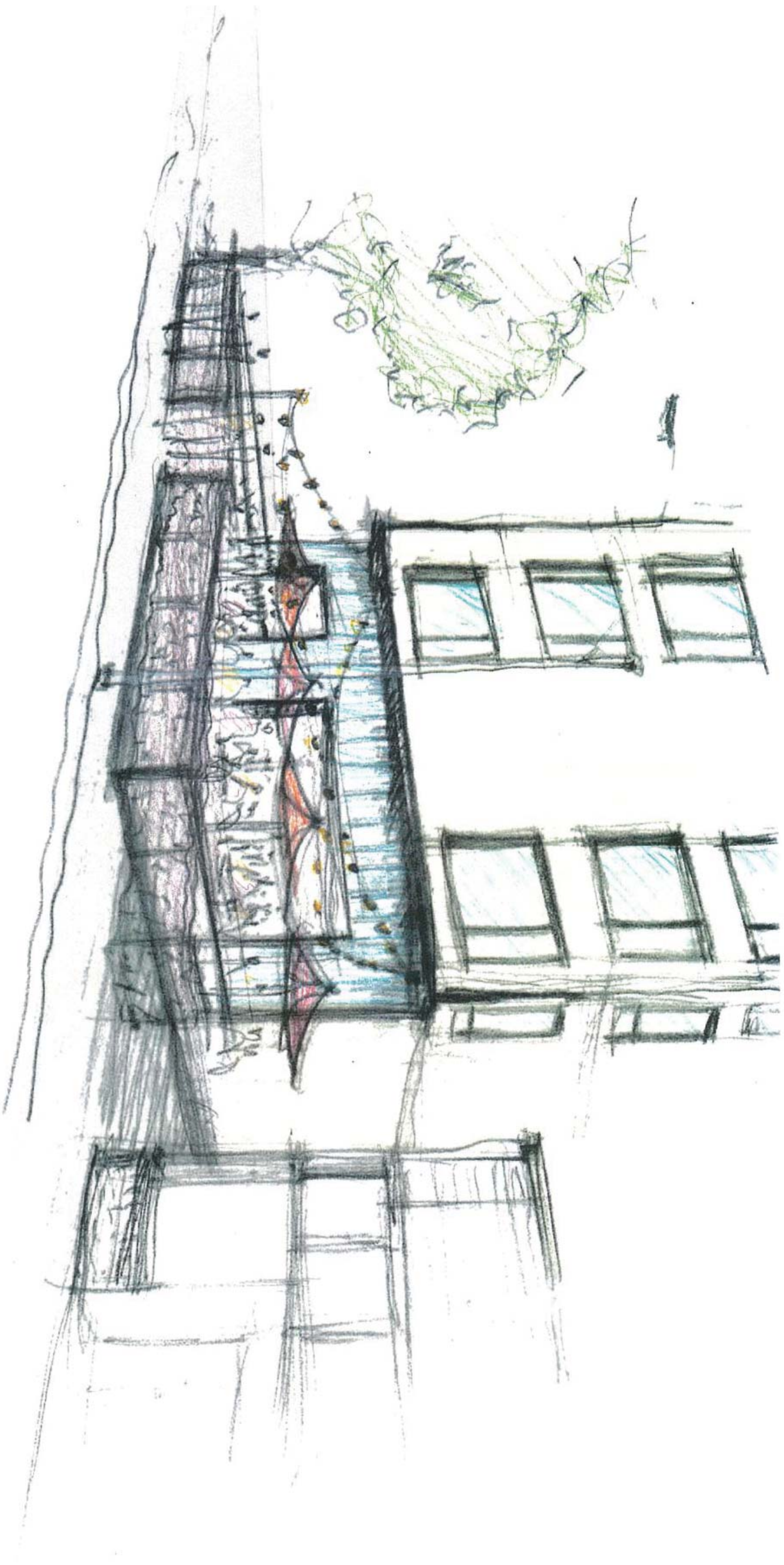
YIELD STUDIES



UNIT / BEDROOM COUNT & SQUARE FOOTAGE:
TOTAL NUMBER OF UNITS (3RD FLOOR): 4 TOTAL

UNIT TYPE	% OF PROJECT	# OF UNITS	AVERAGE SQ FT
STUDIO	-	0	±350
1 BDRM	-	0	±600
2 BDRMS	10%	4	±800
SUB-TOTAL	10%	4	
TOTAL	100%	40 UNITS	





YIELD STUDIES POTRERO AVE & SAN PABLO AVE
EL CERRITO, CA
OCTOBER, 2018

CONCEPT FOR BEER GARDEN ALONG SAN PABLO AVE



SUPPLEMENTAL AGENDA REPORTS AND CORRESPONDENCE

CITY COUNCIL MEETING January 15, 2019

PUBLIC COMMENT

1. Letter from Dr. James-Joseph Diliberto
2. Letter from Gary Prost
3. Various materials provided under public comment from members of the public

AGENDA ITEM 7(A) – TENANT PROTECTION ORDINANCES

1. E-Mail from Susan Warner
2. E-Mail from Tom Silva

AGENDA ITEM 7(B) – ANNUAL REVIEW OF COMPREHENSIVE FINANCIAL POLICY

1. PowerPoint Presentation

AGENDA ITEM 7(C) –EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT – 6111 PORTRERO AVENUE AND 11335-41 SAN PABLO AVENUE

1. PowerPoint Presentation

CITY COUNCIL LOCAL & REGIONAL LIAISON ASSIGNMENTS

1. Applications for Apprentice Sprinkler Fitter U.A. Local 483

RECEIVED
AT THE MEETING OF

JAN 15 2019



CITY OF EL CERRITO
CITY CLERK

Dr. James-Joseph A. Diliberto

769 Balra Drive

El Cerrito, CA 94530-3302

510.526-4198

Email: conscomm@earthlink.net

El Cerrito City Council and City Staff
El Cerrito City Hall

January 15, 2019

Dear City Officials:

As it would seem to be a feather in El Cerrito's cap, so to speak, allow me to inform you that I have found items in my yard that are important in their own right, but which also point to 769 Balra Drive as having been an important Coastanoan/Ohlone heritage site.

Further, to protect the site, I am in the process of establishing a small, free, open-air museum on a portion of our property. If possible, I hope to: involve ancestors of the Ohlone, as docents or webpage masters; offer a cubbyhole of a field trip for local grade-schools; establish a virtual tour and realtime video access.

My plan is based my wonderful, initial find, when EC Fire regulations forced me to clear our creek bank. It turned out to be a find that led to my research, which led to other important finds and an interesting story for me to infer.

At this stage, one of my big reasons for coming before the Council is to increase my chances of making contact with ancestors of the Ohlone—to get their say and guidance. From the tribal level to the Feds, I've left emails over the years, but have not yet been successful in getting a reply.

Also, given that this seems to be real backyard history, not to mention the uniqueness of apparently having a cinder cone in one's city limits, if there is some way that El Cerrito having and being associated with an Ohlone heritage site is good for, I'm all for some sort of participation by the City of El Cerrito.

Certainly, I and my museum will fare better with the blessings of you all, at City Hall.

The core of my museum:

The Fit between the Coastanoan hierarchy of Spirit items and 769

- Rocks were most revered, with my yard having several unique and important "rocks."
- Water, with my yard being on a year-round creek and with a view of the Golden Gate.
- Mountains, with Mt. Tamalpais, reportedly known to the Coastanoans as "The Sleeping Maiden," being due West and with the setting Sun on the Equinoxes seemingly setting in the

womb of the Sleeping Maiden.

- Big Trees. Until they were cut down in the early '60's, an ancient group of Bay Laurels had grown together to form a long grotto along the North side of our creek—it was something like out of a surreal movie set.

Specific finds:

The Baculite:

- 67,000,000+ years old
- Origin—Pierre, South Dakota
- Typically used as a Spirit item
- Implies tribal trade/exchange between Great Plains and mid-Pacific Coast.

- Shows signs of having been purpose-fashioned and with an numerology aspect to its dimensions (3:2:1).

Note. Simply as a paleontological specimen of a Baculite, this one is exceptional compared to the ones displayed on Wikipedia or those sold on Ebay. Also, if this was a Coastanoan possession, it almost had to have been brought West from South Dakota before Lewis and Clark's Corps of Discovery.

The Cinder Cone

- Approximately 10,000,000 year old cinder cone (or volcanic bomb) of the Sibley Volcano, after the Volcano split on a fault and our side drifted North.
- Black Basalt, with its own magnetic field—pushes a compass needle away from it.
- Contains a surprise I am only reserving for passing on to any Ohlone.
- Constitutes a direct link to the prehistoric stone structure in the ruins of the Sibley Volcano.

Note. Could be the only museum or backyard in the world with its own cinder cone.

The Jurassic Limestone

- Over 167,000,000 years old
- Originated in Redwood Regional Park area
- Deeply carved by erosive action
- Constitutes another direct link between 769 and the Sibley stone structure

Note. The visual nature of this rock is so striking and animated, for those who venerated rocks, this one would have spoken to them, so to speak.

The Pockmarked rocks and large outcropping.

- Volcanic in origin, probably from the same time as Sibley
- Pockmarks from volcanic gases were revered by Coastanoans as the mouths of the Earth

Mother

Note. Just from roaming El Cerrito and Tilden as a kid, these types of rocks seem unique to our creek from Colusa Ave. up hill, towards Huber Park.

Remains of a Mission Mission-Fig Tree

- Around 214 years old, by the time it died in '06
- Likely planted by Mission Dolores, before the Castro Grant

Note. It is my understanding that the Catholic Church in the New World had a habit (pun intended) of erecting signs of their culture, literally on top of the cultural centers of the indigenous people they supplanted.

A King Tut/Lord Carnarvon parallel.

- Big trees were sacred to the Coastanoans
- A well-known local contractor destroyed the large and likely ancient Bay Laurels on the North side of our creek when he developed the old Scalise property into 4 lots, in the early '60's

Also, the development's signature house by the famous architect, Beverly Thorne, was built such that a younger Bay Laurel actually was left protruding up through the living quarters, which predictably killed the heavily-cropped tree after several years.

- Decades later, according to the local papers, Mr. Hahn became the first person in all of Contra Costa County to die from Lyme Disease. At the very least, a factual and grizzly coincidence

Note. At the time the ancient trees were destroyed, the ticks that carried the disease were, as of then, unreported this side of the Great Plains.

Let me conclude by saying/reiterating that: if you all should want to hear more, I'd be happy to tell the more of the story to the Council; if the City wants to help with my attempt to preserve this apparent heritage site, the help would be welcome; and, perhaps most important, if anyone there could put me in direct contact with representatives of the Ohlone Tribal Council or significant others, it could be a nice thing to do for the Ohlone.

Thanks, especially for your service to the City of El Cerrito. Best of luck and skill. Go Gauchos!

Sincerely,



James-Joseph (J.-J.) Diliberto, PhD.
encl.

The Spirit of the Bear Area

Dr. James-Joseph A. Diliberto
769 Balra Drive
El Cerrito, CA 94530-3302
Phone/Fax: (510) 526-4198
Email: conscomm@earthlink.net

January 9, 2019

Dear El Cerrito City Council Members:

Hello. At this next Council Meeting, I shall be announcing that there are many reasons to believe that 769 Balra Drive is one of the most important Coastanoan spirit/heritage sites yet known; as well as to briefly mention what I am doing to preserve what seems to be a heck of an important place. Specifically, at your meeting, I will briefly mention what I've found, what it appears to add up to and what my plan is going forward.

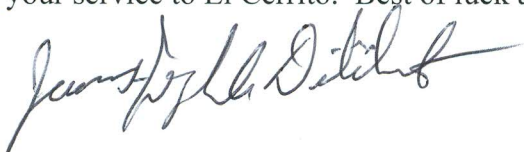
My claims and intentions are based on my initial discovery of a spectacular and rare fossil, my subsequent inquiries and research at Cal, several additional discoveries and many revelations, and the recent, fairly exciting observations from the Director of Cal's Museum of Paleontology and his field expert. I have tried to contact the Ohlone Tribal Council, as well as State and Federal Authorities, but no one seems to respond to my emails, so far.

If it seems appropriate, given my findings, I would be glad to give your Council a longer presentation, at a later date.

Regardless, I am hopeful even a brief presentation, will give the City an interest in being associated with and a resource in my attempt to protect what seems to be one of the most important heritage sites in the Bay Area, the State and possibly North America.

Additionally, I hope appearing before the Council will help eventually lead me to ancestors of the clan that lived in our hills, here above Pt. Isabel and El Cerrito de San Antonio, a.k.a., Albany Hill. Not to mention, a little visibility will help me further the preservation plan I will share with the Council and viewers: Establishment of a small, free, open-air public museum--The Spirit of the Bear Area.

I will bring along one of my finds and I look forward to addressing you. Thank you, for your service to El Cerrito. Best of luck and skill.



James-Joseph (J.-J) A. Diliberto, PhD

JAN 15 2019

CITY OF EL CERRITO
CITY CLERK

El Cerrito City Council Meeting – Jan. 15, 2019

I would like to speak about what a few other cities have done about fire safety.

Red Flag Warnings: Los Angeles and Santa Barbara have Red Flag Warnings and enforce strict rules about street parking. Berkeley FD has a document titled "Wildfire Evacuation" plan (<https://www.cityofberkeley.info/WildfireEvacuation/>) that specifies evacuation routes, and they are burying powerlines along these routes. EC-Kensington has Red Flag days, but we don't appear to enforce parking restrictions, perhaps because there are no evacuation routes; EC Master Plan only mentions Emergency Response Routes for emergency vehicle access.

Brush Fire Clearance Zones (http://file.lacounty.gov/SDSInter/acwm/216383_Clearance.pdf): LA has BFCZs that require private properties to clear brush. Clearance along roads is a minimum of 10 feet for all flammable vegetation. (County Code sec. 325.10). Trees and shrubs must be spaced a minimum of 15 feet or three times their diameter from other shrubs. Trees should be spaced to allow a minimum of 30 feet between canopies at maturity.

For trees taller than 18 feet, prune lower branches within 6 feet of the ground. For trees and shrubs less than 18 feet, prune lower branches to 1/3 of their height. Choose landscaping plants that are fire resistant and maintain all plants regularly removing dead branches, leaves, etc. Remove/clear away all flammable vegetation or combustible growth for a distance of not less than 30 feet from any structure. This includes ornamental plants known to be flammable.

In 2003 the city of Kelowna, British Columbia, had a devastating fire that burned into the outskirts of town. 27,000 residents were evacuated and 237 homes burned. They enacted a strict **Community Wildfire Protection Plan** that includes, among other things:

(<https://kelownapublishing.escribemeetings.com/filestream.ashx?DocumentId=15385>)

Community education program

Identification of critical infrastructure including water sources and back-up power sources

Annual training for first responders

Emergency evacuation plans and evacuation drills

Exterior building materials standards including Fire Smart building materials and landscaping

Ordinance mandating vegetation spacing & clearance on private property

Fire Smart building setbacks and fuel mitigation programs

Roadside mowing

Prescribed burns

Grazing programs

Monitoring and maintenance programs

Finally, Council should meet with their counterparts in Richmond, Berkeley, and Oakland to coordinate plans, and meet with Paradise and Santa Rosa City Councils for lessons learned and report back at a council meeting.

Thank you,

Gary Prost
1265 Contra Costa Dr., El Cerrito
510-974-5044



Eucalyptus forest in a state of regeneration

Eucalypts originated between 35 and 50 million years ago, not long after Australia-New Guinea separated from Gondwana, their rise coinciding with an increase in fossil charcoal deposits (suggesting that fire was a factor even then), but they remained a minor component of the Tertiary rainforest until about 20 million years ago, when the gradual drying of the continent and depletion of soil nutrients led to the development of a more open forest type, predominantly Casuarina and Acacia species.



Epicormic shoots sprouting vigorously from epicormic buds beneath the bushfire damaged bark on the trunk of a *Eucalyptus* tree

The two valuable timber trees, alpine ash *E. delegatensis* and Australian mountain ash *E. regnans*, are killed by fire and only regenerate from seed. The same 2003 bushfire that had little impact on forests around Canberra resulted in thousands of hectares of dead ash forests. However, a small amount of ash survived and put out new ash trees as well. There has been some debate as to whether to leave the stands or attempt to harvest the mostly undamaged timber, which is increasingly recognised as a damaging practice.

RECEIVED
AT THE MEETING OF

JAN 15 2019

CITY OF EL CERRITO
CITY CLERK

Hazards for humans

The two most common hazards of eucalyptus species to people are fire and falling branches.

Fire hazard

Eucalyptus oil is highly flammable; ignited trees have been known to explode.^{[11][27]} Bushfires can travel easily through the oil-rich air of the tree crowns.^{[28][29]} Eucalypts obtain long-term fire survivability from their ability to regenerate from epicormic buds situated deep within their thick bark, or from lignotubers,^[30] or by producing serotinous fruits.

In seasonally dry climates oaks are often fire-resistant, particularly in open grasslands, as a grass fire is insufficient to ignite the scattered trees. In contrast, a eucalyptus forest tends to promote fire because of the volatile and highly combustible oils produced by the leaves, as well as the production of large amounts of litter high in phenolics, preventing its breakdown by fungi and thus accumulating as large amounts of dry, combustible fuel.^[30] Consequently, dense eucalypt plantings may be subject to catastrophic firestorms. In fact, almost thirty years before the Oakland firestorm of 1991, a study of eucalyptus in the area warned that the litter beneath the trees builds up very rapidly and should be regularly monitored and removed.^[31] It has been estimated that 70% of the energy released through the combustion of vegetation in the Oakland fire was due to eucalyptus.^[32] In a National Park Service study, it was found that the fuel load (in tons per acre) of non-native eucalyptus woods is almost three times as great as native oak woodland.^[32]



Eucalyptus trees bent over due to the high winds and heat of the October 2007 California wildfires. They are located in the San Dieguito River Park of San Diego County and leaning west

Falling branches



Fallen *E. camaldulensis* limbs on a walking track

Some species of gum trees drop branches unexpectedly. In Australia, Parks Victoria warns campers not to camp under river red gums.^[33] Some councils in Australia such as Gosnells, Western Australia, have removed eucalypts after reports of damage from dropped branches, even in the face of lengthy, well publicised protests to protect particular trees.^[34] A former Australian National Botanic Gardens director and consulting arborist, Robert Boden, has been quoted referring to "summer branch drop".^[35] Dropping of branches is recognised in Australia literature through the fictional death of Judy in Seven Little Australians. Although all large trees can drop branches, the density of eucalyptus wood is high^[36] due to its high resin content,^[37] increasing the hazard.

Cultivation and uses

JAN 15 2019

CITY OF EL CERRITO
CITY CLERK

As it investigates fatal tree fall, UC Berkeley promises transparency

34

By Kate Darby Rauch, Jan. 11, 2019, 10:20 a.m.



On Thursday, UC Berkeley crews were investigating a fallen eucalyptus near Gayley Road that killed a Novato man on Jan. 6. Photo: Kate Rauch

UC Berkeley is still assessing why a large eucalyptus fell on a car on Sunday, killing the driver, according to campus spokesman Dan Mogulof.

The results of the investigation will be public, he said. He doesn't know when it will be completed.

"We're looking at everything. We take this very seriously, someone lost their life here," he said.

Alexander Grant, 32, of Novato, was killed when the 250-foot-high tree crashed on his car as he traveled on a campus driveway leading onto Gayley Road, north of the Greek Theatre.

The tragedy occurred at about 3:45 p.m. on Jan. 6.

Gayley Road, a thoroughfare along the eastern edge of campus, has been intermittently closed this week as Cal examines the tree and removes others damaged during its fall, Mogulof said.

Arborists and other experts are evaluating the fallen tree's condition, the condition of the surrounding ground and all factors that might have contributed to the incident, said Mogulof.

"Everything that could be relevant to the accident is now going to be very carefully reviewed and analyzed," he said. "What does it tell us about what we should do with other trees?"

This includes finding out when the toppled eucalyptus was last inspected by UC, he said.

The university regularly reviews the condition of its trees, Mogulof said. Multiple assessments have been done in the past two years. "We are, as part of the current assessment, ascertaining which of them [the assessments] looked at the tree that fell. This, too, is information we will be collecting and analyzing as part of the comprehensive review that is being done in the wake of the tree fall."

One of the ways UC gets information on its trees is through GIS data, using software from ArborPro, a company that contracts with universities and other large jurisdictions on tree management. The company uses its mapping software to prepare a comprehensive visual inventory of a customer's trees and provides "the user with an immediate visual representation of any tree in the urban forest," according to the company's website.

Lee Nachtrieb, a certified arborist with Bartlett Tree Experts and a Berkeley resident, said that the sad reality is that trees don't always give clues as to their inner health. Nachtrieb is not currently a contractor with the university. Years ago, with a different company, he did some work at University Village.

The state's recent drought was a major stressor for trees, he said. Heavy rains can also create problems.

"There are a lot of hidden factors, a lot of conditions within trees and below the ground that we just can't see," Nachtrieb said. "When it comes down to it, trees are complex organisms that respond in ways we don't fully understand."

"We try our best," he said.



Sections of the toppled eucalyptus which killed a man in his car last week on the UC Berkeley campus. Photo: Kate Rauch

News of the horrific tree fall has many questioning everything from UC Berkeley tree care to campus construction and the impact of winter storms. As with any fatal accident, people are searching for the whys and what-ifs, speculating, waiting for facts.

Hank Chapot, a retired UC gardener, a pro-union activist and an outspoken critic of UC Berkeley, left comments on Berkeleyside's article about the incident to say he thinks the impact of cuts in staff arborist positions at the university should be examined.

Mogulof didn't comment on staff cuts, but defended the university for contracting with "highly qualified certified arborists" to do its tree work. He said the university has one certified arborist on staff, and one open staff arborist position, which it has been trying to fill for a year. A ground worker position is also open. "These vacancies are a key driver of our need for outside contractors for arboreal work," he added.

Others are wondering if the recent renovation work of the north end of the Greek Theatre, which includes the area where the tree was located, might have weakened the tree in some way. The project was completed last fall. Mogulof said the university would be looking at whether that was a factor, along with a host of other potential issues.



Skateboard tribute to Alex Grant, a Novato man killed last week when a tree fell on his car on the UC Berkeley campus. Photo: Kate Rauch



Flowers left at a memorial to Alex Grant near the Greek Theatre. Photo: Kate Rauch

Meanwhile, a makeshift shrine of fresh flowers, candles and a handmade structure that includes three skateboards offers a glimpse of who Grant was and a sense of the sorrowful reaction to his sudden passing. The tribute is on a retaining wall near the fallen tree.

"You will forever be in our hearts Alex. You will be missed and never forgotten. I will never forget when you showed me my 1st trick on a skateboard," reads one message scrawled in black ink on a Baker brand skateboard deck.

"We love you always," said another.

"I will be skating in your memory."

And, "You are so loved," signed "JoAnn."

The Gayley Road incident occurred at a time the university was doing tree maintenance and removal on all of its properties, Mogulof said. The fallen eucalyptus wasn't part of this work.

These maintenance projects included about a dozen sites around campus, including a controversial one at People's Park.

The university had planned to remove 42 trees at the park as part of a "deferred maintenance" project but stopped amid protests, leaving five trees that had been slated to be cut down still standing.

"We hope to complete the work soon, particularly in light of the recent tragedy. I have no information as to when, exactly, that might happen," Mogulof said.

Become a member

Berkeleyside relies on reader support so we can remain free to read for everyone in Berkeley. Become a member and be part of the future of independent, local journalism.

BECOME A MEMBER TODAY ➔





JAN 15 2019

CITY OF EL CERRITO
CITY CLERK

Trail Trekkers' 2018 accomplishments

- **Rotary Interpretive Trail.** We largely completed the content for this series of nature and cultural signs, which are being funded and were inspired by the El Cerrito Rotary Club. Much thanks to Lee Prutton for coordinating this on behalf of Rotary, and to Mollie Hazen of Trekkers. Artist Adam Prost has provided marvelous illustrations, ranging from coyotes to damselflies. Jan Byers, the artist who also has designed our festival brochures, is designing the signs. Our expert contributors include Susan Schwartz, Eddie Dunbar, Keli Hendricks, Bev Ortiz, Dave Weinstein, Tara McIntire, Gary Prost and Zara McDonald.
- **Preserving Open Space.** We continued to organize opposition to a proposed tract of mini-mansions on Fairview Open Space. After two years of silence, the group that wants to build 38 large homes on the 15-acre Fairview Open Space submitted a new proposal to the city. Trail Trekkers opposes any development on the site, which is the northernmost and last undeveloped section of El Cerrito's Hillside. The area is just to the north of Motorcycle Hill, bordered by Fairview Drive and Tamalpais Avenue and by houses that are on Arlington Boulevard.
- **The Fifth Annual Hillside Festival** was our first ever three-day affair and the new format worked well, giving people the opportunity to attend every event if they wanted. Leaders and participating organizations included El Cerrito Historical Society, the Madera Elementary School PTA and Foundation, Madera's Garden Teacher, Leah Ingram, Alina Constantinescu, the Dog Scouts of America, the Northern California Geological Society, Boy Scout Troop 104, author and publisher of RSB books Richard Schwartz, Janet Gawthrop of the California Native Plant Society, metal detecting guru Bill Barr, Susan Schwartz, of Friends of Five Creeks, and Ralph Boniello, and Nicole Becker from Ojas Yoga Center. We had many other volunteers who attended each event to keep things running smoothly. Thanks to all city employees who facilitated the event and the Environmental Quality Committee for funding it. Funds were raised through donations for Hillside improvement and maintenance. The Sixth annual festival will be May 3-5.
- **Hikes.** Trail Trekkers put on about 20 hikes this year, in addition to those at the Hillside Festival. These included the Kensington and El Cerrito Hills Ramble; several Albany Hill Hike and Off the Grid dining events; a Lost Trails & Fine Homes Hike; our popular Sunset Ramble in the Hillside Area and Motorcycle Hill; a Berkeley Rocks hike led by Janet Byron; a Native Plants hike led by Janet Gawthrop; a hike through San Francisco's downtown private-yet-public open spaces; a dog-friendly Wildcat Canyon Ramble; an Architectural Walking Tour: The Hills; and a Holiday Lights hike. All our hikes are free.
- **Social events.** Trekkers threw two member appreciation parties this year, designed to thank our members, encourage new people to join, and to get to know each other better. Each was well attended and great fun. Mary Barkey's pizza was the centerpiece. Mollie Hazen did much to organize and inspire these events. Trekkers never uses dues or other income to pay for food or drink; refreshments were donated by members.
- **Trail work.** Due to lack of volunteer leadership, Trekkers has fallen behind on trail work. We are however developing a list of shovel-ready projects and hope to begin some this year. During the year we surveyed some damaged trails in the Hillside Natural Area

that need work soon. We also began what we believe will be productive partnerships with school groups.

- **Students from Montessori** are putting a dent in the French broom invasion. Students from the Montessori Family School in El Cerrito have been spending time each week removing this habitat-damaging plant from Motorcycle Hill in the Hillside Natural Area. Trail Trekkers and the city of El Cerrito are helping facilitate this effort. The students have also learned about native plant ecology by collecting seeds of native sycamores for planting.
- **Annual meeting talk on mountain lions.** Trekkers presented a useful and lively talk about mountain lions at our annual meeting at the start of 2018. Dr. Courtney Coon, a wildlife biologist with the Bay Area Puma Project, presented a wonderful illustrated talk on the big cats that live among us. She showed dramatic and at times humorous videos from hidden wildlife cameras that caught the cats in action.
- **New board members.** Trekkers welcomed two new members to the board of directors in 2018, Barbara Lass and Wade Huntley. Barbara and Wade are a married couple and have been involved with Trekkers for some time now. Barbara and Wade have lived in El Cerrito since 1999. Barbara is an Anthropology instructor at City College of San Francisco, and Wade is a senior lecturer at the Naval Postgraduate School in Monterey. They enjoy walking and hiking in the East Bay hills.
- **Departing board members.** Trekkers saw two longtime board members depart the board, though we are happy to say both remain involved with our organization. Jenny Hammer was one of the founders of Trail Trekkers back in 2010, helping discover the forgotten urban paths in town, and spearheading efforts to successfully build several trails, including the Motorcycle Hill Trail. Tom Gehling, a naturalist and photographer, was one of our trail building leaders and hike leaders, did our website and newsletter, and much more.
- **Park and Recreation Master Plan.** Trekkers worked with city officials and consultants to help develop this important plan, ensuring that trails and open space will receive attention and funding in years to come.
- **Fire safety.** Attention turned to fire safety in wild land-developed land interfaces, including along the Hillside Natural Area and Wildcat Canyon. The topic of our 2019 annual meeting, Wildland Fire Safety, reflects this concern.

Trail Trekkers' 2019 goals:

- **Trail and habitat improvement.** We plan to continue working with the students and teachers from Montessori School on habitat improvement in the Hillside. This work, by removing flammable French broom, also reduces fire danger. We hope to work with other schools too, including Prospect Sierra. A major goal is to recruit people who would be willing to organize and lead trail work parties. The Douglas Drive section of the Live Oak trail, for example, needs shoring up.
- **Fire safety.** Trekkers will work with city officials and neighbors on ways to improve maintenance of the Hillside Natural Area to reduce fire risk, and ways to use urban pathways as escape routes in case of disaster.
- **Develop a plan for improving disused urban paths.** We are working to list potential work projects on some of these trails that have fallen out of use. Improving these trails not only would add recreational amenities to our city, but would provide ways for

pedestrians to get to mass transit and other locales. These paths would also be crucial escape routes in case of fires or other disasters.

- **Preserving open space.** We will continue the fight to preserve **Fairview Open Space**, working with the group ECHO on this.
 - **Trail map.** We will publish a print version of the **National Park Service-designed map** of all of the city's trails in 2019. We thank Stephen Bowes of the National Park Service for major assistance developing and designing the map. The map will be free to members of Trail Trekkers and be sold to others for a reasonable amount.
 - **Hillside Natural Area way-marking trail signs** and Rotary Club interpretive trail signs. Both sets of signs, one throughout the Hillside for way-finding, and the other a relatively short segment of a nature trail, should be installed this year. The city had planned to get the way-finding signs installed in 2018, but faced delays.
 - **Trail signs for public stairways and walkways.** We will seek funding to install the National Park Service-designed signs on the city's trail network and public stairways that are outside of the Hillside Natural Area.
 - The **Sixth annual Hillside Festival** will be back and better than ever. Dates are May 3-5 and a schedule will be available early in the spring.
 - **Improved outreach.** We have several volunteers working to improve our publicity and our website. Susan Kuchinskas and Clare Sheridan will be working with Mollie Hazen, Trekkers communications director, and Pam Austin, our vice president, on these important tasks.
-

Proposed slate of officers for 2019:

Dave Weinstein, president, davidsweinstein@yahoo.com

Pam Austin, Vice president, Treasurer, paustin26@yahoo.com

Mollie Hazen, Communications, Hazenmollie1@gmail.com

Barbara Lass, secretary barbara.lass@att.net

Wade Huntley, member at large

From: Susan Warner <mandalas@susanwarner.com>
Sent: Sunday, January 13, 2019 7:22 PM
To: Aissia Ashoori <AAshoori@ci.el-cerrito.ca.us>
Subject: tenant protections

Dear Ms. Ashoori,

I wrote the following to the City Council members:

Please make a serious and active effort to help tenants of all income levels stay in El Cerrito.

I have been a tenant in El Cerrito for over 11 years. I'm 60 years old and am a substitute teacher. Before El Cerrito I lived in Oakland and Berkeley. I lived in a large house in El Cerrito with 5 other tenants and was evicted because the landlady was selling the house. During my 10 years I had to contend with a landlady who didn't make needed repairs in a timely way, leaks creating mold in the walls, and was generally reactive rather than proactive. But we coped, juggling the need for repairs against the constant threat of a rent increase. I was given the required two month notice with no compensation. It was re-rented out by the new owner pretty much as is, for almost double the amounts that we were paying.

The process of finding another rental in El Cerrito or nearby was frustrating and impossible for my price range. Rents have skyrocketed and I needed the full two months to find something, wading through the fake craig's list ads every day, and forcing me to cancel a trip to see family. At the last minute I settled for something that was a big downgrade in space, a small room for way more rent, requiring a storage unit which added to my expense, and creating ongoing debt. I found that my income now makes it very difficult to live in El Cerrito. If I moved further out of the bay I'd have to find new work, as you can't commute too far to substitute jobs, as they can come up last minute every day. And at my age, it is harder and harder to find full time employment. I continue to look for a little in-law or with roommates where I can have enough space without needing storage.

I love El Cerrito, I'm a committed part of the community, and want to stay. Please protect tenants as we are just as important and vital part of El Cerrito as home owners, developers, and people with higher incomes. As a substitute teacher, it is almost impossible to afford El Cerrito rents.

I feel for people who have landlords who don't do the right thing to maintain livable conditions, or who charge unreasonable rents because of supply and demand. I worry about houses being bought up by speculators, which we know is happening in San Francisco and spreading. Please protect tenant housing and tenants.

Please support a temporary moratorium on rent increases while the city seeks a long term solution that will be of benefit to renters.

Please support a Just Cause for Eviction Ordinance so that landlords can't simply get rid of you by raising your rent.

Any good protection for a tenant requires a just cause ordinance.

Thank you!

Sincerely,

Susan Warner

Lina Huang

From: Tom Silva <tom@edenrealty.org>
Sent: Tuesday, January 15, 2019 12:59 PM
To: Janet Abelson; City Clerk; Karen Pinkos
Cc: rantonio@caanet.org; bahn.org@gmail.com; tom@edenrealty.org
Subject: item 7a on tonites agenda request to support the caa and ccar positions

G'day madame mayor abelson, city manager pinkos and city clerk charlety

My name is tom silva and I am a rental housing provider in the east bay..i writing in support of the requests of the California Apartment Association ..the Contra Costa Association of Realtors...and the Bay Area Homeowners Network to continue this item to allow more time for refinement and discussion of all the ramifications of the tenant protection measures before you this evening

I have extensive personal experience is such matters in San Leandro, Hayward, Union City Fremont and Unicorporated Alameda County..each program is different with its own unique aspects...

but one thing is clear..the best programs that are most effective for all while preserving the residential rental housing investment climate were not rushed together over the holidays...

they took a lot of time effort and interactions to come up with a program that works

I urge the city council to take a step back and hit the pause button to allow time for this to occur as outlined in the CAA and CCAR letters

Thank you for your kind consideration of our request..i hope you find merit in our suggestions

Respectfully

Tom Silva

CITY OF EL CERRITO

Historical GF Balances and Transfers

January 15, 2019



AGENDA

- **Context and background**
- **Discuss FY 2016-17 monies owed to GF from other funds**
- **Review 5 Yr. Transfer history from other funds to GF**
- **Review proposed disposition of balances by FY 2019 year-end**
- **Review GF Fund balance statistics FY 2012-17**
- **Review changes in Comprehensive Financial Policy proposed by FAB**

5 YEAR HISTORY OF INTERFUND TRANSFERS TO GF & BALANCE OF MONIES DUE TO GENERAL FUND FROM OTHER FUNDS

InterFund Transfers to General Fund

<u>From</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2017 Auditor</u>	<u>Current</u> <u>Balance</u>	<u>Proposed disposition of</u> <u>balances owed in FY 2019</u>
							<u>Bal. Owed</u>	<u>owed</u>	
City Housing Trust Fund							250,352	\$250,352	Use RDA Asset sales ~\$250k
Low & Moderate Income Housing Fund	214,069								
Capital Improvement Fund	498,000						950,748	\$670,384	Use RDA Asset sales ~\$450k (San Pablo streetscape project)
Integrated Waste Management Fund	302,184	313,086	327,371	340,319	350,418	3,671	449,605	\$317,967	by 2020 from IWM revenues
Municipal Services Corp MSC Fund	1,801,014	307,000					20,558	\$20,558	Use RDA Asset sales ~\$20k
Non Major Governmental Funds	401,637	439,142	477,008	560,538	539,776	50,912			Total Asset sales ~\$720k
Total Transferred to GF from other funds	(3,216,904)	(1,059,228)	(804,379)	(900,857)	(890,194)	(54,583)	(1,671,263)	\$1,259,261	Revised balance owed ~\$539k

■ **Source: CAFR**

HISTORICAL GENERAL FUND BALANCE

<u>General Fund Reserve</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	
Non Spendable General Fund Balance	44,373	647,006	58,326	128,242	170,353	994,742	Current bal. \$1,321,189. Pending appeal. Council approved settlement with DOF 9/2015.
Restricted General Fund Balance	598,957	456,801	203,553	10,170	10,187	10,205	Debt service reserve
Unassigned General Fund Balance	2,646,012	1,237,431	1,008,587	1,323,100	1,713,302	(186,227)	
One time Prior Period Adjustments					(1,278,327)		
Total General Fund Balance	3,289,342	2,341,238	1,270,466	1,461,512	615,515	818,720	Per FY 2018/19 Adopted Budget Book

■ Source: CAFR

HISTORICAL GENERAL FUND STATISTICS

<u>General Fund Statistics</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	
Net Change in Fund Balance (Revenue - Expenses)	(3,210,145)	(948,104)	(1,070,772)	191,046	432,330	203,205	Per CAFR
GF EXPENDITURES	27,938,391	28,561,504	28,508,819	29,144,613	31,313,290	33,871,151	Per CAFR
Total GF Balance RESERVE RATIO	11.8%	8.2%	4.5%	5.0%	2.0%	2.4%	Per FY 2018/19 Adopted Budget Book

■ **Source: CAFR**

Questions?



LONG RANGE PROPERTY MANAGEMENT PLAN & COMPENSATION AGREEMENT

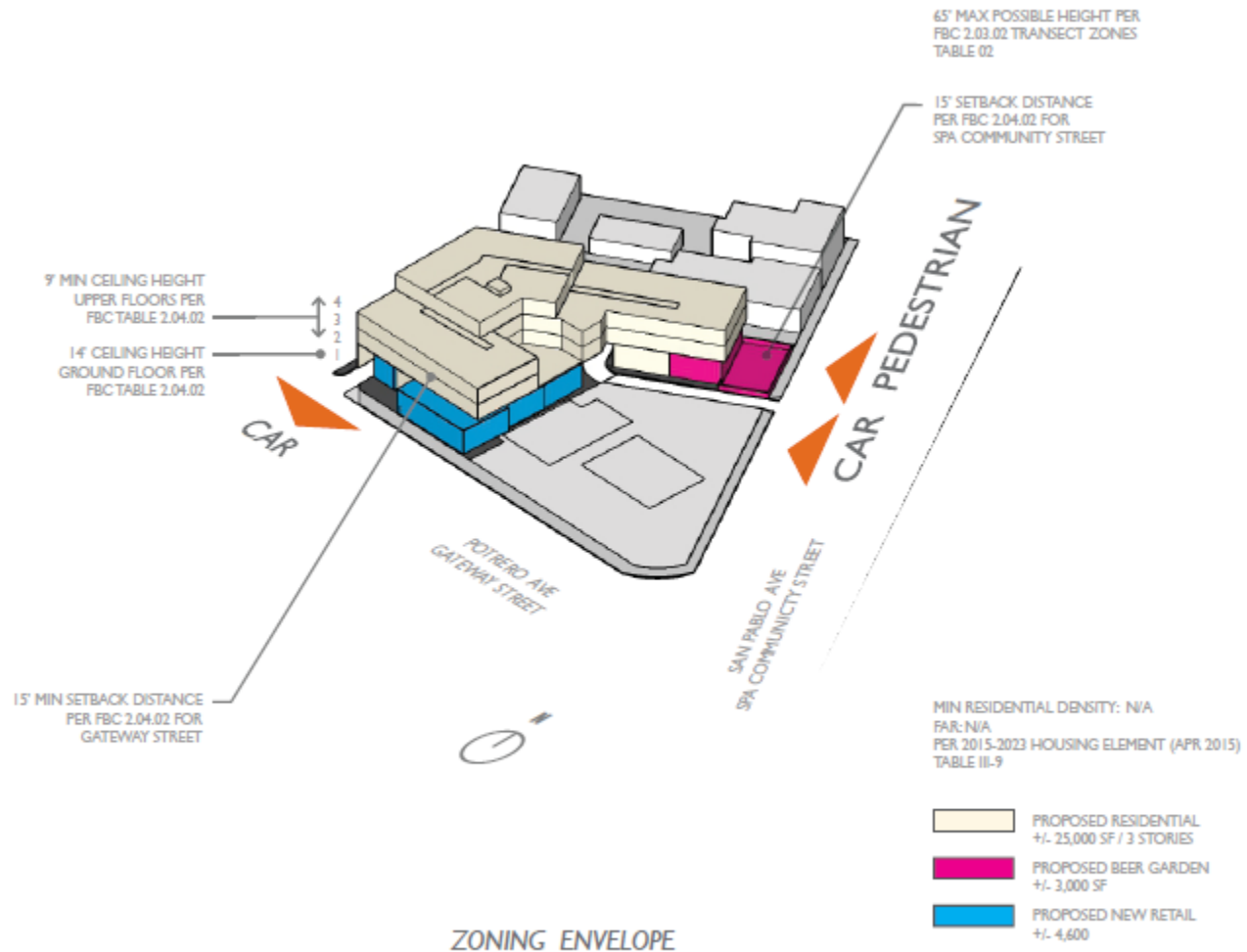
1. Redevelopment Agency Dissolution (2011)
2. Long Range Property Management Plan (2015):
 - Sell development properties for Fair Market Value
 - Distribute proceeds to taxing entities per terms of Compensation Agreement
3. Compensation Agreement (2018)
 - City of El Cerrito = ~ 22%

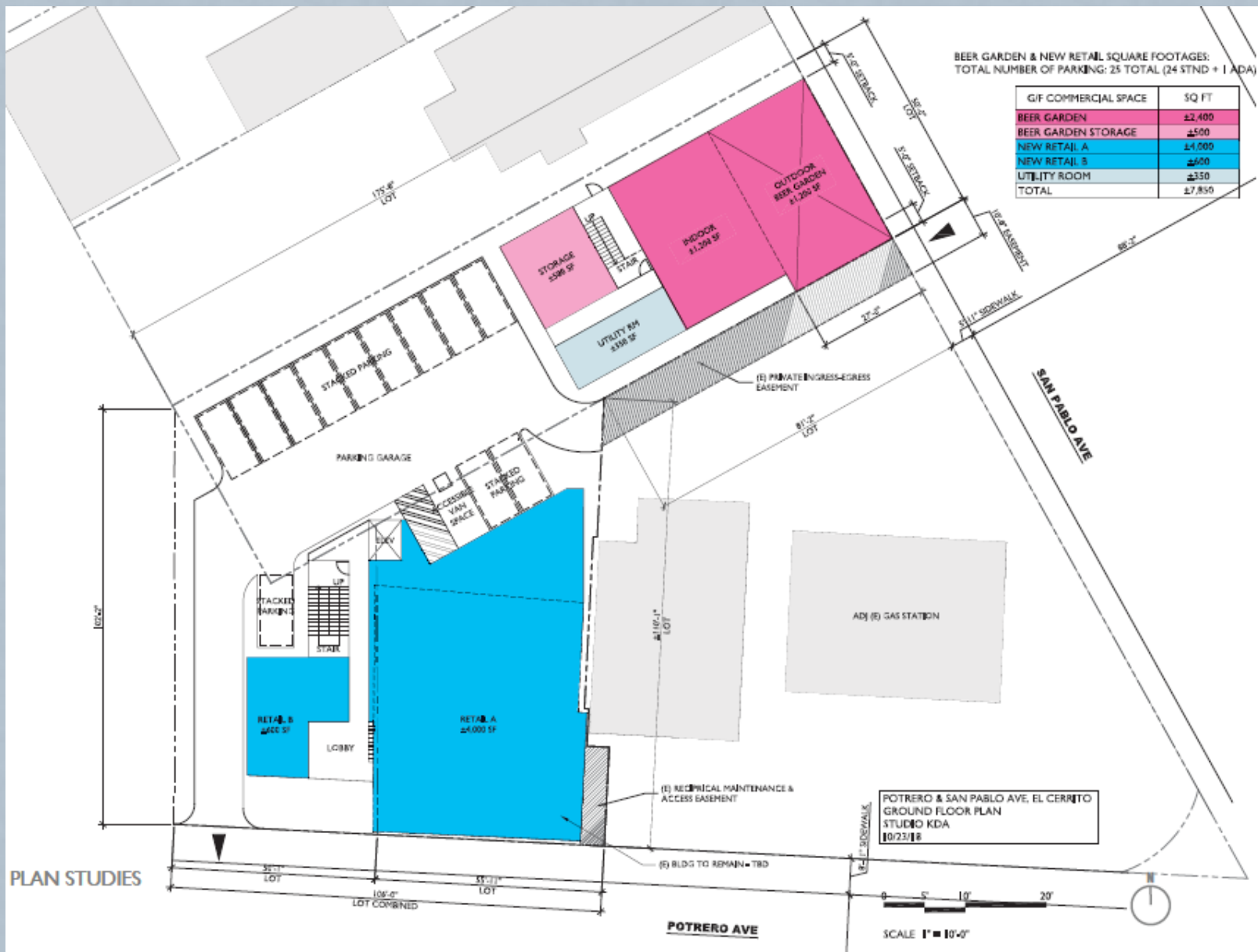
6111 POTRERO AVENUE & 11335-41 SAN PABLO AVENUE



6111 POTRERO AVENUE & 11335-41 SAN PABLO AVENUE







TERMS OF ENRA

- 120 days
- Good Faith Deposit
 - ✓ Fair Market Value appraisal to determine cost
 - ✓ Legal/External costs
- Development Schedule of Performance
- Physical Inspections
- Negotiate Terms of Purchase & Sale Agreement
 - ✓ Anticipate similar terms to 1718 Eastshore

BENEFITS

- Owner Participation/Consolidation with Adjacent Property
- Strategic Plan Goals
 - ✓ Achieve long term financial sustainability
 - ✓ Explore opportunities for public/private partnerships
 - ✓ Deepen a sense of place & community identity
 - ✓ Develop a vision for underdeveloped/undeveloped properties that encourage investment &/or new development
- Negotiate Purchase & Sale Agreements based on development objectives of Specific Plan & LRPMP



APPLICATIONS OPEN JANUARY 2019

SPRINKLER FITTERS U.A. LOCAL 483
OFFICIAL ANNOUNCEMENT

RECEIVED
AT THE MEETING OF

APPLICATION INFORMATION FOR THE APPRENTICESHIP PROGRAM

JAN 15 2019

Visit our Website @ www.sprinklerfitters483.org

CITY OF EL CERRITO
CITY CLERK

TO: All Interested Parties
SUBJECT: Application for Apprentice Sprinkler Fitter U.A. Local 483

WHEN: **EVERY 2ND WEDNESDAY OF EACH MONTH**
12:00 Noon to 4:30 P.M.

WHERE: **SPRINKLER FITTERS U.A. LOCAL 483 APPRENTICESHIP TRAINING CENTER**
2531 BARRINGTON COURT
HAYWARD, CA 94545
(510) 782-9483

At time of application, applicants **must bring A PHOTO COPY ALONG WITH ORIGINAL DOCUMENT** as proof of completion of high school. Diploma, transcript, G.E.D, certificate of proficiency or DD-214 is acceptable.

REQUIREMENTS

Applicants must be at least 18 years old. **PLEASE BRING PHOTO COPY and ORIGINAL** to show proof of age at time of application. Driver's license, picture I.D., passport or birth certificate will be accepted. Applications must be filled-out at the Training Center.

A VALID Drivers License is required at time of indenture and dispatch to employer.

Applicants must be physically fit to do the work of the trade, and will be required to work anywhere within the nine (9) Bay Area Counties. Applicants must be legally authorized to work in the United States.

EQUAL
OPPORTUNITY

Recruitment, selection, employment and training of Apprentices will be without discrimination because of Race, Color, Religion, National Origin, Age, Sex or Physical Handicap as required by Ca. Admin. Code, Chapter 2. Veterans are encouraged to apply.

WRITTEN TEST

Only **qualified** applicants will be notified by mail regarding date, time and location of the written test: Next written test will be in **June 2019**. Check the web-site for current information: www.sprinklerfitters483.org

ORAL INTERVIEW

Only applicants who successfully pass the written test (**Minimum of 70%**) will be eligible for the oral interview.

ELIGIBILITY LIST

Applicants will be placed on the apprentice eligibility list based upon the written examination and oral interview combined score. Hiring is usually done in January & August each year.

HOURLY WAGE

Starting Wage: \$24.75 Per Hour plus the fringe benefit package

THIS ANNOUNCEMENT DOES NOT GUARANTEE EMPLOYMENT
WE ARE AN EQUAL OPPORTUNITY EMPLOYER

01/02/2019