



City of San Juan Bautista

The "City of History"

www.san-juan-bautista.ca.us

AGENDA **REGULAR CITY COUNCIL MEETING**

TUESDAY ~ DECEMBER 21, 2021 ~ 6:00 P.M.

~ PUBLIC PARTICIPATION BY ZOOM ONLY ~

Join Zoom Webinar <https://zoom.us/j/82805155790>

or call 1 (669) 900-6833
Webinar ID: 828 0515 5790

THIS MEETING WILL BE CONDUCTED PURSUANT TO GOVT. CODE §54953(e)(1)(A).

In order to minimize the spread of the COVID 19 virus the City Council is conducting this meeting by Zoom webinar and will be offering alternative options for public participation. You are encouraged to watch the meeting live on Zoom or Facebook.

PUBLIC COMMENTS WILL BE TAKEN ON AGENDA ITEMS BEFORE ACTION IS TAKEN BY THE CITY COUNCIL. DURING THE MEETING: TO PROVIDE VERBAL PUBLIC COMMENTS ON AN AGENDA ITEM DURING THIS MEETING CALL THE PHONE NUMBER LISTED ABOVE OR LOG INTO ZOOM AND ENTER THE MEETING ID NUMBER AS LISTED ABOVE.

When the Mayor announces public comment is open for the item which you wish to speak, press *9 on your telephone keypad or if joining by Zoom, use the raise your hand icon. When called to speak, please limit your comments to three (3) minutes, or such other time as the Mayor may decide, consistent with the time limit for all other speakers for the particular agenda item. Comments from other platforms will not be considered during the meeting. If you would like to participate during the meeting you **MUST** use Zoom.

If you are unable to join the meeting, written comments may be mailed to the Deputy City Clerk at City Hall (P.O. Box 1420, San Juan Bautista, CA 95045), or emailed to deputycityclerk@san-juan-bautista.ca.us not later than 5:00 p.m. on December 21, 2021, and will be read into the record during public comment on the item.

In compliance with the Americans with Disabilities Act, the City will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the Deputy City Clerk a minimum of 48 hours prior to the meeting at (831) 623-4661.

If you challenge any planning or land use decision made at this meeting in court, you may be limited to raising only those issues you or someone else raised at the public hearing held at this meeting, or in written correspondence delivered to the City Council at, or prior to, the public hearing. Please take notice that the time within which to seek judicial review of any final administrative determination reached at this meeting is governed by Section 1094.6 of the California Code of Civil Procedure.

A Closed Session may be called during this meeting pursuant to Government Code §54956.9 (d)(2) if a point has been reached where, in the opinion of the legislative body of the City on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the City.

Materials related to all items on this agenda are available in the agenda packet on the City website www.san-juan-bautista.ca.us subject to Staff's ability to post the documents before the meeting, or by emailing deputycityclerk@san-juan-bautista.ca.us or calling the Deputy Clerk (831) 623-4661 during normal business hours.

1. Call to Order

**Pledge of Allegiance
Roll Call**

2. Ceremonial Items

- A. Appoint Mayor**
- B. Appoint Vice Mayor**

3. Public Comment

This portion of the meeting is reserved for persons desiring to address the Council on matters not on this agenda. The law does not permit Council action or extended discussion of any item not on the agenda except under special circumstances. If Council action is requested, the Council may place the matter on a future agenda.

4. Consent Items

All matters listed under the Consent Agenda may be enacted by one motion authorizing actions indicated for those items so designated. There will be no separate discussion of these items unless requested by a member of the City Council, a staff member, or a citizen.

- A. Approve Affidavit of Posting the Agenda**
- B. Adopt the Minutes of October 19, 2021**
- C. Adopt a Resolution of the City Council of the City of San Juan Bautista Proclaiming and Reaffirming the Existence of a Local Emergency in the City**
- D. Adopt an Ordinance of the City Council of the City of San Juan Bautista for an Edible Food Recovery Program in the City of San Juan Bautista**
- E. Adopt an Ordinance of the City Council of the City of San Juan Bautista to Increase Sewer Rates**
- F. Waive Reading of Ordinances and Resolutions on the Agenda Beyond Title**

5. Presentations, Proclamations, Informational Items and Reports

- A. Regional Housing Need Determination (RHND) Presentation by Veronica Lezama of San Benito County COG**
- B. FY2021 Audit Presentation by Ryan Jolley**
- C. Treasurer's Report and Monthly Financial Statements**
- D. City Manager's Report**
- E. Reports from City Council Representatives to Regional Organizations and Committees**

6. Action Items

- A. Adopt a Resolution of the City Council of the City of San Juan Bautista Acknowledging Hollister Fire Department to Perform the Inspection of Certain Occupancies Required Annually Pursuant to Sections 13146.2 and 13146.3 of the California Health and Safety Code and Authorize the Acceptance of Senate Bill No. 1205**
- B. Adopt A Resolution of the City Council of the City of San Juan Bautista Increasing the Number of Members and Appointing Members to the City of San Juan Bautista Economic Development Citizen Advisory Committee**
- C. Adopt a Resolution of the City Council of the City of San Juan Bautista Accepting the San Juan Bautista Municipal Audit for Fiscal Year 2020-2021**



7. Discussion

- A. Annual Review of the Code of Ethics for Council, Boards and Commissions**
- B. Update for the Community Hall Rental Policy – Private Security**
- C. SB9 Proposed Legislation – Community Development Director Brian Foucht**

8. Future Agenda Items

9. Comments

- A. City Council**
- B. City Manager**
- C. City Attorney**

10. Adjournment

AFFIDAVIT OF POSTING

I, TRISH PAETZ, DO NOW DECLARE, UNDER THE PENALTIES OF PERJURY THAT I AM THE DEPUTY CITY CLERK FOR THE CITY OF SAN JUAN BAUTISTA, AND THAT I POSTED THREE (3) TRUE COPIES OF THE ATTACHED CITY COUNCIL MEETING AGENDA. I FURTHER DECLARE THAT I POSTED SAID AGENDA ON THE 17th DAY OF DECEMBER 2021, AND I POSTED THEM IN THE FOLLOWING LOCATIONS IN SAID CITY OF SAN JUAN BAUTISTA, COUNTY OF SAN BENITO, CALIFORNIA.

1. ON THE BULLETIN BOARD AT CITY HALL, 311 SECOND STREET.
2. ON THE BULLETIN BOARD AT THE CITY LIBRARY, 801 SECOND STREET.
3. ON THE BULLETIN BOARD AT THE ENTRANCE TO THE UNITED STATES POST OFFICE, 301 THE ALAMEDA

SIGNED AT SAN JUAN BAUTISTA, COUNTY OF SAN BENITO, CALIFORNIA,
ON THE 17th DAY OF DECEMBER 2021.



TRISH PAETZ, DEPUTY CITY CLERK

**CITY OF SAN JUAN BAUTISTA
REGULAR CITY COUNCIL MEETING
OCTOBER 19, 2021
DRAFT MINUTES**

- 1. CALL TO ORDER** - Mayor Leslie Jordan called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE – Council Member Flores lead the pledge of allegiance.

ROLL CALL Present: Mayor Jordan, Vice Mayor Flores, Council Members
Freeman

Absent: Council Members Edge and Freels

Staff Present: City Manager Reynolds, City Attorney Mall, Deputy City
Clerk Paetz

2. PUBLIC COMMENT

Nancy Carlisle spoke regarding her request to fly the All Lives Matter flag.

3. CONSENT ITEMS

- A. Approve Affidavit of Posting Agenda**
- B. Approve Affidavit of Posting Public Hearing Notice**
- C. Adopt a Resolution of the City Council of the City of San Juan Bautista Authorizing the Execution of an "Owners Covenant Agreement Regarding Annexation and Utility Extension Agreement"**
- D. Waive Reading of Ordinances and Resolutions on Tonight's Agenda Beyond Title**
- E. Adopt a Resolution of the City Council of the City of San Juan Bautista Regarding the Ralph M. Brown Act (Calif. Govt. Code 54950-54963) and Assembly Bill 361, Making Certain Findings, and Authorizing the City to Implement Remote Teleconferenced Pubic Meetings of the City Council for the Period October 19, 2021 Through November 18, 2021**
A motion was made by Vice Mayor Flores and seconded by Council Member Freeman to approve all items on the Consent Agenda. The motion passed 3-0-0-2, with Council Members Freels and Edge absent.

4. PRESENTATIONS, INFORMATIONAL ITEMS AND REPORTS

- A. Storm Water Resources Plan Presentation by Andrea Kingsbury of Wallace Group**
Presentation was received by Council. No public comment received.
- B. Treasurer's Report and Monthly Financial Statements by City Treasurer Michelle Sabathia**
City Treasurer Sabathia provided a report. No public comment received.



D. City Manager's Report

City Manager Reynolds provided a report using slides. No public comment received.

E. Reports from City Council Appointees to Regional Organizations and Committees

Council Members reported on meetings they attended. No public comment received.

5. PUBLIC HEARING ITEMS

A. Introduction of an Ordinance Amending Section 11-29-010 to Delete Reference to Second Units; Repealing Section 11-04-050, and Adding a New Section 11-04-050 to the San Juan Bautista Municipal Code to Conform with State Regulations Relating to Accessory Dwelling Units (Exempt from CEQA)

Community Development Director Brian Foucht provided a report. Mayor Jordan opened the public hearing. EJ Sabathia asked about whether the state would try to change the City regulations included in the ordinance, and then commented that if the City waits to pass an ordinance, ADU's complying with only the state could be built. Community Development Director Foucht Brian responded that the city's ordinance could be denied by HCD. Planning Commissioner Jackie Morris Lopez explained the criteria as explained to her.

A motion was made by Vice Mayor Flores and seconded by Council Member Freeman to introduce an ordinance Amending Section 11-29-010 to Delete Reference to Second Units; Repealing Section 11-04-050, and Adding a New Section 11-04-050 to the San Juan Bautista Municipal Code to Conform with State Regulations Relating to Accessory Dwelling Units. The motion passed unanimously, 3-0-0-2 with Council Members Edge and Freels absent.

B. Discuss Solutions to the City's Wastewater Problems and Adopt a Resolution of the City Council of the City of San Juan Bautista Accepting the Sewer Rate Study, Authorize the Proposition 218 Mailing to Rate Payers, and Set a Date for a Public Hearing

City Manager Reynolds explained the City's wastewater problem and provided slides. Erik Helgeson of Bartle Wells and Associates explained the rate study. Mark Mandell of Mandell Municipal Consulting explained the 218 process, the mailing requirement, and setting a public hearing for 45 day out. Council Member Freeman suggested adjusting the rate to accommodate low income, while increasing the rate to commercial users. Mark Mandell and Erik Helgeson explained that according to 218 rules, adjustment cannot be made. During public comment, Jackie Morris Lopez spoke in support of Council Member Freeman's suggestion. City Attorney Mall advised that some cities do, however, offer a discount program to certain groups after the rate increase is enacted.

A motion was made by Vice Mayor Flores and seconded by Council Member Freeman to adopt Resolution 2021-53 accepting the sewer rate study, authorize the Proposition 218 mailing to rate payers, and set a date for a public hearing for December 14, 2021 at 6:00 p.m. The motion passed unanimously, 3-0-0-2 with Council Members Edge and Freels absent.

6. ACTION ITEMS

A. Adopt a Resolution of the City Council of the City of San Juan Bautista Setting Fees for Short Term Rental Permits Required by Municipal Code Section 3-9-400 and Amending the Fee for Home Occupation Permits Required by the Municipal Code Section 11-01-090

Community Development Director Brian Foucht provided a report. During public comment, Jackie Morris Lopez spoke in support.

A motion was made by Council Member Freeman and seconded by Mayor Jordan to adopt Resolution 2021-54 Setting Fees for Short Term Rental Permits Required by Municipal Code Section 3-9-400 and Amending the Fee for Home Occupation Permits Required by the Municipal Code Section 11-01-090. The motion passed unanimously, 3-0-0-2 with Council Members Freels and Edge absent.

B. Adopt a Resolution of the City Council of the City of San Juan Bautista Establishing Supplemental Occupancy and Uses Standards and Procedures for Short Term Rental Permits

Community Development Director Brian Foucht provided a report. No public comment received.

A motion was made by Council Member Edge and seconded by Council Member Freels to adopt Resolution 2021-55 Establishing Supplemental Occupancy and Uses Standards and Procedures for Short Term Rental Permits. The motion passed unanimously, 3-0-0-2 with Council Members Edge and Freels absent.

C. Adopt a Resolution of the City Council of the City of San Juan Bautista Approving an Agreement Between the City and the Edmundo Loayza, Trustee of the Edmundo M. Loayza Living Trust dated January 6, 1987, Rosa Loayza, Trustee of the Rosa Loayza 2002 Revocable Trust Dated December 13, 2002 to set the date of valuation for property required for a public improvement

City Attorney Mall explained the Loayza's request, and advised the roundabout could start immediately with the passage of this resolution. During public comment, City Attorney Mall read from a written public comment submitted by Loayza's attorney, Jackie Zschielle regarding the "taking of property." City Manager Reynolds reported there would be a preconstruction meeting later this week and notices have been mailed to neighbors.



A motion was made by Council Member Freeman and seconded by Vice Mayor Flores to adopt Resolution 2021-56 Approving an Agreement between the City and the Loayzas to set the date of valuation for property required for a public improvement. The motion passed unanimously, 3-0-0-2 with Council Members Edge and Freels absent.

D. Adopt a Resolution of the City Council of the City of San Juan Bautista Establishing a Dedicated Sheriff Deputy Assigned to the City

City Manager Reynolds provided a report. During public comment, Jackie Morris Lopez spoke in support.

A motion was made by Vice Mayor Flores and seconded by Council Member Freeman to adopt Resolution 2021-58 Establishing a dedicated sheriff deputy assigned to the City. The motion passed unanimously, 3-0-0-2 with Council Members Edge and Freels absent.

E. Adopt a Resolution of the City Council of the City of San Juan Bautista Approving a Job Description for Maintenance Worker I/II

City Manager Reynolds provided a report, stating the job description removes the credentials and will ultimately offer premium pay for certifications for training received relative to the positions. No public comment received.

A motion was made by Council Member Edge and seconded by Council Member Freels to adopt Resolution 2021-59 approving a job description for Maintenance Worker I/II. The motion passed unanimously, 3-0-0-2 with Council Members Edge and Freels absent.

F. Adopt a Resolution of the City Council of the City of San Juan Bautista Approving a Job Description for Office Technician

City Manager Reynolds provided a report stating Office Technician is a little less technical, less salary. There was no public comment.

A motion was made by Council Member Freeman and seconded by Vice Mayor Flores to adopt Resolution 2021-60 approving a job description for Office Technician. The motion passed unanimously, 3-0-0-2 with Council Members Edge and Freels absent.

7. DISCUSSION ITEMS

A. Formation of a City Council Standing Committee for Business Improvement, Resiliency, and Overall Community Economic Development

Community Development Director Foucht provided a report. No public comment received. Council directed staff to proceed with posting for interested persons to apply for membership on the committee.

B. County Request to Amend City Use of \$231,284 Community Development Block Grant Funds C.A.R.E.S Act V2 and V3.

City Manager Reynolds introduced Enrique Arreola, Deputy Director of the San Benito County Community Services and Workforce Development to explain the county's intent. Council Member Freeman advocated for the City to submit a request for grant funds individually. City Manager Reynolds explained that he would need to contact California Consulting and HCD for a timeline of applying for funds, and the process would include public community meetings where the public decides the best use of funds. No public comment was received.

8. FUTURE AGENDA ITEMS

City Manager Reynolds reported that the next Council meeting agenda will include the following items: How to spend the CARES Act money and discussion about changing the Council meeting time to 4 pm.

9. COMMENTS

A. City Council

Vice Mayor Flores reminded everyone that there would be a LAFCO presentation on Wednesday at the Ridgemark Golf Club. Council Member Freeman reminded everyone that there would be an Integrated Waste Management meeting on Friday to solve issues. Mayor Jordan reported Bliss Blendz opened Friday in San Juan Bautista. Vice Mayor Flores reported Congressman Robert Rivas will be at Bears Hideaway in San Juan, and there will be a workshop on redistricting at the Community Hall on Friday.

B. City Manager

City Manager Reynolds thanked everyone.

C. City Attorney

No comments were received.

D. Deputy City Clerk

No comments were received.

10. ADJOURNMENT

The meeting adjourned at 9:43 p.m.



RESOLUTION 2021-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA,
COUNTY OF SAN BENITO, STATE OF CALIFORNIA, PROCLAIMING AND REAFFIRMING
THE EXISTENCE OF A LOCAL EMERGENCY**

WHEREAS, the San Juan Bautista Municipal Code Section 5-33-040 empowers the City Council to proclaim the existence or threatened existence of a local emergency when said City is affected or likely to be affected by a public calamity and the City Council is not in session, subject to ratification by the City Council within seven days; and

WHEREAS, the San Juan Bautista City Council has been requested by the Director of Emergency Services (City Manager) of the City of San Juan Bautista to proclaim and reaffirm the existence of a local emergency therein; and

WHEREAS, conditions of disaster or extreme peril to the safety of persons and property have arisen within the City caused by a pandemic commencing on or about 8:00 a.m. on the 13th day of March, 2020, at which time the City Council of the City of San Juan Bautista was not in session; and

WHEREAS, said City Council does hereby find that the aforesaid conditions of extreme peril did warrant and necessitate the proclamation of the existence of a local emergency.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED that a local emergency now exists throughout the City of San Juan Bautista on the 13th day of March, 2020; and

IT IS FURTHER PROCLAIMED, REAFFIRMED AND ORDERED that during the existence of said local emergency, organization of this City shall be prescribed by law, by Ordinances and Resolutions of the City, and approved by the City Council; and

IT IS FURTHER PROCLAIMED AND ORDERED that said local emergency shall be deemed to continue to exist until its termination is proclaimed by the City Council of the City of San Juan Bautista, State of California.

Dated this 21st day of December, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

, Mayor

ATTEST:

Trish Paetz, Deputy City Clerk





CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: **ADOPT THE EDIBLE FOOD RECOVERY ORDINANCE, ESTABLISHING AN EDIBLE FOOD RECOVERY PROGRAM CONSISTENT WITH SENATE BILL 1383 AND PROVISIONS PROVIDED BY SAN BENITO COUNTY (SECOND READING AND ADOPTION)**

MEETING DATE: December 21, 2021

SUBMITTED BY: Celina Stotler, Manager
San Benito County Integrated Waste Management

DEPARTMENT HEAD: Don Reynolds, City Manager

BACKGROUND/SUMMARY:

On November 16, 2021 the City Council held a public hearing to introduce the Edible Food Recovery Ordinance and directed staff to place the Ordinance on the consent calendar for adoption at the December 21, 2021 meeting for the establishment of an Edible Food Recovery Program consistent with Senate Bill 1383 and provisions provided by the County.

SB 1383 Background:

In September 2016, Governor Brown signed into law Senate Bill 1383 (SB 1383) establishing methane emissions reduction targets. Methane emissions result from the decomposition of organic waste in landfills and are a source of greenhouse gas (GHG) emissions. Senate Bill 1383 directs the Department of Resources Recycling & Recovery (CalRecycle) to adopt regulations and requirements to achieve state-wide goals including a goal to reduce organic waste disposal at landfills by 75 percent by the year 2025; and requires that not less than 20% of edible food that is currently disposed of be recovered for human consumption by 2025.

CalRecycle oversees a variety of programs and policy initiatives to reduce the amount of solid waste sent to landfills and to promote recycling within the State, including organic waste recycling under SB 1383 requirements. CalRecycle considers the adoption of an ordinance(s) one of the most important aspects of early compliance and urges jurisdictions to meet the State's deadline under SB 1383 to avoid the high penalties associated with non-compliance. To meet the state-wide goals of SB 1383 and its January 1, 2022 compliance implementation deadline, CalRecycle has established numerous organic waste disposal program requirements impacting municipal jurisdictions, generators, processors, and haulers. Some of the program requirements include:



- Providing organic waste collection service to all residents and businesses;
- Establishing an edible food recovery program that recovers edible food from the waste stream;
- Conducting outreach and education to all affected parties, including generators, haulers, facilities, edible food recovery organizations, and county and city departments;
- Procuring recycled organic waste products like compost, mulch, and renewable natural gas (RNG);
- Inspecting and enforcing compliance; and
- Maintaining accurate and timely records of compliance.

Under SB 1383, CalRecycle has the authority to financially penalize non-compliant jurisdictions up to \$10,000 per day.

SB 1383 Rural Exemption for the San Benito County Integrated Waste Management Regional Agency

Per Section 18984.12 (c) of the SB 1383 regulations, a qualifying rural county may adopt a resolution exempting the county from specific SB 1383 requirements based upon findings as to the purpose of and need for the exemption. The San Benito County Integrated Waste Management Regional Agency members, which include the Cities of San Juan Bautista and Hollister and the County of San Benito, qualify for the exemption if the rural jurisdiction (the County) receives delegation authority to apply for the exemption on the Agency members' behalf, which has previously been granted. On October 26, 2021, the County Board of Supervisors approved and affirmed a resolution that allows the County as Lead Agency to apply for a rural exemption on behalf of the Regional Agency members for SB 1383.

The rural exemption, if granted by CalRecycle, would exempt the Regional Agency members from the mandatory organics collection requirements and other associated requirements, until December 31, 2026 or until San Benito County reaches a population of 70,000 (Per U.S. Census Bureau, 2019 population is 62,808). The rural exemption would not grant exemption to the Regional Agency members from all the requirements of the law. The following SB 1383 requirements will still apply to each Regional Agency member regardless of the rural exemption status:

- Education and Outreach – 14 CCR, Article 4, Sections 18985.1 through 18985.3
- Jurisdiction Edible Food Recovery Programs, Food Generators, and Food Recovery –14 CCR, Article 10, Sections 189991.1 through 18991.5
- Organic Waste Recycling Capacity Planning (Edible food capacity planning only) – Article 11, Section 18992.2
- Recycled Content Paper Procurement Requirements – 14 CCR, Article 12, Section 18993.3.
- Reporting – 14 CCR, Article 13, Sections 18993.1-18993.2
- Enforcement Requirements – Article 14, Sections 18995.1 through 18995.4

All of the above requirements are covered in the attached MOU, not including the Recycled Content Paper Procurement Requirements (Article 12, Section 18993.3.) as each city needs to



implement this requirement independently. Each Regional Agency member will also be responsible for meeting CALGreen Building Standards and Model Water Efficient Landscape (MWELO) requirements (Article 8).

Memorandum of Understanding for Edible Food Recovery Program

An MOU between the Regional Agency members is necessary to outline the roles and responsibilities of each member agency for establishment of an edible food recovery program to recover leftover edible food from large commercial generators for human consumption, and to require specified generators to donate such food, and to adopt a mechanism for enforcing such requirements. The responsibilities of each member agency are outlined in the MOU.

County Responsibilities Per the MOU, the County will create and coordinate an edible food recovery program compliant with California Code of Regulations, Title 14, Division 7, Chapter 12 Short-Lived Climate Pollutants. For the edible food recovery program, the County will be responsible for the following:

- 1) Annually notifying commercial edible food generators of the program requirements
- 2) Annual inspection of applicable edible food generators
- 3) Reporting and recordkeeping
- 4) Estimating edible food recovery capacity (in consultation with the Cities)
- 5) Enforcement lead

City Responsibilities Per the MOU, the Cities will be responsible for the following:

- 1) Enter into this Memorandum of Understanding
- 2) Adopt and make part of their municipal codes an enforceable ordinance establishing an Edible Food Recovery program, including the specific provisions provided to the Cities by the County
- 3) Provide program related information to the County as requested
- 4) Be responsible for all other applicable SB 1383 requirements not designated to the County
- 5) Assist the County on any related issues requiring jurisdictional assistance, enforcement, or lead in resolving issue(s) related to complaints or noncompliance.

Edible Food Recovery Ordinance

Per the MOU, the County will develop and coordinate a standardized and uniform San Benito Countywide Edible Food Recovery Program consistent with and compliant to California Code of Regulations, Title 14, Division 7, Chapter 12 Short-Lived Climate Pollutants. The program will operate within San Juan Bautista's and Hollister's boundaries and will replace the



need for San Juan Bautista and Hollister to create such a program on their own. This program will operate in the unincorporated areas of the county as well as the jurisdictions in the county agreeing to the MOU. The purpose of this ordinance is to comply with SB 1383 and reduce the amount of edible food going to landfill. In summary, the ordinance will include the following:

- Commercial Edible Food Generators (Tier 1 and Tier 2) shall be required to but not limited to:
 - Arrange to safely recover for human consumption the maximum amount of edible food that would otherwise be disposed.
 - Enter in contract or written agreement with Food Recovery Organizations or Food Recovery Services for the collection of edible food that would otherwise be disposed or for the acceptance of edible food that would otherwise be disposed that the commercial edible food generator self-hauls to the Food Recovery Organization or Service.
 - Keep records
 - Allow the Enforcement Agency to review records and reports upon request
- Food Recovery Organizations and Services shall be required to but not limited to:
 - Maintain applicable records and data related to Tier 1 and Tier 2 businesses for which they are in contract with or have a written agreement.
 - Report total pounds of edible food recovered related to Tier 1 and Tier 2 businesses for which they are in contract with or have a written agreement.
 - Provide information and consult with the Regional Agency members regarding existing, proposed, or expanded food recovery capacity

In summary, the ordinance inspection, investigation, and enforcement will include the following but not limited to:

- The County and City Enforcement Officer or its designated Enforcement Agency is authorized to conduct any inspection or investigation as is necessary and shall accept written complaints regarding an entity that may be potentially non-compliant
- Violation of any provision will be grounds of issuance of a Notice of Violation and assessment of an administrative citation and penalty by the County or City Enforcement Officer or its designated Enforcement Agency
- Enforcement actions are issuance of an administrative citation and assessment of a fine that may be enforced by the County, City, or designated enforcement agency

In order to comply with California Code of Regulations, Title 14, Division 7, Chapter 12 Short-Lived Climate Pollutants by January 1, 2022(or soon thereafter), the City must adopt an edible food recovery ordinance to have an enforceable mechanism, however notice of violations and penalties to Tier 1 and Tier 2 businesses do not apply until 2024.

Unfunded Mandate

SB 1383 is an unfunded mandate and will require additional resources to administer. While the cost has not yet been ascertained, San Benito County Integrated Waste Management Regional Agency has allocated budget and staff this fiscal year to assist the Regional Agency members in compliance with the edible food recovery program requirements. Additional funding may be needed for County and City departments to cover the cost of their respective SB 1383 required activities.

San Benito County Integrated Waste Management Regional Agency

Per the Joint Power Integrated Waste Management Agreement signed in 1995 between the County of San Benito, the City of Hollister, and the City of San Juan Bautista, the County is the Lead Agency of the Regional Agency and staffs/manages the Integrated Waste Management programs to meet waste and recycling state mandates and reporting requirements for the Regional Agency members.

STAFF RECOMMENDATION:

Staff respectfully recommends that the City Council:

1. Receive presentation from IWM Staff and R3 Consulting Staff
2. Vote to adopt the Edible Food Recovery Ordinance establishing an Edible Food Recovery Program consistent with Senate Bill 1383 and provisions provided by the County. The ordinance will go into effect after 30 days, on January 20, 2022.



ORDINANCE 2021-04

AN ORDINANCE OF THE CITY OF SAN JUAN BAUTISTA AMENDING THE SAN JUAN BAUTISTA MUNICIPAL CODE TO ADD CHAPTER 5-35 FOR EDIBLE FOOD RECOVERY

THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA ORDAINS AS FOLLOWS:

Section 1. A new Chapter 5-35, entitled "Edible Food Recovery " is hereby added to the Municipal Code to read as follows;

Chapter 5-35

EDIBLE FOOD RECOVERY

ARTICLE 1. EDIBLE FOOD RECOVERY ORDINANCE

5-35-010 Purpose and Findings.

- (A) The purpose of this Ordinance is to comply with SB 1383 and reduce the amount of edible food going to landfill.
- (B) The City Council of the City of San Juan Bautista (City) has the power to enact Ordinances.
- (C) State organics recycling law, Senate Bill 1383 of 2016, the Short-lived Climate Pollutant Reduction Act of 2016 (approved by the Governor of the State of California on September 19, 2016), took effect on January 1, 2017 and sets Statewide Organic Waste disposal reduction targets of 50 percent by 2020 and 75 percent by 2025, and requires CalRecycle to develop regulations to reduce organics in landfills as a source of methane. The SB 1383 Regulations place requirements on multiple entities, including counties, cities, residential households, Commercial Businesses (including Multi-Family Residential Dwellings), Commercial Edible Food Generators, haulers, Self-Haulers, Food Recovery Organizations, and Food Recovery Services to support achievement of statewide Organic Waste disposal reduction targets with compliance required beginning January 1, 2022. The City is eligible for, has applied for and expects to receive, a rural waiver from CalRecycle for most of the generator and collection requirements, except for the commercial edible food generator requirements and other edible food recovery program requirements.



- (D) In furtherance of the food recovery objectives of the laws noted above and to reduce legal risks associated with food recovery, the State food donation law, Assembly Bill 1219 of 2017, the California Good Samaritan Food Donation Act of 2017, provides additional protections for entities that donate and distribute food for human consumption.
- (E) By January 1, 2022, the SB 1383 Regulations require jurisdictions that provide solid waste services, to adopt and enforce an ordinance or other enforceable mechanism to implement relevant provisions of SB 1383.
- (F) It is in the public interest for participants in the City—to work together to advance the goals in the state legislation noted above.
- (G) This Ordinance is adopted pursuant to CalRecycle's SB 1383 Regulations. The SB 1383 Regulations were the subject of a program environmental impact report (EIR) prepared by CalRecycle, and the activities to be carried out under this Ordinance are entirely within the scope of the SB 1383 Regulations and that EIR. No mitigation measures identified in the EIR are applicable to the City's enactment of this Ordinance. The EIR therefore adequately analyzes any potential environmental effects of the Ordinance and no additional environmental review is required. On a separate and independent basis, the Ordinance is exempt from CEQA pursuant to Section 15308, Class 8 of the CEQA Guidelines as an action that will not have a significant impact on the environment and as an action taken by a regulatory agency for the protection of the environment, specifically, for the protection of the climate. There are no unusual circumstances that would cause this Ordinance to have a significant effect on the environment

5-35-020 Definitions.

- (A) "CalRecycle" means California's Department of Resources Recycling and Recovery, which is the state agency designated with responsibility for developing, implementing, and enforcing the SB 1383 Regulations.
- (B) "California Code of Regulations" or "CCR" means the State of California Code of Regulations. CCR references in this Ordinance are preceded with a number that refers to the relevant Title of the CCR (e.g., "14 CCR" refers to Title 14 of CCR).
- (C) "Commercial Edible Food Generator" includes a Tier One or a Tier Two Commercial Edible Food Generator as defined herein or as otherwise defined in 14 CCR Section 18982(a)(73) and (a)(74). For the purposes of this definition, Food Recovery Organizations and Food Recovery Services are not Commercial Edible Food Generators pursuant to 14 CCR Section 18982(a)(7).
- (D) "City" means the City of San Juan Bautista.
- (E) "Designee" means a staff person that the City of San Juan Bautista assigns to carry out any of the City's responsibilities of this Ordinance.



(F) "Designated Entity" means an entity that the City of San Juan Bautista contracts with or otherwise arranges to carry out any of the City's responsibilities of this Ordinance as authorized in 14 CCR Section 18981.2. A Designated Entity may be a government entity, a private entity, or a combination of those entities.

(G) "Edible Food" means food intended for human consumption, or as otherwise defined in 14 CCR Section 18982(a)(18). For the purposes of this Ordinance or as otherwise defined in 14 CCR Section 18982(a)(18), "Edible Food" is not Solid Waste if it is recovered and not discarded. Nothing in this Ordinance or in 14 CCR, Division 7, Chapter 12 requires or authorizes the Recovery of Edible Food that does not meet the food safety requirements of the California Retail Food Code, as codified in the Health and Safety Code Section 113700, et seq.

(H) "Enforcement Action" means an action of the relevant Enforcement Agency to address non-compliance with this Ordinance including, but not limited to, issuing administrative citations, fines, penalties, or using other remedies.

(I) "Enforcement Agency" means an entity with the authority to enforce part or all of this Ordinance as specified herein. Employees and agents of an Enforcement Agency may carry out inspections and enforcement activities pursuant to this Ordinance. Nothing in this Ordinance authorizing an entity to enforce its terms shall require that entity to undertake such enforcement except as agreed to by that entity. The City of San Juan Bautista is an Enforcement Agency for purposes of enforcing this ordinance. Other public entities may be designated by the City to serve as an Enforcement Agency for the City.

(J) "Enforcement Officer" means the City Manager of the City of San Juan Bautista or designee.

(K) "Food Distributor" means a company that distributes food to entities including, but not limited to, Supermarkets and Grocery Stores, or as otherwise defined in 14 CCR Section 18982(a)(22).

(L) "Food Facility" has the same meaning as in Section 113789 of the Health and Safety Code.

(M) "Food Recovery" means actions to collect and distribute food for human consumption that otherwise would be disposed, or as otherwise defined in 14 CCR Section 18982(a)(24).

(N) "Food Recovery Organization" means an entity that engages in the collection or receipt of Edible Food from Commercial Edible Food Generators and distributes that Edible Food to the public for Food Recovery either directly or through other entities or as otherwise defined in 14 CCR Section 18982(a)(25), including, but not limited to:

- (1) A food bank as defined in Section 113783 of the Health and Safety Code;
- (2) A nonprofit charitable organization as defined in Section 113841 of the Health and Safety code; and,

- (3) A nonprofit charitable temporary food facility as defined in Section 113842 of the Health and Safety Code.

A Food Recovery Organization is not a Commercial Edible Food Generator for the purposes of this Ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7). If the definition in 14 CCR Section 18982(a)(25) for Food Recovery Organization differs from this definition, the definition in 14 CCR Section 18982(a)(25) shall apply to this Ordinance.

(O) "Food Recovery Service" means a person or entity that collects and transports Edible Food from a Commercial Edible Food Generator to a Food Recovery Organization or other entities for Food Recovery, or as otherwise defined in 14 CCR Section 18982(a)(26). A Food Recovery Service is not a Commercial Edible Food Generator for the purposes of this Ordinance and implementation of 14 CCR, Division 7, Chapter 12 pursuant to 14 CCR Section 18982(a)(7).

(P) "Food Scraps" means all edible or inedible food such as, but not limited to, fruits, vegetables, meat, poultry, seafood, shellfish, bones, rice, beans, pasta, bread, cheese, coffee grounds, and eggshells. Food Scraps excludes fats, oils, and grease when such materials are Source Separated from other Food Scraps.

(Q) "Food Service Provider" means an entity primarily engaged in providing food services to institutional, governmental, Commercial, or industrial locations of others based on contractual arrangements with these types of organizations, or as otherwise defined in 14 CCR Section 18982(a)(27).

(R) "Grocery Store" means a store primarily engaged in the retail sale of canned food; dry goods; fresh fruits and vegetables; fresh meats, fish, and poultry; and any area that is not separately owned within the store where the food is prepared and served, including a bakery, deli, and meat and seafood departments, or as otherwise defined in 14 CCR Section 18982(a)(30).

(S) "Health Facility" has the same meaning as in Section 1250 of the Health and Safety Code.

(T) "Inspection" means an Enforcement Agency's electronic or on-site review of records, containers, and an entity's collection, handling, recycling, or landfill disposal of Organic Waste or Edible Food handling to determine if the entity is complying with requirements set forth in this Ordinance, or as otherwise defined in 14 CCR Section 18982(a)(35).

(U) "Large Event" means an event, including, but not limited to, a sporting event or a flea market, that charges an admission price, or is operated by a local agency, and serves an average of more than 2,000 individuals per day of operation of the event, at a location that includes, but is not limited to, a public, nonprofit, or privately owned park, parking lot, golf course, street system, or other open space when being used for an event. If the definition in 14 CCR Section 18982(a)(38) differs from this definition, the definition in 14 CCR Section 18982(a)(38) shall apply to this Ordinance. For the purposes of this



definition of Large Event, "local agency" means all public agencies except those that are not subject to the regulatory authority of the jurisdiction.

(V) "Large Venue" means a permanent venue facility that annually seats or serves an average of more than 2,000 individuals within the grounds of the facility per day of operation. For purposes of this Ordinance and implementation of 14 CCR, Division 7, Chapter 12, a venue facility includes, but is not limited to, a public, nonprofit, or privately owned or operated stadium, amphitheater, arena, hall, amusement park, conference or civic center, zoo, aquarium, airport, racetrack, horse track, performing arts center, fairground, museum, theater, or other public attraction facility. For purposes of this Ordinance and implementation of 14 CCR, Division 7, Chapter 12, a site under common ownership or control that includes more than one Large Venue that is contiguous with other Large Venues in the site, is a single Large Venue. If the definition in 14 CCR Section 18982(a)(39) differs from this definition, the definition in 14 CCR Section 18982(a)(39) shall apply to this Ordinance.

(W) "Notice of Violation" means a notice that a violation has occurred that includes a compliance date to avoid an action to seek penalties, or as otherwise defined in 14 CCR Section 18982(a)(45) or further explained in 14 CCR Section 18995.4.

(X) "Restaurant" means an establishment primarily engaged in the retail sale of food and drinks for on-premises or immediate consumption, or as otherwise defined in 14 CCR Section 18982(a)(64).

(Y) "SB 1383" means Senate Bill 1383 of 2016, the Short-lived Climate Pollutant Reduction Act of 2016.

(Z) "SB 1383 Regulations" means or refers to, for the purposes of this Ordinance, the Short-Lived Climate Pollutants: Organic Waste Reduction regulations developed by CalRecycle and adopted in 2020 that created 14 CCR, Division 7, Chapter 12 and amended portions of regulations of 14 CCR and 27 CCR.

(AA) "Supermarket" means a full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items, or as otherwise defined in 14 CCR Section 18982(a)(71).

(BB) "Tier One Commercial Edible Food Generator" means a Commercial Edible Food Generator that is one of the following:

- (1) Supermarket.
- (2) Grocery Store with a total facility size equal to or greater than 10,000 square feet.
- (3) Food Service Provider.
- (4) Food Distributor.



(5) Wholesale Food Vendor.

If the definition in 14 CCR Section 18982(a)(73) of Tier One Commercial Edible Food Generator differs from this definition, the definition in 14 CCR Section 18982(a)(73) shall apply to this Ordinance.

(CC) "Tier Two Commercial Edible Food Generator" means a Commercial Edible Food Generator that is one of the following:

- (1) Restaurant with 250 or more seats, or a total facility size equal to or greater than 5,000 square feet.
- (2) Hotel with an on-site Food Facility and 200 or more rooms.
- (3) Health facility with an on-site Food Facility and 100 or more beds.
- (4) Large Venue.
- (5) Large Event.

If the definition in 14 CCR Section 18982(a)(74) of Tier Two Commercial Edible Food Generator differs from this definition as to entities subject to the regulatory authority of a jurisdiction, the definition in 14 CCR Section 18982(a)(74) shall apply to this Ordinance.

(DD) "Wholesale Food Vendor" means a business or establishment engaged in the merchant wholesale distribution of food, where food (including fruits and vegetables) is received, shipped, stored, prepared for distribution to a retailer, warehouse, distributor, or other destination, or as otherwise defined in 14 CCR Section 189852(a)(76).

5-35-030 Commercial Edible Food Generator Requirements.

Tier One Commercial Edible Food Generators must comply with the requirements of this Section commencing January 1, 2022, and Tier Two Commercial Edible Food Generators must comply commencing January 1, 2024, pursuant to 14 CCR Section 18991.3 or such later deadline established by State law or regulations.

Large Venue or Large Event operators not providing food services, but allowing for food to be provided by others, shall require Food Facilities, as defined in Section 113789 of the Health and Safety Code, operating at the Large Venue or Large Event to comply with the requirements of this Section, commencing January 1, 2024 or such later deadline established by State law or regulations.

Commercial Edible Food Generators shall comply with the following requirements:



- (A) Arrange to safely recover for human consumption the maximum amount of Edible Food that would otherwise be disposed.
- (B) Enter into a contract or other written agreement with Food Recovery Organizations or Food Recovery Services for: (i) the collection for Food Recovery of Edible Food that would otherwise be disposed; or, (ii) acceptance of Edible Food that would otherwise be disposed that the Commercial Edible Food Generator self-hauls to the Food Recovery Organization for Food Recovery.
- (C) Use best efforts to abide by all contractual or written agreement requirements specified by the Food Recovery Organization or Food Recovery Service on how Edible Food should be prepared, packaged, labeled, handled, stored, distributed or transported to the Food Recovery Organization or Service.
- (D) Not intentionally donate food that has not been prepared, packaged, handled, stored and/or transported in accordance with the safety requirements of the California Retail Food Code.
- (E) Not intentionally spoil Edible Food that is capable of being recovered by a Food Recovery Organization or a Food Recovery Service.
- (F) Allow the Enforcement Agency to review records upon request, including by providing electronic copies or allowing access to the premises.
- (G) Keep records that include the following information, or as otherwise specified in 14 CCR Section 18991.4:
 - (1) A list of each Food Recovery Service or Food Recovery Organization that collects or receives its Edible Food pursuant to a contract or written agreement established under 14 CCR Section 18991.3(b).
 - (2) A copy of all contracts and written agreements established under 14 CCR Section 18991.3(b) and/or this Ordinance.
 - (3) A record of the following information for each of those Food Recovery Services or Food Recovery Organizations:
 - (a) The name, address and contact information of the Food Recovery Service or Food Recovery Organization.
 - (b) The types of food that will be collected by or self-hauled to the Food Recovery Service or Food Recovery Organization.
 - (c) The established frequency that food will be collected or self-hauled.



- (d) The quantity of food, measured in pounds recovered per month, collected or self-hauled to a Food Recovery Service or Food Recovery Organization for Food Recovery.
- (4) If it has not entered into a contract or written agreement with Food Recovery Organizations or Food Recovery Service, a record that describes (i) its direct donation of Edible Food to end recipients (including employees) and/or (ii) its food waste prevention practices that result in it generating no surplus Edible Food that it can donate.
- (H) Tier One Commercial Edible Food Generators and Tier Two Commercial Edible Food Generators shall provide, upon request, a Food Recovery report to the Enforcement Agency that includes the information in G. Entities shall provide the requested information within 60 days of the request.

Nothing in this Ordinance shall be construed to limit or conflict with (1) the protections provided by the California Good Samaritan Food Donation Act of 2017, the Federal Good Samaritan Act, or share table and school food donation guidance pursuant to Senate Bill 557 of 2017 or (2) otherwise applicable food safety and handling laws and regulations.

Nothing in this Ordinance prohibits a Commercial Edible Food Generator from donating Edible Food directly to end recipients for consumption, pursuant to Health and Safety Code Section 114432(a).

SECTION 5-35-040 Requirements For Food Recovery Organizations And Services.

- (A) Food Recovery Services collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records:
 - (1) The name, address, and contact information for each Commercial Edible Food Generator from which the service collects Edible Food.
 - (2) The quantity in pounds of Edible Food collected from each Commercial Edible Food Generator per month. This may also include the total quantity in pounds of food collected that was spoiled when received from a Commercial Edible Food Generator or otherwise not able to be used to feed people.
 - (3) The quantity in pounds of Edible Food transported to each Food Recovery Organization per month.



- (4) The name, address, and contact information for each Food Recovery Organization that the Food Recovery Service transports Edible Food to for Food Recovery.
- (B) Food Recovery Organizations collecting or receiving Edible Food directly from Commercial Edible Food Generators, via a contract or written agreement established under 14 CCR Section 18991.3(b), shall maintain the following records:
 - (1) The name, address, and contact information for each Commercial Edible Food Generator from which the organization receives Edible Food.
 - (2) The quantity in pounds of Edible Food received from each Commercial Edible Food Generator per month. This may also include the total quantity in pounds of food collected that was spoiled when received from a Commercial Edible Food Generator or otherwise not able to be used to feed people.
 - (3) The name, address, and contact information for each Food Recovery Service that the organization receives Edible Food from for Food Recovery.
- (C) Food Recovery Organizations and Food Recovery Services that have their primary address physically located in the City and contract with or have written agreements with one or more Commercial Edible Food Generators shall report to the City, or its designated Enforcement Agency, the total pounds of Edible Food recovered from the Tier One and Tier Two Commercial Edible Food Generators they have established a contract or written agreement with (regardless of whether those Generators are located in the City) according to the following schedule:
 - (Tier 1) no later than August 15, 2022, submit an initial report covering the period of January 1, 2022 to June 30, 2022; and
 - (Tier 2) no later than March 31, 2023, and no later than every March 31 thereafter, submit a report covering the period of January 1 to December 31 of the previous calendar year.
- (D) In order to support Edible Food Recovery Capacity planning assessments and similar studies, Food Recovery Services and Food Recovery Organizations operating in the City shall provide, upon request, information and consultation to the City, or the City, regarding existing, or proposed new or expanded, food recovery capacity in a form that can be provided to or that can be accessed by the City and the Commercial Edible Food Generators in the City. A Food Recovery Service or Food Recovery Organization contacted by an Enforcement Officer designated by the City, shall respond to such request for information within 60 days, unless a shorter timeframe is otherwise specified by the Enforcement Officer.

SECTION 5-35-050 Inspections and Investigations.

- A. The City's Enforcement Officer or its designated Enforcement Agency is authorized to conduct any Inspections or other investigations as reasonably necessary to further the goals of this Ordinance, subject to applicable laws.
- B. A person subject to the requirements of this Ordinance shall provide or arrange for access during all Inspections (with the exception of a private residential dwelling unit) and shall cooperate with the Enforcement Agency during such Inspections and investigations. Such Inspections and investigations may include Inspection of Edible Food Recovery activities, review of required records, or other verification or Inspection to confirm compliance. Failure to provide or arrange for access to the premises or access to records for any Inspection or investigation is a violation of this Ordinance and may result in penalties.
- C. Any records obtained by the City's Enforcement Officer or its designated Enforcement Agency during Inspections and other reviews shall be subject to the requirements and applicable disclosure exemptions of the California Public Records Act as set forth in Government Code Section 6250 et seq.
- D. The City's Enforcement Officer or its designated Enforcement Agency shall accept written complaints from persons regarding an entity that may be potentially non-compliant with this Ordinance.

SECTION 5-35-060 Enforcement.

- A. Violation of any provision of this Ordinance shall constitute an infraction and will be grounds for issuance of a Notice of Violation and assessment of an administrative citation and penalty by the City's Enforcement Officer or its designated Enforcement Agency.
- B. Enforcement Actions under this Ordinance are issuance of an administrative citation and assessment of a fine. Any section of this Ordinance may be enforced by the City, or, if agreed to, by its designated Enforcement Agency.
- C. A violation may be punishable by: (2-7-150 of the Code, or as amended)
 - A fine not exceeding \$50 for a first violation;
 - A fine not exceeding \$100 for a second violation of the same provision of this code within any twelve consecutive month period;
 - A fine not exceeding \$500 for each additional violation of the same provision of this code within any twelve consecutive-month period.
- D. The Enforcement Agency for the provisions of this Ordinance is the City and any designated Enforcement Agency authorized by the City to enforce one or more sections of this Ordinance.

Section 2. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase (hereinafter "part" of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsection, subdivision, paragraphs, sentences, clauses or phrases ("part") of this Ordinance, or its application to any other person or circumstance. The City Council hereby declares that it would have adopted each part hereof, irrespective of the fact that any one or more other parts hereto be declared invalid or unenforceable.

Section 3. Effective Date. This Ordinance shall take effect and be in force thirty (30) days from the date of approval.

Section 4. Publication. Within fifteen (15) days after passage, the City Clerk shall cause this Ordinance to be published one time in the newspaper of general circulation.

THIS ORDINANCE WAS INTRODUCED at a regular meeting of the City Council of the City of San Juan Bautista on November 16TH, 2021

PASSED AND ADOPTED at a regular meeting of the City Council of the City of San Juan Bautista held _____ day of _____, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Leslie Q Jordan Mayor

ATTEST:

Deputy City Clerk Trish Paetz

ORDINANCE NO. 2021-05

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
INCREASING SEWER RATES AND AMENDING SECTION 3-5-150 OF THE
SAN JUAN BAUTISTA MUNICIPAL CODE REGARDING SEWER RATES**

WHEREAS, the City provides its wastewater customers with wastewater collection and treatment services; and

WHEREAS, the City funds these services, including associated operations, maintenance, improvement, and debt service costs, with sewer rates that are collected from wastewater customers on their monthly municipal utility bills; and

WHEREAS, the existing rates are not sufficient to fully fund anticipated expenses; and

WHEREAS, the City engaged Bartle Wells & Associates ("BWA") to recommend a schedule of sewer rates that would fully fund the City's anticipated wastewater system costs and would spread those costs amongst sewer customers in a manner consistent with the requirements of Article XIII D, Section 6 of the California Constitution ("Proposition 218"); and

WHEREAS, on October 19, 2021, by its Resolution No. 2021-53 (the "Resolution of Intention"), the City Council, following the recommendation of BWA, proposed to increase the City's sewer rates over a five year period; and

WHEREAS, on December 14, 2021, the City Council held a public hearing (the "Public Hearing") regarding the proposed increase; and

WHEREAS, notice of the Public Hearing was mailed to wastewater customers in the manner required by Proposition 218, Section 53755 of the Government Code, and applicable law; and

WHEREAS, at the public hearing, all interested persons had the opportunity to provide oral and written testimony regarding the proposed rates; and

WHEREAS, written protests against the proposed schedule of rate increases were accepted by the City pursuant to the Guidelines for the Acceptance and Tabulation of Protests (the "Guidelines") set forth in Attachment "B" to the Resolution of Intention, which Guidelines are on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference; and

WHEREAS, the City Council has reviewed BWA's Sewer Rate Study, dated October 13, 2021, which is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference; and



WHEREAS, the City Council has reviewed the additional information submitted to the City by BWA via memorandum dated December 1, 2021, which is on file in the Office of the City Clerk, available for public inspection, and incorporated herein by reference; and

WHEREAS, the City Council desires to adopt the proposed schedule of rate increases; and

WHEREAS, the City Council desires to amend the Municipal Code to permit future sewer rate increases to be adopted by resolution.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
HEREBY ORDAINS AS FOLLOWS:**

Section 1. The City Council finds and declares as follows:

- A. The forgoing recitals are true and correct.
- B. No majority protest, as defined in the Guidelines, exists against the proposed rate increase.
- C. Revenues derived from the proposed rates are not anticipated to exceed the funds required to provide wastewater collection and treatment services.
- D. Revenues derived from the proposed rates will not be used for any purpose other than providing wastewater collection and treatment services.
- E. The amount of the proposed rates imposed upon any parcel or person as an incident of property ownership will not exceed the proportional cost of the service attributable to the parcel.
- F. Wastewater collection and treatment services are actually used by, or immediately available to customers subject to the rates.

Section 2. The rates set forth in Attachment "A" to this Ordinance, which is attached hereto and incorporated herein by reference, are hereby adopted. Each of the Rates set forth in Attachment "A" shall go into effect as set forth therein, without further action of the City Council. The Council may, by ordinance or resolution, reduce any rate set forth in Attachment "A" but may not increase any rate about what is shown in Attachment "A" without complying with the notice, protest and hearing provisions of Proposition 218.

Section 3. Section 3-5-150 of the Municipal Code is amended to read:

3-5-150. Sewer Rates

Subject to the notice, protest and hearing requirements of Article XIII D, Section 6 of the California Constitution, the City Council may adopt and revise sewer rates by ordinance or resolution.

Section 4. Environmental Assessment. The City Council declares that the approval of this ordinance is not subject to the California Environmental Quality Act ("CEQA") because pursuant to CEQA Guidelines Sections 15060 (c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); and, 15060 (c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly. Alternatively, the approval of this ordinance is not a "Project" under CEQA Regulation Section 15061(b)(3) because it has no potential for causing a significant effect on the environment.

Section 5. Severability. This Ordinance and the various parts thereof are hereby declared to be severable. Should any section of the Ordinance be declared by a court to be unconstitutional or invalid, such decisions shall not affect the validity of the Ordinance as a whole, or any parts thereof, so declared unconstitutional or invalid.

Section 6. Effective Date. This Ordinance shall go into effect thirty (30) days after the date of its adoption.

THE FOREGOING ORDINANCE was first read at a special meeting of the San Juan Bautista City Council on the 14th day of December, 2021, and adopted at a regular meeting of the San Juan Bautista City Council on the 21th day of December 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

/s/

, Mayor

ATTEST:

/s/

Trish Paetz, Deputy City Clerk



Attachment A

New Schedule of Sewer Rates

	Effective 2/1/2022	Effective 7/1/2022	Effective 7/1/2023	Effective 7/1/2024	Effective 7/1/2025
Residential					
Monthly Fixed Rate	\$95.62	\$109.01	\$124.27	\$141.67	\$148.75
Commercial					
Min. Monthly Rate	\$95.62	\$109.01	\$124.27	\$141.67	\$148.75
Volumetric Rates (\$/1,000 Gal)	\$14.51	\$16.54	\$18.86	\$21.50	\$22.57

Residential users pay a fixed monthly rate per dwelling unit (ie per single family home, apartment unit, or condominium unit).

Commercial users pay a "volumetric" rate per 1,000 gallons of metered water consumption, subject to a minimum rate (ie each month they pay the higher of the calculated volumetric charge or the minimum rate).

Pass Through

The City of Hollister will begin charging the City of San Juan Bautista a treatment charge when the City of San Juan Bautista commences using treatment services provided by Hollister. Hollister's charge is stated as a rate per EDU of sewage received by Hollister from the City. An EDU is the monthly volume of sewage generated by a flow of 161 gallons of sewage per day. The rates shown in the table above assume that this treatment charge will be \$52.48 in Fiscal Year 2023-24, \$54.58 in FY 2024-25 and \$56.76 in FY 2025-26. If Hollister charges treatment charges that are different from these assumed amounts, the City will "pass through" the rate change as follows:

For every \$0.10 the Hollister charge per EDU is greater or less than the assumed amount the monthly residential rate and the minimum commercial rate as shown in the rate table will increase or decrease by \$0.0797 while the volumetric commercial rate per 1,000 gallons will increase or decrease by \$0.0181.

For example, if Hollister charges \$54.68 per EDU per month in FY 2024-25 the monthly residential rate will be \$141.74 and the commercial volumetric rate will be \$21.52.

WAIVER OF READING OF ORDINANCES

State law requires that an ordinance be read in its entirety prior to adoption unless the City Council waives reading beyond the title. Reading an entire ordinance at the meeting is extremely time-consuming; reading of the title alone usually gives the audience sufficient understanding of what the Council is considering.

To ensure that this waiver is consistently approved by the Council, Council should make the waiver at each meeting, thus, you should do it at this point on the Consent Agenda. The Council then does not have to worry about making this motion when each ordinance comes up on the agenda.

GC36934

RHNA Methodology and Draft RHNA Allocations

San Juan Bautista City Council

December 21, 2021



COG Board of Directors



Chair Velazquez



Vice-Chair Vasquez Edge



Director Tiffany



Director Hernandez



Director Resendiz

What is the RHNA?

- Since 1969, State law requires that all jurisdictions must plan to meet the housing needs of the community.
- HCD identifies total number of units for which the region must plan for the eight-year RHNA period 2023 to 2031. San Benito's housing allocation is 5,005 units.
- COG collaborates with local governments to develop a formula to assign each community a share of the region's housing need.
- Each local government must update their Housing Element of General Plan and zoning to show how it plans to accommodate its share of the regional need.



The role of the State is to identify the total number of homes for which each region in California must plan in order to meet the housing needs of people across the full spectrum of income levels, from housing for very low-income households all the way to market rate housing. This is developed by the California Department of Housing and Community Development (HCD) and is known as the Regional Housing Need Determination (RHND).



The role of the region is to allocate a share of the RHND to each local government in the region. As the Council of Governments (COG) for the San Benito region, San Benito COG is responsible for developing the methodology for sharing the RHND among all cities and counties in the region



The role of local governments is to participate in the development of the allocation methodology and to update their Housing Elements and local zoning to show how they will accommodate their share of the RHND, following the adoption of the RHNA

What are the primary steps of the process?



Coordination



Staff Level Planning Meetings:

Meeting No. 1, October 29, 2021
Meeting No. 2, November 10, 2021
Meeting No. 3, January 5, 2022

BOS/Council Meetings:

Board of Supervisors, December 14, 2021
Hollister City Council December 20, 2021
San Juan Bautista City Council, December 21, 2021



Council of San Benito County Governments



What are the statutory objectives of RHNA?



Council of San Benito County Governments

5 RHNA Objectives

Consider 5 RHNA Objectives

- (1) Increasing the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low income households.
- (2) Promoting infill development and socioeconomic equity, the protection of environmental and agricultural resources, the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the State Air Resources Board pursuant to Section 65080.

5 RHNA Objectives

Consider 5 RHNA Objectives

- (3) Promoting an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
- (4) Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
- (5) Affirmatively furthering fair housing.

13 RHNA Factors

Jobs and Housing Relationship
 Opportunities/constraints (infrastructure, availability of land, preserved land)
 Maximizing transit and transportation infrastructure
 Directing growth toward incorporated areas
 Loss of assisted housing units
 High housing cost burdens
 Rate of overcrowding
 Farmworkers housing needs
 Housing needs of college students
 Housing needs of those experiencing homelessness
 Loss of units during emergency
 SB 375 GHG reduction targets
 Other factors

Methodology Option A:

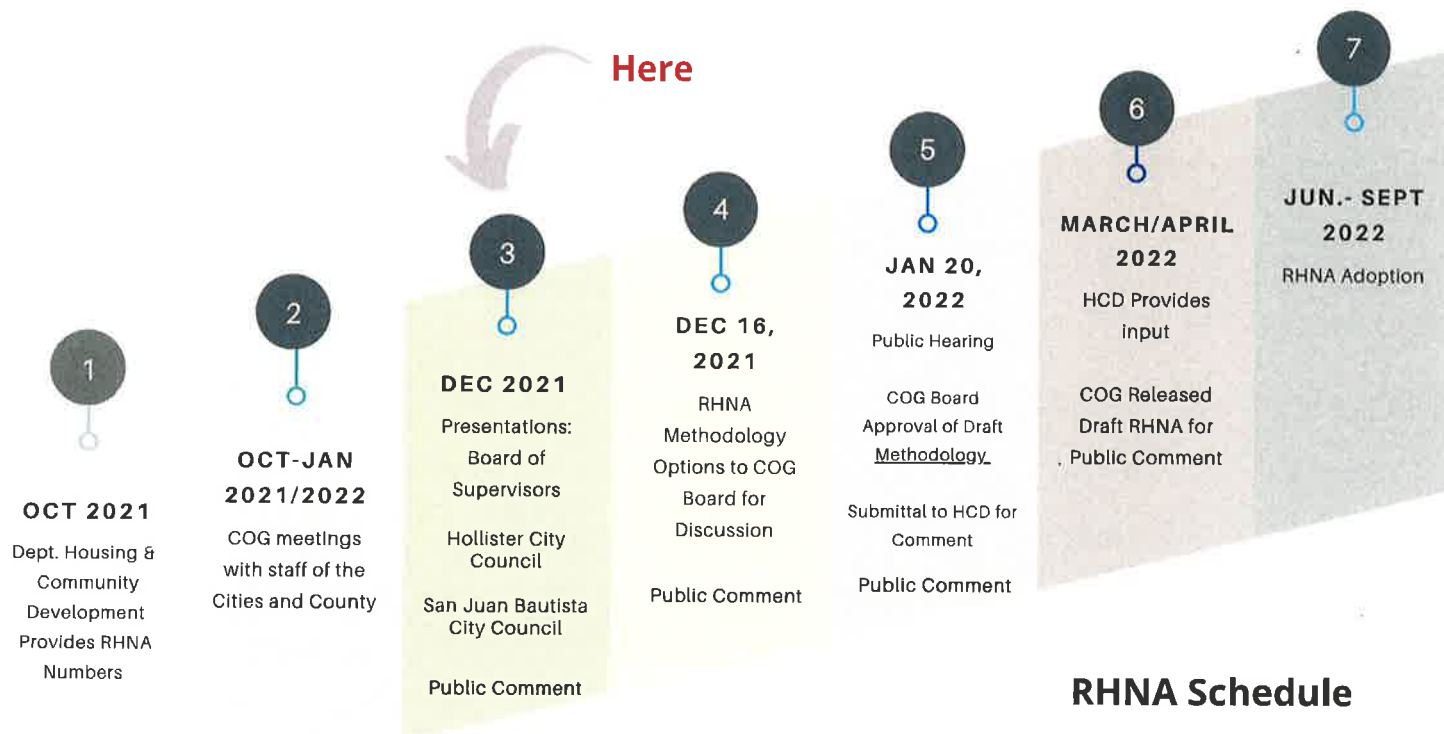
	Housing	Jobs			Resiliency			RHNA	
Option A				85%				15%	
	Fcst. Unit Chg. 2025-35	Jobs 2020	% Region Jobs	Units	% Area Not In High Risk Zone	Normalized (% Area x Unit Chg)	% Reg. Area x Unit Chg	Units	Total
San Benito County	3,052	23,263	0%	1,660	0%	0	0%	293	5,005
Hollister	1,200	15,492	67%	1,105	100%	1,200	75%	219	2,524
San Juan Bautista	73	557	2%	40	81%	59	4%	11	124
Unincorp. San Benito	1,779	7,214	31%	515	20%	348	22%	63	2,357

Methodology Option B:

	Housing	Jobs			Resiliency				RHNA
Option B					85%			15%	
	Fcst. Unit Chg. 2030-35	Jobs 2020	% Region Jobs	Units	% Area Not in High Risk Zone	Normalized (% Area x Unit Chg)	% Reg. Area x Unit Chg	Units	Total
San Benito County	1,440	23,263	0%	3,030	0%	0	0%	535	5,005
Hollister	524	15,492	67%	2,017	100%	524	72%	387	2,928
San Juan Bautista	33	557	2%	73	81%	27	4%	20	126
Unincorp. San Benito	883	7,214	31%	940	20%	173	24%	128	1,951

Methodology Option C:

	Housing	Jobs			Resiliency				RHNA
Option C					40%			60%	
	Fcst. Unit Chg. 2030-35	Jobs 2020	% Region Jobs	Units	% Area Not in High Risk Zone	Normalized (% Area x Unit Chg)	% Reg. Area x Unit Chg	Units	Total
San Benito County	1,440	23,263	0%	1,426	0%	0	0%	2,139	5,005
Hollister	524	15,492	67%	950	100%	524	72%	1,549	3,023
San Juan Bautista	33	557	2%	34	81%	27	4%	79	146
Unincorp. San Benito	883	7,214	31%	442	20%	173	24%	511	1,836



Mary Gilbert, Executive Director
Veronica Lezama, Transportation Planner

SanBenitocog.org 31.637.7665
 330 Tres Pinos Road, C7
 Hollister, CA 95023



RHNA - 6th Cycle

CITY OF SAN JUAN BAUTISTA

INDEPENDENT AUDITOR'S REPORT

AND

FINANCIAL STATEMENTS

JUNE 30, 2021

draft

TABLE OF C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1 – 2
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements	
Balance Sheet – Governmental Funds	5
Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities	6
Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds	7
Reconciliation of Statement of Revenue, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	8
Statement of Net Position – Proprietary Funds	9
Statement of Revenue, Expense and Changes in Fund Net Position – Proprietary Funds	10
Statement of Cash Flow – Proprietary Funds	11
Notes to the Basic Financial Statements	12 – 28
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	29
Supplemental Only Information	
Combining Balance Sheet – Nonmajor Governmental Funds	30 – 31
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	32 – 33
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	34 – 35

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of San Juan Bautista, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Juan Bautista, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Juan Bautista, California, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2021, on our consideration of the City of San Juan Bautista's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of San Juan Bautista's internal control over financial reporting and compliance.



December 11, 2021

CITY OF SAN JUAN BAUTISTA

STATEMENT OF NET POSITION JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 3,832,979	\$ 1,416,909	\$ 5,249,888
Restricted cash and investments	-	1,075,257	1,075,257
Accounts receivable, net	34,461	258,402	292,863
Due from other governmental agencies	1,038,202	-	1,038,202
Internal balances	1,624,504	(1,624,504)	-
Prepaid expense and other assets	6,492	-	6,492
Capital assets (net of allowance for depreciation)	3,965,284	12,999,442	16,964,726
Total assets	<u>10,501,922</u>	<u>14,125,506</u>	<u>24,627,428</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on debt refunding	-	1,455,869	1,455,869
Total deferred outflows of resources	<u>-</u>	<u>1,455,869</u>	<u>1,455,869</u>
LIABILITIES			
Accounts payable and accrued expense	405,842	519,283	925,125
Accrued settlement	-	88,000	88,000
Accrued interest	-	95,783	95,783
Deposits	-	164,407	164,407
Long-term liabilities			
Due within one year	-	285,000	285,000
Due in more than one year	-	10,225,205	10,225,205
Total liabilities	<u>405,842</u>	<u>11,377,678</u>	<u>11,783,520</u>
NET POSITION			
Net investment in capital assets	3,965,284	2,489,237	6,454,521
Restricted for capital improvements	1,068,636	1,075,257	2,143,893
Restricted for specific projects and programs	830,547	-	830,547
Unrestricted	4,231,613	639,203	4,870,816
Total net position	<u>\$ 10,096,080</u>	<u>\$ 4,203,697</u>	<u>\$ 14,299,777</u>

CITY OF SAN JUAN BAUTISTA

STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenue				Net Revenue/(Expense) and Changes in Net Position		
	Expense	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities							
General government	\$ 456,330	\$ -	\$ 637,425	\$ -	\$ 181,095	\$ -	\$ 181,095
Public works	528,020	-	95,111	500,932	68,023	-	68,023
Parks and recreation	71,316	639	1,000	-	(69,677)	-	(69,677)
Public safety	874,369	2,270	202,950	-	(669,149)	-	(669,149)
Community development	681,639	138,172	-	-	(543,467)	-	(543,467)
Total governmental activities	<u>2,611,674</u>	<u>141,081</u>	<u>936,486</u>	<u>500,932</u>	<u>(1,033,175)</u>	<u>-</u>	<u>(1,033,175)</u>
Business-type activities							
Water	1,480,858	1,406,447	-	-	-	(74,411)	(74,411)
Sewer	1,282,809	1,113,047	-	-	-	(169,762)	(169,762)
Total business-type activities	<u>2,763,667</u>	<u>2,519,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(244,173)</u>	<u>(244,173)</u>
Total primary government	<u>\$ 5,375,341</u>	<u>\$ 2,660,575</u>	<u>\$ 936,486</u>	<u>\$ 500,932</u>	<u>(1,033,175)</u>	<u>(244,173)</u>	<u>(1,277,348)</u>
General Revenues							
Property taxes and assessments					718,026	-	718,026
Sales taxes					661,537	-	661,537
Lodging taxes					139,972	-	139,972
Franchise taxes					117,822	-	117,822
Business licenses					33,584	-	33,584
Motor vehicle in-lieu					244,452	-	244,452
Interest and rent					105,202	2,729	107,931
Other					17,308	-	17,308
Transfers					331,185	(331,185)	-
Total general revenue					<u>2,369,088</u>	<u>(328,456)</u>	<u>2,040,632</u>
Change in Net Position					1,335,913	(572,629)	763,284
Net Position							
Beginning of year					8,760,167	4,776,326	13,536,493
End of year					<u>\$ 10,096,080</u>	<u>\$ 4,203,697</u>	<u>\$ 14,299,777</u>

See accompanying notes.

CITY OF SAN JUAN BAUTISTA

BALANCE SHEET – GOVERNMENTAL FUNDS JUNE 30, 2021

	General	Non Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 2,427,129	\$ 1,405,850	\$ 3,832,979
Accounts receivable	34,461	-	34,461
Due from other governmental agencies	977,496	60,706	1,038,202
Due from other funds	7,649	-	7,649
Advance to other funds	1,624,504	-	1,624,504
Prepaid expense and other assets	6,492	-	6,492
Total assets	<u>\$ 5,077,731</u>	<u>\$ 1,466,556</u>	<u>\$ 6,544,287</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE			
Liabilities			
Accounts payable and accrued expense	\$ 401,822	\$ 4,020	\$ 405,842
Due to other funds	-	7,649	7,649
Total liabilities	<u>401,822</u>	<u>11,669</u>	<u>413,491</u>
Deferred Inflows of Resources			
Unavailable revenues	<u>62,423</u>	<u>12,488</u>	<u>74,911</u>
Total deferred inflows of resources	<u>62,423</u>	<u>12,488</u>	<u>74,911</u>
Fund Balance			
Nonspendable			
Advances to other funds	1,624,504	-	1,624,504
Prepaid	6,492	-	6,492
Restricted			
Public safety	-	255,521	255,521
Capital improvement projects	-	977,058	977,058
Circulation improvements	-	91,578	91,578
Lighting and landscape maintenance	-	119,916	119,916
Committed			
Buildings	200,950	-	200,950
Vehicles	254,160	-	254,160
Unassigned	<u>2,527,380</u>	<u>(1,674)</u>	<u>2,525,706</u>
Total fund balance	<u>4,613,486</u>	<u>1,442,399</u>	<u>6,055,885</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 5,077,731</u>	<u>\$ 1,466,556</u>	<u>\$ 6,544,287</u>

See accompanying notes.

CITY OF SAN JUAN BAUTISTA

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2021

Total governmental fund balances	\$ 6,055,885
----------------------------------	--------------

Amounts reported for governmental activities in the statement
of net position are different because:

Certain revenues are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds	74,911
---	--------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>3,965,284</u>
---	------------------

Net position of governmental activities	<u><u>\$ 10,096,080</u></u>
---	-----------------------------

CITY OF SAN JUAN BAUTISTA

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2021

	General	Non Major Governmental Funds	Total Governmental Funds
Revenue			
Taxes	\$ 1,577,602	\$ 111,474	\$ 1,689,076
Intergovernmental	681,758	254,728	936,486
Charges for services	33,879	-	33,879
Licenses, permits and impact fees	256,228	145,240	401,468
Fines and forfeitures	2,380	-	2,380
Interest and rent	105,202	-	105,202
Other	17,308	-	17,308
Total revenue	<u>2,674,357</u>	<u>511,442</u>	<u>3,185,799</u>
Expenditures			
Current			
General government	446,811	-	446,811
Public works	326,721	103,789	430,510
Parks and recreation	50,062	-	50,062
Public safety	850,648	8,333	858,981
Community development	681,639	-	681,639
Capital outlay	1,289,512	-	1,289,512
Total expenditures	<u>3,645,393</u>	<u>112,122</u>	<u>3,757,515</u>
Revenue over/(under) expenditures	(971,036)	399,320	(571,716)
Other Financing Sources/(Uses)			
Operating transfers in/(out)	878,091	(546,906)	331,185
Total other financing sources (uses)	<u>878,091</u>	<u>(546,906)</u>	<u>331,185</u>
Change in Fund Balance	(92,945)	(147,586)	(240,531)
Fund Balance			
Beginning of year	4,706,431	1,589,985	6,296,416
End of year	<u>\$ 4,613,486</u>	<u>\$ 1,442,399</u>	<u>\$ 6,055,885</u>

CITY OF SAN JUAN BAUTISTA

RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2021

Net change in fund balance - total governmental funds	\$ (240,531)
---	--------------

Amounts reported for governmental activities in the statement of activities are different because:

Depreciation expense on capital assets is reported in the Statement of Activities, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds	(143,671)
--	-----------

Certain revenues in Governmental Funds are deferred because they are not collected within the prescribed time period after fiscal year end. Those revenues are recognized on the accrual basis in the Statement of Net Assets	74,911
---	--------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay in the current period.	<u>1,645,204</u>
--	------------------

Change in net position of governmental activities	<u><u>\$ 1,335,913</u></u>
---	----------------------------

CITY OF SAN JUAN BAUTISTA

STATEMENT OF NET POSITION – PROPRIETARY FUNDS

JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total Proprietary Funds
ASSETS			
Current assets			
Cash and investments	\$ 663,383	\$ 753,526	\$ 1,416,909
Restricted cash and investments	703,517	371,740	1,075,257
Accounts receivable, net	134,326	124,076	258,402
Total current assets	<u>1,501,226</u>	<u>1,249,342</u>	<u>2,750,568</u>
Non-current assets			
Property, plant and equipment (net of allowance for depreciation)	<u>7,203,579</u>	<u>5,795,863</u>	<u>12,999,442</u>
Total noncurrent assets	<u>7,203,579</u>	<u>5,795,863</u>	<u>12,999,442</u>
Total assets	<u>8,704,805</u>	<u>7,045,205</u>	<u>15,750,010</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on debt refunding	<u>800,728</u>	<u>655,141</u>	<u>1,455,869</u>
Total deferred outflows of resources	<u>800,728</u>	<u>655,141</u>	<u>1,455,869</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expense	34,114	485,169	519,283
Accrued settlement	88,000	-	88,000
Accrued interest	52,681	43,102	95,783
Advance from other funds	893,477	731,027	1,624,504
Deposits	164,407	-	164,407
Current portion of long-term debt	<u>156,750</u>	<u>128,250</u>	<u>285,000</u>
Total current liabilities	<u>1,389,429</u>	<u>1,387,548</u>	<u>2,776,977</u>
Noncurrent Liabilities			
Long-term debt	<u>5,623,863</u>	<u>4,601,342</u>	<u>10,225,205</u>
Total liabilities	<u>7,013,292</u>	<u>5,988,890</u>	<u>13,002,182</u>
NET POSITION			
Net investment in capital assets	1,422,966	1,066,271	2,489,237
Restricted for capital improvements	703,517	371,740	1,075,257
Unrestricted	365,758	273,445	639,203
Total net position	<u>\$ 2,492,241</u>	<u>\$ 1,711,456</u>	<u>\$ 4,203,697</u>

CITY OF SAN JUAN BAUTISTA

STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total Proprietary Funds
Operating Revenue			
Charges for services	\$ 1,402,857	\$ 1,113,047	\$ 2,515,904
Other fees	3,590	-	3,590
Total operating revenue	<u>1,406,447</u>	<u>1,113,047</u>	<u>2,519,494</u>
Operating Expense			
Contractual services and utilities	286,592	485,034	771,626
Personnel	189,792	171,102	360,894
Supplies, materials and repairs	71,325	92,194	163,519
Depreciation expense	362,296	323,507	685,803
Total operating expense	<u>910,005</u>	<u>1,071,837</u>	<u>1,981,842</u>
Operating income/(loss)	<u>496,442</u>	<u>41,210</u>	<u>537,652</u>
Nonoperating Revenue/(Expense)			
Interest income	1,386	1,343	2,729
Interest expense	(257,853)	(210,972)	(468,825)
Settlement expense	(313,000)	-	(313,000)
Total nonoperating revenue/(expense)	<u>(569,467)</u>	<u>(209,629)</u>	<u>(779,096)</u>
Net income/(loss) before transfers	(73,025)	(168,419)	(241,444)
Operating Transfers In/(Out)	<u>(155,993)</u>	<u>(175,192)</u>	<u>(331,185)</u>
Change in Net Position	<u>(229,018)</u>	<u>(343,611)</u>	<u>(572,629)</u>
Net Position			
Beginning of year	2,721,259	2,055,067	4,776,326
End of year	<u>\$ 2,492,241</u>	<u>\$ 1,711,456</u>	<u>\$ 4,203,697</u>

CITY OF SAN JUAN BAUTISTA

STATEMENT OF CASH FLOW – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total Proprietary Funds
Operating Activities			
Receipts from customers and users	\$ 1,397,962	\$ 1,103,964	\$ 2,501,926
Payments for contractual services and utilities	(395,794)	(485,034)	(880,828)
Payments to employees	(189,792)	(171,102)	(360,894)
Payments to suppliers	(71,325)	(166,620)	(237,945)
Net cash provided by operating activities	<u>741,051</u>	<u>281,208</u>	<u>1,022,259</u>
Non-capital Financing Activities			
Repayment of short-term note settlement	(225,000)	-	(225,000)
Payments and transfers (to)/from other funds	(155,993)	(175,192)	(331,185)
Net cash provided by (used in) noncapital financing activities	<u>(380,993)</u>	<u>(175,192)</u>	<u>(556,185)</u>
Capital and Related Financing Activities			
Purchase of property, plant and equipment	(84,164)	(274,528)	(358,692)
Payments received from other funds	(30,743)	(25,153)	(55,896)
Bond premium	35,733	29,236	64,969
Principal paid on long-term debt	(155,303)	(127,067)	(282,370)
Interest paid on long-term debt	(259,293)	(212,150)	(471,443)
Net cash provided by (used in) capital and related financing activities	<u>(493,770)</u>	<u>(609,662)</u>	<u>(1,103,432)</u>
Investing Activities			
Interest received	1,386	1,343	2,729
Net cash provided by investing activities	<u>1,386</u>	<u>1,343</u>	<u>2,729</u>
Net Decrease in Cash	(132,326)	(502,303)	(634,629)
Cash			
Beginning of year	1,499,226	1,627,569	3,126,795
End of year	<u>\$ 1,366,900</u>	<u>\$ 1,125,266</u>	<u>\$ 2,492,166</u>
Cash Flows from Operating Activities			
Operating income (loss)	\$ 496,442	\$ 41,210	\$ 537,652
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	362,296	323,507	685,803
(Increase) Decrease in Accounts Receivable, net	(25,379)	(9,083)	(34,462)
Increase (Decrease) in Accounts Payable, Accrued Liabilities and Deposits	(92,308)	(74,426)	(166,734)
Net Cash Provided by Operating Activities	<u>\$ 741,051</u>	<u>\$ 281,208</u>	<u>\$ 1,022,259</u>

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City of San Juan Bautista (the City) have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The City of San Juan Bautista, State of California (the "City"), was incorporated in 1869. The City operates under a Council-Manager form of government. The City's major operations include public safety; highways and streets; sewer and water; parks and recreation; building inspection; public improvements; planning and zoning; and general administrative services.

Basis of Presentation – Fund Accounting

Government-Wide Financial Statements – The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities and Changes in Net Position) report information of all of the nonfiduciary activities of the primary government. For the most part, eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely significantly on fees charged to external parties.

The Statement of Activities and Changes in Net Position presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Net Position is restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statements – The Governmental Fund Financial Statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as non-major funds.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental fund:

General Fund – The General Fund is the general operating fund of the City. It is used for all financial resources except those required legally, or by sound financial management to be accounted for in another fund. Generally, the General Fund is used to account for those traditional governmental services of the City, such as police and fire protection, planning and general administrative services.

The City reports the following major enterprise funds:

Water Fund – The Water Fund accounts for the operation and maintenance of the City's water treatment and water transmission and distribution systems.

Sewer Fund – The Sewer Fund accounts for the operation and maintenance of the City's sewer system.

Basis of Accounting

The Government-Wide and Proprietary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating.

Financial Statement Amounts

Cash and Investments – Cash and investments represent the City's cash bank accounts including but not limited to certificates of deposit, money market funds and cash management pools for reporting purposes in the Statement of Cash Flows. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents in the Statement of Cash Flows.

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings as a result of this pooling are distributed to the appropriate funds based on month end cash balances in each fund.

Accounts Receivable – Billed but unpaid services provided to individuals or non-governmental entities are recorded as accounts receivable. An allowance for doubtful accounts is provided to account for potentially uncollectible amounts.

San Benito County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property taxes are levied in equal installments on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. The lien date is March 1 of each year. Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after year end. Property taxes on the unsecured roll are due on the March 1 lien date and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual. The County adopted the alternative method of secured property tax apportionment available under the Revenue and Taxation Code of the State (also known as the "Teeter Plan") whereby secured property taxes were distributed to participating taxing on the basis of the tax levy, including any uncollected amounts at fiscal year-end. The County, as administrator, benefits from future collections of penalties and interest on delinquent taxes. Taxes receivable are recorded as of the date levied. The County is still using the Teeter Plan as of June 30, 2021.

The City is permitted by Article XIII A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of \$1.00 per \$100 of full cash value.

Interfund Receivables/Payables – Items classified as interfund receivable/payable represent short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund.

Capital Assets – Capital outlays are recorded as expenditures of the General and Special Revenue Funds and as assets in the Government-Wide Financial Statements to the extent the City's capitalization threshold is met.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the Government-Wide Financial Statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities are included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings, structures and improvements	40
Infrastructure	40
Equipment	5 - 10

Deferred Outflow/Inflows of Resources – In addition to assets, liabilities and net position, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences – It is the City's policy to permit all employees to accumulate earned but unused vacation and compensatory time benefits. All vacation pay is accrued when earned in the government-wide and proprietary fund financial statements.

Sick leave can be accumulated, but vesting is limited and will not be paid upon termination. For this reason, the City does not accrue any costs relating to sick leave.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Long-Term Obligations – In the Government-Wide Financial Statements, and Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type Statement of Net Position. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, however, debt principal payments of Governmental Funds are recognized as expenditures when paid. Governmental Fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Non-Current Governmental Assets/Liabilities – GASB Statement No. 34 eliminates the presentation of account groups but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the Government-Wide Statement of Net Position.

Net Position – The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions on net position imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the City not restricted for any project or other purpose.

Fund Balance – In the fund financial statements, governmental fund balance is made up of the following components:

- Nonspendable fund balance typically includes inventories, prepaid items, long-term portion of loans receivable, nonfinancial assets held for resale and other items that must be maintained intact pursuant to legal or contractual requirements, such as endowments.
- Restricted fund balance category includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislations.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

- Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has the authority to establish, modify, or rescind a fund balance commitment.
- Assigned fund balance are amounts designated by the City Council for specific purposes and do not meet the criteria to be classified as restricted or committed.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 2 – Stewardship, Compliance and Accountability

California law authorizes the City to invest in obligations of the United States Treasury, agencies and instrumentalities, certificates of deposit or time deposits in banks and savings and loan associations which are insured by the Federal Deposit Insurance Corporation.

In accordance with applicable sections of the California Government Code and the San Juan Bautista Municipal Code, the City prepares and legally adopts an annual balanced budget on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, specific Special Revenue Funds, and specific Capital Projects Funds. Budget plans are adopted for Proprietary Funds. A proposed budget is presented to the City Council during June of each year for review. The Council holds public hearings and may add to, subtract from, or change appropriations within the revenues and reserves estimated as available. Expenditures may not legally exceed budgeted appropriations at the fund level. Supplementary appropriations which alter the total expenditures of any fund, or expenditures in excess of total budgeted fund appropriations, must be approved by the City Council.

All annual appropriations lapse at fiscal year end to the extent they have not been expended or encumbered.

Note 3 – Cash and Investments

The City pools all of its cash and investments except those funds required to be held by outside fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated to the various funds on average cash balances. Interest income from cash investments held with fiscal agents is credited directly to the related funds.

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 5,249,888
Restricted Cash and Investments	<u>1,075,257</u>
Total Cash and Investments	<u>\$ 6,325,145</u>

Cash and investments as of June 30, 2021, consist of the following:

Cash on hand	\$ 200
Deposits with Financial Institutions	1,314,483
Statewide Community Infrastructure Program	1,016,891
Local Agency Investment Fund	3,578,077
Held by Fiscal Agent:	
Money Market Mutual Funds	<u>415,494</u>
Total Cash and Investments	<u>\$ 6,325,145</u>

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 3 – Cash and Investments (Continued)

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2: Inputs to valuation methodology include inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

LAIF is valued based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (Level 2 input).

The City had the following recurring fair value measurements as of June 30, 2021:

	Level 1	Level 2	Level 3	June 30, 2021
Investments by fair value level:				
Equity Securities:				
LAIF	\$ -	\$ 3,578,077	\$ -	\$ 3,578,077
Total Equity Securities	-	3,578,077	-	3,578,077
Investments carried at amortized cost:				
Bank Deposits and Cash on Hand				1,314,683
Statewide Community Infrastructure Program				1,016,891
Money Market Mutual Funds				415,494
Total Investments amortized at cost				2,747,068
Total Investments				\$ 6,325,145

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 3 – Cash and Investments (Continued)

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Banker's Acceptances	180 days	None	20%	10% or \$5 million
Commercial Paper	180 days	A	15%	10%
Negotiable Certificates of Deposit	2 years	None	30%	None
Medium-Term Notes	5 years	AA	20%	10%
Money Market Mutual Funds	N/A	AAA	20%	10%
Repurchase Agreements	1 year	None	None	None
Time Deposits	2 years	None	10%	None
County Pooled Investment Funds	N/A	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$40 million	None

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2021, the City had the following investments:

Investment Type	Amount	Maturity Date
Local Agency Investment Fund	\$ 3,578,077	N/A
Held by Fiscal Agent:		
Money Market Mutual Funds	<u>415,494</u>	N/A
Total	<u>\$ 3,993,571</u>	

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End Not Rated
Local Agency Investment Fund	\$ 3,578,077	N/A	\$ 3,578,077
Held by Fiscal Agent:			
Money Market Mutual Funds	<u>415,494</u>	N/A	<u>415,494</u>
Total	<u>\$ 3,993,571</u>		<u>\$ 3,993,571</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At times, the City's bank accounts may exceed federally insured limits. The City has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 3 – Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. As of June 30, 2021, the carrying amount of the City's bank deposits was \$1,314,483, and the respective bank balances totaled \$1,399,102, of the total bank balance. Of the bank balances, only \$250,000 is insured through the Federal Depository Insurance Company. The remaining balance is to be collateralized by the bank.

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 4 – Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land	\$ 22,610	\$ -	\$ -	\$ 22,610
Construction in progress	879,673	157,560	(879,673)	157,560
Total capital assets, not being depreciated	902,283	157,560	(879,673)	180,170
Capital assets, being depreciated				
Buildings and improvements	1,339,733	33,501	-	1,373,234
Infrastructure	1,236,121	2,331,121	-	3,567,242
Machinery and equipment	1,053,857	2,695	-	1,056,552
Total capital assets, being depreciated	3,629,711	2,367,317	-	5,997,028
Less accumulated depreciation for:				
Buildings and improvements	(805,677)	(42,340)	-	(848,017)
Infrastructure	(348,449)	(75,284)	-	(423,733)
Machinery and equipment	(914,117)	(26,047)	-	(940,164)
Total accumulated depreciation	(2,068,243)	(143,671)	-	(2,211,914)
Total capital assets, being depreciated, net	1,561,468	2,223,646	-	3,785,114
Governmental activities capital assets, net	\$ 2,463,751	\$ 2,381,206	\$ (879,673)	\$ 3,965,284
<u>Business-Type Activities</u>				
Capital assets, not being depreciated				
Land	\$ 487,275	\$ -	\$ -	\$ 487,275
Construction in progress	172,496	167,211	-	339,707
Total capital assets, not being depreciated	659,771	167,211	-	826,982
Capital assets, being depreciated				
Building	323,861	-	-	323,861
Improvements other than buildings	19,559,752	100,119	-	19,659,871
Machinery and equipment	1,011,012	91,362	-	1,102,374
Total capital assets, being depreciated	20,894,625	191,481	-	21,086,106
Less: accumulated depreciation	(8,227,843)	(685,803)	-	(8,913,646)
Total capital assets, being depreciated, net	12,666,782	(494,322)	-	12,172,460
Business-type activities capital assets, net	\$ 13,326,553	\$ (327,111)	\$ -	\$ 12,999,442

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 4 – Capital Assets (Continued)

Depreciation expense was charged to the following functions in the Statement of Activities:

Governmental Functions:

General Government	\$	9,519
Public Works		97,510
Parks and Recreation		21,254
Public Safety		15,388
	\$	<u>143,671</u>

Business-Type Functions:

Water	\$	362,296
Sewer		323,507
	\$	<u>685,803</u>

Note 5 – Long-Term Debt

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

In governmental fund types, debt discounts and issuance costs are recognized in the current period. Debt discounts and issuance costs incurred in proprietary funds are deferred and amortized over the term of the debt using the bonds-outstanding method, which approximates the effective interest method. The City's debt transactions are summarized below and discussed in detail thereafter:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Current</u> <u>Portion</u>
<u>Business-Type Activities Long Term Debt</u>					
2015 Enterprise Revenue Bonds	\$ 10,620,000	\$ -	\$ 275,000	\$ 10,345,000	\$ 285,000
Plus Unamortized Premium on Bond	<u>172,575</u>	<u>-</u>	<u>7,370</u>	<u>165,205</u>	<u>7,370</u>
Total Business-Type Activities Debt	<u>\$ 10,792,575</u>	<u>\$ -</u>	<u>\$ 282,370</u>	<u>\$ 10,510,205</u>	<u>\$ 292,370</u>
<u>Compensated Absences</u>					
Government Activities	<u>\$ 27,901</u>	<u>\$ 11,266</u>	<u>\$ -</u>	<u>\$ 39,167</u>	

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 5 – Long-Term Debt (Continued)

Long-term debt payable at June 30, 2021 was comprised of the following individual issues:

2015 Enterprise Revenue Bonds – In December 2015, the City issued Series 2015 Enterprise Revenue Bonds for the principal amount of \$11,640,000. The issuance was to refund the outstanding principal balance of the 2008 Water and Sewer COP and the Pavex Note payable described above. In addition, the proceeds of the sale of the bond were used to provide funding to improve the City's water system as well as paying the costs of issuance. The reacquisition price exceeded the net carrying amount of the old debt by \$1,819,135. The City refunded the above debts to reduce its total debt service over 28 years by \$4,125,856 and to obtain an economic gain (difference between the present values of debt service payments on the old and new debt) of \$1,947,479. The bonds bear interest ranging from 3.0% to 5.0% and are payable semi-annually commencing April 2016 through October 2043. Debt service is secured by a pledge of net revenues of the City's Water and Sewer Systems. The City covenants that it shall prescribe, revise and collect such charges for the services and facilities of the water and sewer systems which shall produce revenues sufficient in each fiscal year to provide gross revenues which are sufficient to pay all water and sewer operation and maintenance costs and all bond installment payments and produce net water and sewer revenues equal to at least 1.25 times debt service coming due and payable during such fiscal year. The City is in compliance with those covenants as of June 30, 2021. Cash basis debt service paid during the fiscal year ended June 30, 2021 totaled \$663,638. Total water and sewer system net revenues calculated in accordance with the covenants were \$910,455 and net revenue available for debt service was 1.37 times debt service at June 30, 2021.

The annual requirement to amortize the principal and interest on long-term debt at June 30, 2021, were as follows:

Years ending June 30,	Principal	Interest
2022	\$ 285,000	\$ 377,438
2023	300,000	365,738
2024	310,000	351,988
2025	325,000	336,113
2026	345,000	319,363
2027-2031	1,945,000	1,378,455
2032-2036	2,255,000	1,048,327
2037-2041	2,715,000	611,718
2042-2044	1,865,000	106,407
	<u>\$ 10,345,000</u>	<u>\$ 4,895,547</u>
Unamortized premiums	165,205	
Net long-term debt	<u>\$ 10,510,205</u>	

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 6 – Deferred Compensation Plan

On October 1, 1999, the City established a deferred compensation plan for its employees which provides them an opportunity to save for retirement. The plan meets the requirements of Internal Revenue Code Section 457. Under the plan, employees make tax deferred contributions up to the limits established by the Internal Revenue Service. The contributions made to the plan may be withdrawn only upon retirement separation from service, death or unforeseeable emergency. Employees are 100% vested in their contributions from the first date of participation. The plan provides for varying matching contributions.

The plan is administered by the City. The participants are offered a choice of investment options and make their own investment decisions. The City has fiduciary obligation for due care in the administration of the plan, but is not responsible for the investments or performance results of the investment products offered under the plan, therefore, the City is not required to report these funds on the City's financial statements.

Note 7 – Risk Management

The City of San Juan Bautista is insured under the Public Agency Risk Sharing Authority of California (PARSAC) liability program. Protection is afforded for "bodily injury, property damage, personal injury and public officials' errors and omissions, subject to certain limitations".

Limit of protection – \$995,000 ultimate net loss as the result of any occurrence because of bodily injury, property damage, personal injury or public officials' errors and omissions or any combination thereof in excess of the retained limit.

Retained limit – \$5,000 ultimate net loss as the result of any occurrence because of bodily injury, property damage, personal injury or public officials' errors and omissions or any combination thereof.

Complete audited financial statements for PARSAC can be obtained from PARSAC's office at 1525 Response Road, Suite One, Sacramento, CA 95815.

Note 8 – Due From/Due to Other Funds and Advance To/Advance From Other Funds

Interfund receivables and payables consist of short-term loans resulting from regular transactions. These loans are expected to be repaid as soon as the borrowing fund has cash, and carry an interest rate equal to the rate earned on pooled cash. Individual fund interfund receivables and payables balances as of June 30, 2021 are as follows:

	<u>Due From</u>	<u>Due To</u>
Major Governmental Funds:		
General Fund	\$ 7,649	\$ -
Nonmajor Governmental Funds:		
Cops Grant Fund	-	3,954
Gas Tax	-	3,695
	<u>\$ 7,649</u>	<u>\$ 7,649</u>

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 8 – Due From/Due to Other Funds and Advance To/Advance From Other Funds (continued)

In August 2016 the City formalized an advance agreement between the City's General Fund and the Water and Sewer Funds for the amount of \$1,895,844. The amount is payable by the Water and Sewer Funds to the General Fund over a period of 29 years at an interest rate of 1.5 percent payable in annual payments of \$81,102.

Advances from and to balances as of June 30, 2021, are as follows:

	<u>Advance To</u>	<u>Advance From</u>
Major Governmental Funds:		
General Fund	\$ 1,624,504	\$ -
Proprietary Funds:		
Water Fund	-	893,477
Sewer Fund	-	731,027
	<u>\$ 1,624,504</u>	<u>\$ 1,624,504</u>

Note 9 – Interfund Transfers

With the City Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made expenditures on behalf of another fund. Transfers within fund types have been eliminated with the government-wide financial statements. Transfers in and out for the year ended June 30, 2021 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ 878,091	\$ -
Nonmajor Governmental Funds:		
COPS Grant	-	151,284
Gas Tax Fund	-	79,841
Affordable Housing	4,225	-
Maintenance Districts Fund	-	14,456
Impact Fees Fund	-	305,550
Proprietary Funds:		
Water Fund	-	155,993
Sewer Fund	-	175,192
	<u>\$ 882,316</u>	<u>\$ 882,316</u>

Note 10 – Deficit Fund Balance

The Gas Tax Fund has a deficit fund balance of \$1,674, which will be mitigated by future revenues.

CITY OF SAN JUAN BAUTISTA

NOTES TO THE BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 11 – Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of \$800,728 in the Water Fund and \$655,141 in the Sewer Fund for deferred charges from debt retirement relate to the defeasance costs of the City's 2008 Water and Sewer Certificates of Participation. The balance is being amortized over a twenty-eight-year period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports \$62,423 and \$12,488 in deferred inflows related to unavailable revenues in the General Fund and Roads & Restrooms Fund, respectively.

Note 12 – Stewardship, Compliance and Accountability

Excess of expenditures over appropriations – The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2021:

General Fund:

Current

Parks and recreation	\$ (1,975)
Public safety	\$ (161,144)
Community development	\$ (52,360)

The excess expenditures were covered by excess revenues during the fiscal year.

Note 13 – Subsequent Events

The City evaluated subsequent events for recognition and disclosure through December 11, 2021, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2021, that required recognition or disclosure in such financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN JUAN BAUTISTA

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
Revenue				
Taxes	\$ 1,161,554	\$ 1,161,554	\$ 1,577,602	\$ 416,048
Intergovernmental	2,780,348	2,780,348	681,758	(2,098,590)
Charges for services	125,129	125,129	33,879	(91,250)
Licenses, permits and impact fees	714,954	714,954	256,228	(458,726)
Fines and forfeitures	-	-	2,380	2,380
Interest and rent	186,100	186,100	105,202	(80,898)
Other	618,515	618,515	17,308	(601,207)
Total revenue	<u>5,586,600</u>	<u>5,586,600</u>	<u>2,674,357</u>	<u>(2,912,243)</u>
Expenditures				
Current				
General government	533,975	533,975	446,811	87,164
Public works	611,650	611,650	326,721	284,929
Parks and recreation	48,087	48,087	50,062	(1,975)
Public safety	689,504	689,504	850,648	(161,144)
Community development	629,279	629,279	681,639	(52,360)
Capital outlay	<u>3,304,971</u>	<u>3,304,971</u>	<u>1,289,512</u>	<u>2,015,459</u>
Total expenditures	<u>5,817,466</u>	<u>5,817,466</u>	<u>3,645,393</u>	<u>2,172,073</u>
Revenue over (under) expenditures	(230,866)	(230,866)	(971,036)	(740,170)
Other Financing Sources				
Transfers in (out) - net	<u>235,281</u>	<u>235,281</u>	<u>878,091</u>	<u>642,810</u>
Net Change in Fund Balance	<u>\$ 4,415</u>	<u>\$ 4,415</u>	<u>(92,945)</u>	<u>\$ (97,360)</u>
Fund Balance				
Beginning of year			<u>4,706,431</u>	
End of year			<u>\$ 4,613,486</u>	

SUPPLEMENTAL ONLY INFORMATION

CITY OF SAN JUAN BAUTISTA

COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	Special Revenue Funds			
	COPS Grant	Affordable Housing	Public Parking Fund	Gas Tax Fund
ASSETS				
Cash and investments	\$ -	\$ -	\$ 17,447	\$ -
Due from other governmental agencies	42,647	-	-	3,817
Total assets	<u>\$ 42,647</u>	<u>\$ -</u>	<u>\$ 17,447</u>	<u>\$ 3,817</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities				
Accounts payable and accrued expense	\$ -	\$ -	\$ -	\$ 1,796
Due to other funds	3,954	-	-	3,695
Total liabilities	<u>3,954</u>	<u>-</u>	<u>-</u>	<u>5,491</u>
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance				
Restricted				
Public safety	38,693	-	-	-
Capital improvement projects	-	-	17,447	-
Circulation improvements	-	-	-	-
Lighting and landscape maintenance	-	-	-	-
Unassigned	-	-	-	(1,674)
Total fund balance	<u>38,693</u>	<u>-</u>	<u>17,447</u>	<u>(1,674)</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 42,647</u>	<u>\$ -</u>	<u>\$ 17,447</u>	<u>\$ 3,817</u>

CITY OF SAN JUAN BAUTISTA

COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	Special Revenue Funds			
	Roads & Restrooms Fund	Maintenance Districts	Impact Fees	Non-major Governmental Funds
ASSETS				
Cash and investments	\$ 183,775	\$ 120,386	\$ 1,084,242	\$ 1,405,850
Due from other governmental agencies	12,488	1,754	-	60,706
Total assets	<u>\$ 196,263</u>	<u>\$ 122,140</u>	<u>\$ 1,084,242</u>	<u>\$ 1,466,556</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
Liabilities				
Accounts payable and accrued expense	\$ -	\$ 2,224	\$ -	\$ 4,020
Due to other funds	-	-	-	7,649
Total liabilities	<u>-</u>	<u>2,224</u>	<u>-</u>	<u>11,669</u>
Deferred Inflows of Resources				
Unavailable revenues	<u>12,488</u>	<u>-</u>	<u>-</u>	<u>12,488</u>
Total deferred inflows of resources	<u>12,488</u>	<u>-</u>	<u>-</u>	<u>12,488</u>
Fund Balance				
Restricted				
Public safety	-	-	216,828	255,521
Capital improvement projects	183,775	-	775,836	977,058
Circulation improvements	-	-	91,578	91,578
Lighting and landscape maintenance	-	119,916	-	119,916
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,674)</u>
Total fund balance	<u>183,775</u>	<u>119,916</u>	<u>1,084,242</u>	<u>1,442,399</u>
Total liabilities, deferred inflows of resources, and fund balance	\$ 196,263	\$ 122,140	\$ 1,084,242	\$ 1,466,556

CITY OF SAN JUAN BAUTISTA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	COPS Grant	Affordable Housing	Public Parking Fund	Gas Tax Fund
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	159,617	-	-	95,111
Licenses, permits and impact fees	-	-	-	-
Total revenue	159,617	-	-	95,111
Expenditures				
Current				
Public works	-	-	-	16,944
Public safety	8,333	-	-	-
Total expenditures	8,333	-	-	16,944
Revenue over (under) expenditures	151,284	-	-	78,167
Other financing sources/(uses)				
Operating transfers in/(out)	(151,284)	4,225	-	(79,841)
	(151,284)	4,225	-	(79,841)
Change in Fund Balance	-	4,225	-	(1,674)
Fund Balance				
Beginning of year	38,693	(4,225)	17,447	-
End of year	\$ 38,693	\$ -	\$ 17,447	\$ (1,674)

CITY OF SAN JUAN BAUTISTA

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				Non-major Governmental Funds
	Roads & Restrooms Fund	Maintenance Districts	Landscaping Assessment District	Impact Fees	
Revenue					
Taxes	\$ 10,846	\$ 100,628	\$ -	\$ -	\$ 111,474
Intergovernmental	-	-	-	-	254,728
Licenses, permits and impact fees	-	-	-	145,240	145,240
Total revenue	<u>10,846</u>	<u>100,628</u>	<u>-</u>	<u>145,240</u>	<u>511,442</u>
Expenditures					
Current					
Public works	707	86,138	-	-	103,789
Public safety	-	-	-	-	8,333
Total expenditures	<u>707</u>	<u>86,138</u>	<u>-</u>	<u>-</u>	<u>112,122</u>
Revenue over (under) expenditures	10,139	14,490	-	145,240	399,320
Other financing sources/(uses)					
Operating transfers in/(out)	-	(14,456)	-	(305,550)	(546,906)
	<u>-</u>	<u>(14,456)</u>	<u>-</u>	<u>(305,550)</u>	<u>(546,906)</u>
Change in Fund Balance	10,139	34	-	(160,310)	(147,586)
Fund Balance					
Beginning of year	<u>173,636</u>	<u>119,882</u>	<u>-</u>	<u>1,244,552</u>	<u>1,589,985</u>
End of year	<u>\$ 183,775</u>	<u>\$ 119,916</u>	<u>\$ -</u>	<u>\$ 1,084,242</u>	<u>\$ 1,442,399</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and City Council
City of San Juan Bautista, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Juan Bautista, California, (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to be "Neddy" followed by a stylized flourish.

December 11, 2021

draft

Treasurer's Report
For the Four Month Period Ended October 31, 2021
(33% of fiscal year)

General Fund ~

General revenues are running at 25% for the year to date. Correspondingly, general fund expenditures are at 23% for the year to date. The net effect is a positive change in general fund balance of \$52k.

Water Enterprise Fund ~

The water enterprise fund revenues are running at 33% for the year to date, and expenses are also at 36%. The net effect is a positive change in the water enterprise fund of \$198k.

Sewer Enterprise Fund ~

The sewer enterprise fund revenues are running at 39% for the year to date, and expenses are at 32%. The net effect is a positive change in the sewer enterprise fund of \$183k.

City of San Juan Bautista
Revenues ~ Budget Vs. Actual
For the Four Month Period Ended October 31, 2021

Item #5C
City Council Meeting
December 21, 2021

REVENUES	FY21	FY22	Annual		YTD	
Fund	Actuals	Actuals	Budget	Difference	33%	Notes
General Fund	513,875	528,093	2,137,076	(1,608,983)	25%	
Special Revenue Funds:						
Capital Projects Fund	1,036,289	85,606	905,111	(819,505)	9%	B
Community Development	53,926	25,055	404,514	(379,459)	6%	A
COPS	54,350	51,524	100,000	(48,476)	52%	
Parking & Restroom Fd	6,557	4,751	25,000	(20,249)	19%	
Gas Tax Fund	28,979	31,640	100,784	(69,144)	31%	
Valle Vista LLD	7,237	8,643	25,928	(17,285)	33%	
Rancho Vista CFD	19,215	19,572	58,716	(39,144)	33%	
Copperleaf CFD	7,091	7,315	21,945	(14,630)	33%	
Development Impact Fee Funds:						
Park Development	11,182	-	-	-		
Public/Civic Facility	1,767	-	-	-		
Library	2,377	-	-	-		
Storm Drain	38,288	-	-	-		
Parking In-Lieu	-	-	-	-		
Park In-Lieu	10,426	-	-	-		
Public Safety	1,839	-	-	-		
Traffic	45,821	-	-	-		
Internal Service Funds:						
Blg Rehab. & Replace	12,667	12,667	38,000	(25,333)	33%	
Vehicle Replacement	20,000	20,000	60,000	(40,000)	33%	
Enterprise Funds:						
Water						
Operations	412,351	410,439	1,239,670	(829,231)	33%	
Capital	207,493	-	576,400	(576,400)	0%	B
Sewer						
Operations	376,957	443,714	1,142,430	(698,716)	39%	
Capital	12,488	-	733,275	(733,275)	0%	B
TOTAL Funds	2,367,299	1,120,925	7,568,849	6,447,924	15%	

A ~ These funds are developer derived and are recognized when received.

B ~ The timing of the projects and the related revenue does not always align with the year-to-date percentages.

City of San Juan Bautista
Expenditures ~ Budget Vs. Actual

Item #5C
City Council Meeting
December 21, 2021

For the Four Month Period Ended October 31, 2021

EXPENDITURES	FY21	FY22	Annual		YTD	
Fund	Actuals	Actuals	Budget	Variance	33%	Note
General Fund	530,449	475,834	2,050,876	(1,575,042)	23%	B
Special Revenue Funds:						
Capital Projects Fund	1,036,289	85,606	2,477,368	(2,391,762)	3%	A
Community Development	219,391	134,396	650,768	(516,372)	21%	
COPS	33,333	33,333	100,000	(66,667)	33%	
Parking & Restroom Fd	886	17,410	117,899	(100,489)	15%	A
Gas Tax Fund	5,282	5,489	100,784	(95,295)	5%	
Valle Vista LLD	7,250	31,724	25,928	5,796	122%	C
Rancho Vista CFD	13,875	17,845	58,716	(40,871)	30%	
Copperleaf CFD	2,137	5,241	21,945	(16,704)	24%	
Development Impact Fee Funds						
Public/Civic Facility	900	900	169,540	(168,640)	1%	A
Library	1,480	8,280	29,440	(21,160)	28%	A
Storm Drain	1,144	1,144	10,932	(9,788)	10%	A
Park In-Lieu	100	2,781	17,884	(15,103)	16%	A
Public Safety	284	284	180,852	(180,568)	0%	A
Traffic	144	144	5,432	(5,288)	3%	
Internal Service Funds:						
Blg Rehab. & Replace	-	-	25,000	(25,000)	0%	A
Vehicle Replacement	3,144	-	-	-		
Enterprise Funds:						
Water:						
Operations	228,529	262,412	725,548	463,136	36%	
Capital	79,503	86,463	547,705	461,242	16%	A
Sewer						
Operations	290,303	260,782	805,565	544,783	32%	
Capital	73,581	210,020	717,205	507,185	29%	
TOTAL Funds	2,047,069	1,164,254	8,839,387	7,675,133	13%	

Footnotes:

- A** ~ Capital fund transfers/costs are budgeted to be incurred by these funds. Since the costs/transfers occur sporadically during the year, they do not always align with the to date percentages, or prior year amounts. Additionally, some projects have been moved to the next fiscal year.
- B** ~ Variance to last year is due to a County Communications invoice for 63k last year, and not yet incurred this year.
- C** ~ Costs are greater than budget due to one time maintenance, paid through assessment reserves.



City of San Juan Bautista Warrant Listing

As of November 30, 2021

Date	Num	Name	Amount
101.000 - Union Bank			
101.001 - Operating Acct. 1948			
11/04/2021	215094	Abbott's Pro Power	-29.40
11/04/2021	215095	AFLAC	-290.69
11/04/2021	215096	Baker Supplies and Repairs	-65.55
11/04/2021	215097	Central Electric	-2,482.99
11/04/2021	215098	Charter Communications	-548.19
11/04/2021	215099	Clark Pest Control	-97.00
11/04/2021	215100	Cypress Water Services	-10,575.00
11/04/2021	215101	Data Ticket Inc.	-200.00
11/04/2021	215102	Department of Transportation	-547.52
11/04/2021	215103	Felipe Bribiescas	-12,800.00
11/04/2021	215104	Ferguson Enterprises LLC	-19.86
11/04/2021	215105	Frank's Quality Painting	-11,050.00
11/04/2021	215106	GREENDAY POWER.	-329.38
11/04/2021	215107	Home Depot Credit Services	-215.92
11/04/2021	215108	KBA Docusys	-412.67
11/04/2021	215109	Level 1 Private Security.	-5,580.00
11/04/2021	215110	Local Government Commision	-1,805.25
11/04/2021	215111	Monterey Bay Analytical Services	-1,412.30
11/04/2021	215112	P G & E	-1,230.00
11/04/2021	215113	Pet Waste Co	-284.85
11/04/2021	215114	Rx-Tek	-95.00
11/04/2021	215115	San Benito Tire Pros	-22.50
11/04/2021	215116	Stantec Consulting Services Inc.	-81,464.82
11/04/2021	215117	State Compensation Insurance Fund	-2,250.58
11/04/2021	215118	State Water Resources - Operator Certific	-80.00
11/04/2021	215119	Tesla Energy.	-626.19
11/04/2021	215120	True Value Hardware	-65.48
11/04/2021	215121	United Site Services of California, Inc.	-356.15
11/04/2021	215122	US Bank	-4,208.02
11/04/2021	215123	Valero Wex Bank	-991.73
11/04/2021	215124	Wellington Law Offices	-5,560.00
11/04/2021	215125	Wendy L. Cumming, CPA	-2,537.50
11/10/2021	215127	4Leaf, Inc.	-338.42
11/10/2021	215128	All Clear Water Services	-4,185.00
11/10/2021	215129	att.com	-70.75
11/10/2021	215130	AVAYA	-250.66
11/10/2021	215131	Bartle Wells Associates	-7,730.00
11/10/2021	215132	Brigantino Irrigation, Inc.	-123.53
11/10/2021	215133	California Consulting, Inc.	-630.00
11/10/2021	215134	Core & Main	-907.24
11/10/2021	215135	CSG Consultants, Inc.	-43,680.00
11/10/2021	215136	Cypress Water Services	-5,625.00
11/10/2021	215137	Employment Development Department	-1,912.00



City of San Juan Bautista
Warrant Listing
As of November 30, 2021

Date	Num	Name	Amount
11/10/2021	215138	FedEx	-82.59
11/10/2021	215139	Ferguson Enterprises LLC	-67.39
11/10/2021	215140	Harris & Associates	-48.75
11/10/2021	215141	Hollister Auto Parts, Inc.	-675.41
11/10/2021	215142	Ines / Odaly Martinez	-59.51
11/10/2021	215143	Jeffrey Richardson	-13.15
11/10/2021	215144	Jesse Thomas	-39.73
11/10/2021	215145	Jessica Nunley	-66.18
11/10/2021	215146	Joni L. Janecki & Associates, Inc.	-2,682.50
11/10/2021	215147	KBA Docusys	-345.65
11/10/2021	215148	Kevin Fitzgerald.	-47.82
11/10/2021	215149	Mc Kinnon Lumber Co., Inc.	-22.29
11/10/2021	215150	Monterey Bay Analytical Services	-2,187.00
11/10/2021	215151	New SV Media	-282.30
11/10/2021	215152	R + L Carriers	-83.10
11/10/2021	215153	Rafael Farfan.	-87.45
11/10/2021	215154	Rosalba Morales de Jesus.	-855.00
11/10/2021	215155	San Benito County Clerks Office	-50.00
11/10/2021	215156	San Benito County Sheriff	-39,513.60
11/10/2021	215157	State Compensation Insurance Fund	-3,716.53
11/10/2021	215158	The Rotary Club of San Juan Bautista	-660.00
11/10/2021	215159	Univar Solutions	-744.40
11/10/2021	215160	San Benito County Clerks Office	-50.00
11/15/2021	215161	Monterey Bay Analytical Services	-93.25
11/15/2021	215162	P G & E	-11,136.81
11/15/2021	215163	Green Rubber Kennedy Ag	-403.14
11/29/2021	215164	4Leaf, Inc.	-8,855.00
11/29/2021	215165	ACWA Health Benefits Authority	-12,293.76
11/29/2021	215166	AFLAC	-290.69
11/29/2021	215167	Akel Engineering Group, Inc.	-9,495.00
11/29/2021	215168	at&t	-80.34
11/29/2021	215169	CALNET	-258.72
11/29/2021	215170	Carmen Lujan	-5.60
11/29/2021	215171	Core & Main	-1,412.07
11/29/2021	215172	Cypress Water Services	-10,575.00
11/29/2021	215173	Data Ticket Inc.	-200.00
11/29/2021	215174	Division of the State Architect	-108.40
11/29/2021	215175	Downey Brand	-3,976.50
11/29/2021	215176	FedEx	-41.24
11/29/2021	215177	Ferguson Enterprises LLC	-12.24
11/29/2021	215178	Irene Galindo Martinez.	-700.00
11/29/2021	215179	Level 1 Private Security.	-6,310.50
11/29/2021	215180	Liebert Cassidy Whitmore	-300.00
11/29/2021	215181	Martin Estrada.	-964.00
11/29/2021	215182	Monterey Bay Analytical Services	-1,251.90

**City of San Juan Bautista
Warrant Listing**

As of November 30, 2021

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
11/29/2021	215183	Ready Refresh	-177.66
11/29/2021	215184	Rx-Tek	-230.00
11/29/2021	215185	San Benito County Sheriff	-39,513.60
11/29/2021	215186	San Benito County Tax Collector	-88.30
11/29/2021	215187	Sentry Alarm System	-342.00
11/29/2021	215188	Sprint	-310.88
11/29/2021	215189	Staples	-207.47
11/29/2021	215190	United Site Services of California, Inc.	-356.15
11/29/2021	215191	US Bank Equipment Finance	-249.61
11/29/2021	215192	Valero Wex Bank	-1,278.68
11/29/2021	215193	Wellington Law Offices	-4,596.00
Total 101.001 · Operating Acct. 1948			<u>-382,182.00</u>
Total 101.000 · Union Bank			<u>-382,182.00</u>
TOTAL			<u><u>-382,182.00</u></u>



CITY OF SAN JUAN BAUTISTA CITY COUNCIL STAFF REPORT

AGENDA TITLE: **ACKNOWLEDGE RECEIPT OF A REPORT BY THE
HOLLISTER FIRE CHIEF REGARDING THE
INSPECTION OF CERTAIN OCUPANCIES IN THE CITY**

MEETING DATE: December 21, 2021

SUBMITTED BY: Fire Marshal Charlie Bedolla

BRIEF DESCRIPTION: A Resolution of the City Council authorizing the acceptance and to acknowledge receipt of a report made by the Fire Chief of the Hollister Fire Department regarding the inspection of certain occupancies required annually pursuant to Sections 13146.2 and 13146.3 of the California Health and Safety Code.

RECOMMENDATION: Staff recommends the City Council ADOPT a Resolution to authorize the acceptance of Senate Bill No. 1205, an act to add Section 13146.4 to the Health and Safety Code, relating to fire protection and to acknowledge receipt of a report made by the Fire Chief of the Hollister Fire Department regarding certain occupancies annual inspections.

DEPARTMENT SUMMARY

After the tragic 2016 "Ghost Ship Fire" in Oakland that killed 36 people, Senator Jerry Hill introduced Senate Bill 1205 The Fire Protection Services – Compliance Reporting. The bill was passed, and Section 13146.4 was added to the States Health and Safety Code last year.

California Health & Safety Code Section 13146.4 was added in 2018 and became effective on September 27, 2018. Said code requires all fire departments that provide fire protection services to perform annual inspections in every building used as a public or private school, hotel, motel, lodging house, apartment house, and certain residential care facilities to comply with building standards, as provided. California Health & Safety Code Section 13146.2 requires all fire departments that provide fire protection services to report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3.

This Resolution will fulfill the requirements of the California Health & Safety Code regarding acknowledgement of the Hollister Fire Department's compliance with California Health and Sections 13146.2 and 13146.3.

The City Council of the City of San Juan Bautista expressly acknowledges the measure of compliance of the Hollister Fire Department with California Health and Safety Code Sections 13146.2 and 13146.3 in the encompassed areas as follows:

A. EDUCATIONAL GROUP E OCCUPANCIES:

Educational Group E occupancies are generally those public and private schools, used by more than six persons at any one time for educational purposes through the 12th grade. Within the City of San Juan Bautista, there lie 3 Group E occupancies, buildings, structures and/or facilities. During calendar year 2021, the Hollister Fire Department completed the annual inspection of 3 Group E occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

B. RESIDENTIAL GROUP R OCCUPANCIES:

Residential Group R occupancies, for the purposes of this resolution, are generally those occupancies containing sleeping units, and include hotels, motels, apartments (two units or more), etc. as well as other residential occupancies (including a number of residential care facilities). These residential care facilities have a number of different sub-classifications, and they may contain residents or clients that have a range of needs, including those related to custodial care, mobility impairments, cognitive disabilities, etc. The residents may also be non-ambulatory or bedridden.

Within the City of San Juan Bautista, there lie 21 Group R (and their associated sub-categories) occupancies of this nature.

During calendar year 2021, the Hollister Fire Department completed the annual inspection of 21 Group R occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

C. INSTITUTIONAL GROUP I OCCUPANCIES:

Institutional Group I occupancy includes, among others, for the purposes of this resolution, the use of a building or structure, or a portion thereof, in which people are cared for or live in a supervised environment, having physical limitations because of health or age, are harbored for medical treatment or other care or treatment, or in which people are detained for penal or correctional purposes or in which the liberty of the occupants is restricted.

Within the City of San Juan Bautista, there lie 0 Group I (and their associated sub-categories) occupancies of this nature.

During calendar year 2021, the Hollister Fire Department completed the annual inspection of Group I occupancies, buildings, structures and/or facilities. This is a compliance rate of 100% for this reporting period.

Additional items of note regarding this compliance rate can be found in the accompanying staff report for this resolution.

FINANCIAL IMPACT: N/A

CEQA: N/A

ATTACHMENTS:

1. 2021 – City of San Juan Bautista Inspections



RESOLUTION 2021-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA
ACKNOWLEDGING HFD TO PERFORM THE INSPECTION OF CERTAIN
OCCUPANCIES REQUIRED ANNUALLY PURSUANT TO SECTIONS 13146.2 AND
13146.3 OF THE CALIFORNIA HEALTH AND SAFETY CODE AND AUTHORIZE
THE ACCEPTANCE OF SENATE BILL NO. 1205**

WHEREAS, on September 27, 2018, the State of California passed Senate Bill 1205 (SB 1205) adding a new section to the California Health and Safety Code which affects every fire department or fire district in the State; and

WHEREAS, the existing law, California Health & Safety Code Sections 13146.2 and 13146.3, requires every fire department or fire district to inspect every building used as a public or private school, hotels, motels, lodging houses, and apartment complexes annually; and

WHEREAS, this new bill requires every fire department or fire district to report annually to its administering authority their compliance with the annual inspection requirements of the California Health and Safety Code. The bill also requires the administering authority to formally acknowledge receipt of the compliance report in a resolution or a similar formal document; and

WHEREAS, the Hollister Fire Department has performed inspections for compliance with SB 1205; and

WHEREAS, the City Council of the City of San Juan Bautista has reviewed the report from the Fire Chief related to compliance with SB 1205.

NOW, THEREFORE, IT IS RESOLVED, that the City Council of the City of San Juan Bautista has received this report by the Hollister Fire Department for compliance reporting with Senate Bill 1205.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at a Regular Meeting held this 21st day of December, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

, Mayor

Shawna Freels, City Clerk



2021 CITY OF SAN JUAN BAUTISTA STATE MANDATED INSPECTIONS		
	INSPECTIONS COMPLETED	COMPLIANCE
EDUCATIONAL GROUP E		
E (Schools)	3 OF 3	100%
TOTAL	3 OF 3	100%
RESIDENTIAL GROUP R		
R-1 (Hotel/Motels)	2 OF 2	100%
R-2 (Apartments)	19 OF 19	100%
TOTAL	21 OF 21	100%
INSTITUTIONAL GROUP I		
I (Jails/Courthouse)	0	100%
TOTAL	0	100%
OVERALL INSPECTIONS	24 OF 24	100%



CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: ADOPT A RESOLUTION INCREASING THE NUMBER OF MEMBERS AND APPOINTING MEMBERS TO THE CITY OF SAN JUAN BAUTISTA ECONOMIC DEVELOPMENT CITIZEN ADVISORY COMMITTEE;

MEETING DATE: December 21, 2021

DEPARTMENT HEAD: Brian Foucht, Community Development Director

RECOMMENDED ACTION(S):

Staff recommends that the City Council adopt a resolution appointing eleven (11) members to the City of San Juan Bautista Economic Development Citizens Advisory Committee and amending the structure of the Committee accordingly.

BACKGROUND INFORMATION:

On November 16, 2021 the City Council approved Resolution 2021-65 establishing the SJB EDCAC as a standing committee to provide a formal, organized approach to address business improvement, resiliency and overall economic development in San Juan Bautista. The EDCAC meets the need for 1) enhanced resources focused on local business development and support; 2) organized communication and follow up with staff and City Council regarding these concerns; and 3) ongoing liaison and follow up with economic development resources in San Benito County and through State and Federal agencies.

DISCUSSION:

A standing committee of the sort under consideration is subject to the Brown Act (Government Code Section 54952) and also the "Maddy Act" (Government Code Section 54970 et seq) designed to increase public awareness of appointments made by the City Council and to provide the local legislative bodies access to critical talent resources that would otherwise go unused.

On November 16, 2021 the City Council adopted Resolution 2021-65 establishing the EDCAC with eleven (11) members and a process for appointments, terms and qualifications of committee members.

Previously, on October 28, staff published a notice inviting members of the community to apply for membership by November 9, 2021. The deadline was extended to December 3, 2021. Eleven (11) applications were received, all of which meet the necessary qualifications. Staff recommends that all applicants be placed on the committee to increase diversity of thought, background and experience necessary for a robust program.

Fiscal Impact

The fiscal impact on the City short term will consist of costs to support the committee. Long term financial benefit to the City is expected to outweigh these costs.

Attached:
Resolution



RESOLUTION 2021-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA ESTABLISHING THE SAN JUAN BAUTISTA ECONOMIC DEVELOPMENT CITIZENS ADVISORY COMMITTEE

WHEREAS, expansion of the local tax base, creation of new employment opportunities, improvements to the quality of life and collaboration with other public entities are important economic development goals of the City; and

WHEREAS, the City of San Juan Bautista may access significant resources to promote and advance local economic development including Federal Economic Development Administration grants, assistance from the Governor's Office of Business and Economic Development, and locally developed pooled resources; and

WHEREAS, the San Benito County Economic Development Corporation will embark upon a Comprehensive Economic Development Strategy (CEDS) that will contribute to effective local economic development through a locally-based, regionally-driven economic development planning process that will enable acquisition Federal Economic Development Administration funding in support of City business improvement and economic development priorities; and

WHEREAS, the CEDS will focus on key economic concerns and broad community interests through a comprehensive community engagement program that will include the San Juan Bautista community; and

WHEREAS, the San Juan Bautista Business Forum is an open, informal and ongoing discussion group that desires a means for the business community to formally engage with the City Council regarding initiatives that will create and maintain a resilient and vibrant business and employment climate in San Juan Bautista that serves visitors and residents alike; and

WHEREAS, effective and organized formal communication regarding economic development requires a concerted partner-driven effort involving local education, the arts and culture, education, transportation, land development, public and private investment priorities, marketing and promotion;

WHEREAS, the City Council established the EDCAC via Resolution 2021-65 and desires to increase the number of members of the Committee from seven (7) to ten (10) members;

WHEREAS, City staff has received ten (10) valid applications for membership on the Committee;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Juan Bautista hereby establishes the San Juan Bautista Economic Development Citizens Advisory Committee according to the purpose, membership and terms described in Attachment 1.

THE FOREGOING RESOLUTION was adopted by the City Council of the City of San Juan Bautista at its regular meeting held on the 21st day of December, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

ATTEST:

Shawna Freels, City Clerk

Attachment 1

City of San Juan Bautista Economic Development Citizens Advisory Committee

<u>Name</u>	<u>Affiliation</u>	<u>Appointed</u>	<u>Expires</u>
Beverly Meamber	Community Foundation	12/31/21	12/31/24
Cara Denny	DT Business Owner, Food Service	12/31/21	12/31/24
Darlene Boyd	SBC Measure G Oversight	12/31/21	12/31/24
Fran Fitzharris	SJB Business Association; Food Service business owner	12/31/21	12/31/24
Heliena Watson	DT Business Owner, Retail	12/31/21	12/31/25
Kristina Hastings	DT Business Owner, Food Service	12/31/21	12/31/25
Lizz Sanchez Turner	ED Consultant Business Owner	12/31/21	12/31/25
Patricia Bains	DT Business Owner, Retail	12/31/21	12/31/25
Stephanie Correia	Business Owner, Real Estate	12/31/21	12/31/26
Susie Velez	DT Business Owner, Retail	12/31/21	12/31/26
Teresa Lavagnino	San Juan School Education/ Recreation	12/31/21	12/31/26

AUTHORITY: Resolution 2021 - XXX

MEMBERSHIP:

The Economic Development Citizens Advisory Committee (CCAC) shall be established with eleven (11) voting members.

Membership requirements or considerations include the following:

Members shall reside, operate a business within, have gainful employment with, or be involved in a substantial, meaningful way with, entities whose mission and activity includes education, social services, health services, historic preservation activities, culture and the arts.

Members shall take an interest in issues associated with economic development, business development, resiliency, the arts, culture, historic preservation, recreation and public education.

Members may have special knowledge, expertise, or skills related to economic development, business operation, public private partnerships including finance, federal state and local economic development programs. Members may also have special knowledge or experience in the arts and culture, education, recreation, transportation or other qualifications related to economic development. Special knowledge, skills, or expertise is not mandatory for appointment to the committee.

The committee may call upon representatives of other organizations or departments, and the general public as resources on certain topics related to the purpose, tasks and responsibilities of the committee.

APPOINTMENTS

Appointments to the EDCAC shall be made by the City Council based on review of applications submitted on the City of San Juan Bautista standard application form.

TERMS

Initial appointment of committee members shall be as follows:

Initial appointment of Committee members shall be staggered as follows:

Four (4) members: three (3) year term

Four (4) members: four (4) year term

Three (3) members: five (5) year term

If the initial appointments are made mid-term, the appointments shall minimally be for the terms listed above [e.g. the "one (1) year terms" may actually be one (1) year and five (5) months terms or one (1) year and two (2) month terms].

After the initial appointments, all terms will be for two (2) year periods. All terms shall expire upon the last day of December of the appropriate year.

The City Council may remove at any time and without cause any member of the EDCAC.



PURPOSE

The purpose of the EDCAC is as follows:

- 1) Stimulate the provision of enhanced resources for local business development and support;
- 2) Establish and maintain communication with City staff and City Council regarding business support, development and overall economic development;
- 3) Establish and maintain an ongoing liaison with economic development resources in San Benito County and State and Federal agencies.

To accomplish these purposes, the Committee may conduct the following activities, including but not limited to:

- 1) Host an active forum for exchange of ideas and information and otherwise reach out to the business community, residents, and visitors to promote business development;
- 2) Evaluate and determine the economic needs of the business community and residents;
- 3) Interact proactively with a broad spectrum of economic development interests;
- 4) Recommend strategies to the City Council to provide resources directly to local businesses.

DEPARTMENT: The City of San Juan Bautista Community Development Department



**CITY OF SAN JUAN BAUTISTA
APPLICATION FOR COMMISSIONS AND BOARDS**

Check one: ☐ Planning Commission ☐ Historic Resources Board ☒ Other: Economic Development Committee

1. Applicant Name: Beverly Member

2. Current Residence: [REDACTED]

Mailing Address: [REDACTED]

E-mail Address: [REDACTED]

3. Telephone Number: (Home) [REDACTED] (Work) N/A (Cell) [REDACTED]

4. How long have you been a resident of San Juan Bautista? 39 years

5. Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?

If yes, which one? Former Strategic Plan Comm. Member Term currently serving [REDACTED]

6. What motivated you to apply for this Board or Commission? You may attach a separate sheet of paper.

I thought my background in business development, economic development and tourism might be helpful

7. What skills or attributes can you bring to this Board or Commission? You may attach a separate sheet of paper.

Knowledge of business retention, business expansion and business creation.

8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise this specific Board or Commission role? You may attach a separate sheet of paper.

Be sure to have a good knowledge of issues before moving anything forward. Council needs good advice/recommendations

9. List any relevant education, training or experience that demonstrates your ability to effectively serve on this Board or Commission. You may attach a separate sheet of paper.

I served in various capacities at the Salinas Valley Chamber for 22 years, retiring as President/CEO

- Served on the City's Strategic Plan Committee and briefly chaired the Business Development/Tourism Subcommittee
- Volunteered at Welcome Center before COVID
- Volunteered at San Benito County Chamber's Visitor Center when it was located in Galeria Tonatzin and closed.

Applicant's Name Beverly Moamber

10. List and provide a brief description of your current or last occupation.

See # 9

11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider.

Through the years I have attended numerous city meetings. The City should consider small steps first. Hard to narrow down what is actually doable because of so many ideas and complaints.

12. Describe your involvement in community activities, volunteer and civic organizations.

Current Board member Community Foundation for San Benito Co. Past Board member, Girls, Inc. of the Central Coast, Past Board member Junior Achievement, Past Board Member, San Juan Committee

13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Board or Commission member? If yes, what can be done to accommodate these constraints?

No constraints

(Note: Pursuant to the Americans with Disabilities Act, the City of San Juan Bautista will make reasonable efforts to accommodate persons with qualified disabilities during the Boards and Commissions interview process. If you require special accommodations, please contact the City Clerk at least five days in advance of any scheduled interview.)

I certify under penalty of perjury that all statements I have made on this application are true and correct. I hereby authorize the City of San Juan Bautista to investigate the accuracy of this information from any person or organization, and I release the City of San Juan Bautista and all persons and organizations from all claims and liabilities arising from such investigation or the supplying of information for such investigation. I acknowledge that any false statement or misrepresentation on this application or supplementary materials will be cause for refusal of appointment or immediate dismissal at any time during the period of my appointment.

YOUR APPLICATION IS NOT COMPLETE UNTIL IT IS SIGNED AND RETURNED.

IMPORTANT NOTICE

A Board or Commission member is a public official. As such, it is necessary to provide contact information to the public. Please note that all information provided on this form becomes a public record after it is officially filed. Please do not include any information on this form that you do not want posted on the City's web site and the City's Official Roster.

Applicants appointed to the Planning Commission and Historical Resources Board are required to file the Fair Political Practices Commission (FPPC) Statements of Economic Interest (Form 700), which are also a public record. A copy of this form is available in the City Clerk's office or by visiting www.fppc.ca.gov.

Signature of
Applicant

Beverly Moamber

Date 11/9/21

Please mail, fax, or deliver to: City Hall, P.O. Box 1420, 311 Second St., San Juan Bautista, CA 95045,
FAX: 623-4093.

CITY OF SAN JUAN BAUTISTA

Application for Economic Development Committee

Name: Cara Denny

Address: ~~505 Third St~~ San Juan Bautista, CA 95045 (P.O. Box ~~254~~)

Email: ~~caradenny@gmail.com~~ Phone: (831) ~~558-9407~~

Employer: Self (Daisy's Saloon, Gateway Properties, Livin' the Green Dream)

Education

- Graduated from Boulder High School, Boulder, CO with a diploma
- Some Hartnell Community College classes
- California Real Estate Sales Associate license 2003
- California Real Estate Brokers license 2014

Clubs and Organizations

- Treasurer for Liberty Family Academy, Prunedale, CA
- Girl Scout Leader for Daisies and Brownies, Aromas, CA
- Special Events Chair for Watsonville Association of Realtors, Watsonville, CA
- Secretary for Watsonville Association of Realtors, Watsonville, CA
– 1 year term
- Treasurer for Watsonville Association of Realtors, Watsonville, CA
– 1 year term
- Vice President for Watsonville Association of Realtors, Watsonville, CA - 1 year term

- **President for Watsonville Association of Realtors, Watsonville, CA – 1 year term**
- **Director for California Association of Realtors – 1 year term**
- **Past President for Watsonville Association of Realtors, Watsonville, CA – 1 year term**
- **San Juan Bautista Rotary Club Member**
- **Treasurer for Faultline Roller Derby, Hollister, CA – 4 years**

Why I'd like to be on the EDC: I believe that my 25+ years of experience being a local business owner will give the group a great insight. As a resident and business owner in San Juan Bautista for the last 16 years I have a true desire for businesses to succeed. I've seen the turnover of businesses over these years and feel that there are some ways we can as a community preserve and make them viable here in San Juan Bautista. I've served my local community and held volunteer positions that have given me the experience in dealing with the public as well as working hand in hand with municipalities.

Date: 11/9/2021

Signature:

DocuSigned by:

Cara L. Denny

02F0E7B30C1A4F1...

CITY OF SAN JUAN BAUTISTA

APPLICATION FOR AD HOC COMMITTEE MEMBER - EDC

Name: Darlene Boyd

Address: [REDACTED]

San Juan Bautista, CA 95045

Email: [REDACTED] Phone: [REDACTED]

Employer: retired Cell Phone:

Work Phone:

NOTE: The information you provide is done with the express understanding that it is public information and may be provided to the public when requested.

Education: BFA w/ Honors, Multiple Subjects CA Teaching Credential

Community Service Experience including service on other boards, commissions, clubs, and organizations

Clubs or Organizations: Current member SBC COG Measure G Oversight Comm. (Vice Chair), SBC CAB 2019-2020

Municipal Experience: SB HRB PC - 2017-2018, on going attendance at HRB-PC and CC meetings

Why do you wish to be on this committee and what contributions can you make to the committee? (Attach additional sheet if necessary.)

- Experience serving on government committees.
- Continuity of staying informed of city/county
- Institutional Knowledge (20 yrs) of local gov. history
- Valued former training in gov. agency workings, issues of Brown Act
- NO conflicts of interests

Date: Nov. 2, 2021

Signature: Darlene S. Boyd

Attach resume if desired.

When completed, please return to the City Clerk's Office at 311 Second Street.

CITY OF SAN JUAN BAUTISTA
APPLICATION FOR AD HOC COMMITTEE MEMBER

Name: Fran Fitzharris

Address: [REDACTED]

Email: [REDACTED]

Phone: [REDACTED]

Employer: Brewery Twenty Five (owner)

Cell Phone: [REDACTED]

Work Phone: [REDACTED]

NOTE: The information you provide is done with the express understanding that it is public information and may be provided to the public when requested.

Education: Mission College, Santa Clara, CA

Community Service Experience including service on other boards, commissions, clubs, and organizations

Clubs or Organizations: San Juan Bautista Business Association - Volunteer, San Juan Bautista Hospitality Committee - Chair

Women's Fund of the Community Foundation for San Benito - Volunteer, Government Affairs Committee Bay Brewers Guild - Volunteer

Parklet Ad Hoc Committee - Volunteer, Poppy Jasper Inc - Board Director

Municipal Experience: n/a

Why do you wish to be on this committee and what contributions can you make to the committee? (Attach additional sheet if necessary.)

This is an opportunity to make a more serious difference for the community. I've lived a short 4 miles away from SJB for over 20+ years.

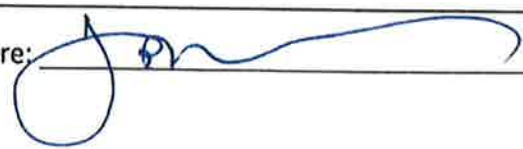
This my HOME. Our time is now to prepare and organize for a better future. We can still keep our Historic Charm while growing and

expanding in other areas. I'd like to help make that happen.

Thank you for your consideration. -Fran Fitzharris

"Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has."

Date: 10/29/2021

Signature: 

Attach resume if desired.

When completed, please return to the City Clerk's Office at 311 Second Street.

**CITY OF SAN JUAN BAUTISTA
APPLICATION FOR COMMISSIONS AND BOARDS**

Check one: ☐ Planning Commission ☐ Historic Resources Board

1. Applicant Name: Heliena Walton

2. Current Residence: [REDACTED]

Mailing Address: [REDACTED]

E-mail Address: [REDACTED]

3. Telephone Number: (Home) [REDACTED] (Work) [REDACTED] (Cell) [REDACTED]

4. How long have you been a resident of San Juan Bautista? 18 years

5. Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?

If yes, which one? _____ Term currently serving _____

_____ Term currently serving _____

6. What motivated you to apply for this Board or Commission? You may attach a separate sheet of paper.
See attached.

7. What skills or attributes can you bring to this Board or Commission? You may attach a separate sheet of paper.
See attached.

8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise this specific Board or Commission role? You may attach a separate sheet of paper.

See attached

9. List any relevant education, training or experience that demonstrates your ability to effectively serve on this Board or Commission. You may attach a separate sheet of paper.

See attached

Applicant's Name Heliena Walton

10. List and provide a brief description of your current or last occupation.

See attached

11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider.

12. Describe your involvement in community activities, volunteer and civic organizations.

See attached

13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Board or Commission member? If yes, what can be done to accommodate these constraints?

See attached

(Note: Pursuant to the Americans with Disabilities Act, the City of San Juan Bautista will make reasonable efforts to accommodate persons with qualified disabilities during the Boards and Commissions interview process. If you require special accommodations, please contact the City Clerk at least five days in advance of any scheduled interview.)

I certify under penalty of perjury that all statements I have made on this application are true and correct. I hereby authorize the City of San Juan Bautista to investigate the accuracy of this information from any person or organization, and I release the City of San Juan Bautista and all persons and organizations from all claims and liabilities arising from such investigation or the supplying of information for such investigation. I acknowledge that any false statement or misrepresentation on this application or supplementary materials will be cause for refusal of appointment or immediate dismissal at any time during the period of my appointment.

YOUR APPLICATION IS NOT COMPLETE UNTIL IT IS SIGNED AND RETURNED.

IMPORTANT NOTICE

A Board or Commission member is a public official. As such, it is necessary to provide contact information to the public. Please note that all information provided on this form becomes a public record after it is officially filed. Please do not include any information on this form that you do not want posted on the City's web site and the City's Official Roster.

Applicants appointed to the Planning Commission and Historical Resources Board are required to file the Fair Political Practices Commission (FPPC) Statements of Economic Interest (Form 700), which are also a public record. A copy of this form is available in the City Clerk's office or by visiting www.fppc.ca.gov.

Signature of Applicant Heliena Walton

Date 12-3-21

Please mail, fax, or deliver to: City Hall, P.O. Box 1420, 311 Second St., San Juan Bautista, CA 95045, FAX: 623-4093.



CITY OF SAN JUAN BAUTISTA

APPLICATION FOR AD HOC COMMITTEE MEMBER

Name: Kerstina Hastings

Address: [REDACTED]

San Juan Bautista, CA 95045

Email: [REDACTED] Phone: [REDACTED]

Employer: Bliss Blendz Cell Phone: ↓

Work Phone: [REDACTED]

NOTE: The information you provide is done with the express understanding that it is public information and may be provided to the public when requested.

Education: _____

BS and minor

Community Service Experience including service on other boards, commissions, clubs, and organizations

Clubs or Organizations: Worked for Portland Parks and Rec for 4 yrs and Cupertino Parks and Recreation

Municipal Experience: _____

Why do you wish to be on this committee and what contributions can you make to the committee? (Attach additional sheet if necessary.)

I am a business owner in the community as well as a resident - I listen to the suggestions from both - My Opions are based on the success for the town of San Juan Bautista - My Opions are Community based.

Date: Fri-Dec-3rd Signature: K Hastings

Attach resume if desired.

When completed, please return to the City Clerk's Office at 311 Second Street.

**CITY OF SAN JUAN BAUTISTA
APPLICATION FOR COMMISSIONS AND BOARDS**

Check one: ☐ Planning Commission ☐ Historic Resources Board ☒ Economic Development Council
Advisory Committee

1. Applicant Name: Lizz Sanchez Turner

2. Current Residence: [REDACTED]

Mailing Address: [REDACTED]

E-mail Address: [REDACTED]

3. Telephone Number: (Home) _____ (Work) [REDACTED] (Cell) [REDACTED]

4. How long have you been a resident of San Juan Bautista? 7.5 Years

5. Are you currently serving or have you served on a City of San Juan Bautista Board, Commission, or City Council?

If yes, which one? SBC Workforce Dev Board Term currently serving 2021/2022

SBC Chamber/ Tourism/ Brd Term currently serving 2021/2022

6. What motivated you to apply for this Board or Commission? You may attach a separate sheet of paper.

Spending the past year and a half working for the City of San Juan Bautista in Economic Development as
The Community Liason working with the Business Community as well as being an entrepreneur I feel I have
Vested interest in the success of our small businesses.

7. What skills or attributes can you bring to this Board or Commission? You may attach a separate sheet of paper.

I have a background in Business, Finance, Marketing & have worked small to medium sized businesses for over
20 years.

8. The primary role of a Board or Commission member is to provide advice to the City Council on policy issues that are within the scope of that Board or Commission. With this in mind, what steps would you take to effectively exercise this specific Board or Commission role? You may attach a separate sheet of paper.

Taking in all the information to view issues from all sides, then researching the issues further taking into
account any precedents set by similar towns that may be of use as well as results of any studies done on the
topic at hand.

9. List any relevant education, training or experience that demonstrates your ability to effectively serve on this Board or Commission. You may attach a separate sheet of paper.

Background in Business, Finance, Marketing HR, and the time spent working with this City

Applicant's Name Lizz Sanchez Turner

10. List and provide a brief description of your current or last occupation.

Currently a small Business Owner, Previously the City's Community Liaison

11. Have you attended a City Council, Board or Commission meeting, Town Hall meeting or Public Workshop? If so, please describe what you learned and what improvements you would suggest the City consider.

Yes, I've observed that as a City we need to continue to try to get more people involved

12. Describe your involvement in community activities, volunteer and civic organizations.

SBC Chamber of Commerce, SBC Tourism Committee, SBC Workforce Development Board, SBC GEAC,

13. Do you have any physical or mental constraints which may limit your ability to perform the duties of a Board or Commission member? If yes, what can be done to accommodate these constraints?

No

(Note: Pursuant to the Americans with Disabilities Act, the City of San Juan Bautista will make reasonable efforts to accommodate persons with qualified disabilities during the Boards and Commissions interview process. If you require special accommodations, please contact the City Clerk at least five days in advance of any scheduled interview.)

I certify under penalty of perjury that all statements I have made on this application are true and correct. I hereby authorize the City of San Juan Bautista to investigate the accuracy of this information from any person or organization, and I release the City of San Juan Bautista and all persons and organizations from all claims and liabilities arising from such investigation or the supplying of information for such investigation. I acknowledge that any false statement or misrepresentation on this application or supplementary materials will be cause for refusal of appointment or immediate dismissal at any time during the period of my appointment.

YOUR APPLICATION IS NOT COMPLETE UNTIL IT IS SIGNED AND RETURNED.

IMPORTANT NOTICE

A Board or Commission member is a public official. As such, it is necessary to provide contact information to the public. Please note that all information provided on this form becomes a public record after it is officially filed. Please do not include any information on this form that you do not want posted on the City's web site and the City's Official Roster.

Applicants appointed to the Planning Commission and Historical Resources Board are required to file the Fair Political Practices Commission (FPPC) Statements of Economic Interest (Form 700), which are also a public record. A copy of this form is available in the City Clerk's office or by visiting www.fppc.ca.gov.

Signature of
Applicant



Date 12/3/2021

Please mail, fax, or deliver to: City Hall, P.O. Box 1420, 311 Second St., San Juan Bautista, CA 95045,
FAX: 623-4093.

CITY OF SAN JUAN BAUTISTA

APPLICATION FOR AD HOC COMMITTEE MEMBER

Name: PATRICIA A. BAINS

Address: [REDACTED]

SAN JUAN BAUTISTA, CA 95045

Email: [REDACTED] Phone: [REDACTED]

Employer: MRS. B'S Z-PLACE LLC Cell Phone: [REDACTED]

[REDACTED] S.J.B. Work Phone: [REDACTED]

NOTE: The information you provide is done with the express understanding that it is public information and may be provided to the public when requested.

Education: COLLEGE, REAL ESTATE SCHOOL

Community Service Experience including service on other boards, commissions, clubs, and organizations

Clubs or Organizations: CHIEF FINANCIAL OFFICER FOR SEVERAL CHURCHES & RELIGIOUS ORGANIZATIONS (STATE & LOCAL)

Municipal Experience: WORKED WITH CITY & COMMUNITY OFFICES IN BAY AREA ON BEHALF OF LOCAL RELIGIOUS ORGANIZATIONS

Why do you wish to be on this committee and what contributions can you make to the committee? (Attach additional sheet if necessary.)

I HAVE BEEN A BUSINESS AND PROPERTY OWNER IN THIS CITY FOR OVER TWENTY-THREE YEARS AND WORKED WITH CITY ON BEHALF OF BUSINESS TO EXPAND OUR BUSINESS PRESENCE AND TO UPGRADE OUR VISIBILITY THIS CITY IS VERY IMPORTANT TO ME.

Date: 11/09/2021 Signature: [Signature]

Attach resume if desired.

When completed, please return to the City Clerk's Office at 311 Second Street.

CITY OF SAN JUAN BAUTISTA

APPLICATION FOR AD HOC COMMITTEE MEMBER

Name: Stephanie Correa
Address: ~~32 Church St~~ SJB 95045

Email: ~~stephanie.correa@correacorp.com~~ Phone: ~~(714) 333-4106~~

Employer: The Correa Company Cell Phone: ~~(714) 333-4106~~
real estate appraisals & consulting Work Phone: Same

NOTE: The information you provide is done with the express understanding that it is public information and may be provided to the public when requested.

Education: BA COMMUNICATION ARTS - University of Pacific

Community Service Experience including service on other boards, commissions, clubs, and organizations

Clubs or Organizations: I lived in SJB until 1974 and left for college ~ I returned last year. I have been

Municipal Experience: helping Heidi Balz with Christmas Decorations. As a child I participated with the Fiesta Rodeo and assisted my father around town
Why do you wish to be on this committee and what contributions can you make to the committee? (Attach additional sheet if necessary.)

With fun chores like cleaning gutters during storms and inventorying burned out street lights to be replaced.

I love this town and have a deep deep family history of commitment. With 40+ years of appraisal

Date: 12-3-21 Signature: Stephanie Correa

Attach resume if desired.

When completed, please return to the City Clerk's Office at 311 Second Street.

experience and have an understanding of what makes a community viable. My last 25 years have been spend in Sonoma County →



Trish Paetz

From: Stephanie Correia <~~steph@sjb2021.com~~>
Sent: Friday, December 3, 2021 3:16 PM
To: Trish Paetz
Cc: Brian Foucht
Subject: Committee Application
Attachments: application sjb 2.pdf; application.pdf

Good afternoon Trish and Brian,

I was chatting with Heidi Balz this afternoon and the application for the economic development committee was brought up. As a result I am submitting my application.

Heidi and I go back to our youth, we both love this town dearly.

My husband and I relocated from Sonoma to SJB last September. We have been renovating an adobe since Feb 21 and are about to finish up the majority of the project. I have been searching for some type of involvement opportunity and this sounds like it could be a good fit.

The vast majority of my appraisal experience is with single family residential, however, the last 20 or so years my primary focus has been assisting my husband with vineyard and winery appraisals as well as primarily valuing high end luxury residences in excess of 10 million dollars. I believe my broad range of experience could be of assistance to the community.

As I mentioned in the application as I child my father recruited me to assist in many civic functions be it helping with the fiesta rodeo or cleaning storm drains of leaves during a storm. My mother recruited us to help beautify the VFW, which she turned from weeds to a bright spot. She was also responsible for obtaining and planting the pepper trees along Church Street. Needless to say I have inherited there love of community, commitment and energy.

Thank you for your consideration

Stephanie Correia

Sent from Mail for Windows



This email has been checked for viruses by Avast antivirus software.
www.avast.com

CITY OF SAN JUAN BAUTISTA

APPLICATION FOR AD HOC COMMITTEE MEMBER

Name: Rosa Velez aka Susie Velez

Address: [REDACTED] San Juan Bautista, CA 95045

Email: [REDACTED]

Phone: [REDACTED]

Employer: [REDACTED]

Cell Phone: [REDACTED]

Work Phone: _____

NOTE: The information you provide is done with the express understanding that it is public information and may be provided to the public when requested.

Education: Some college

Community Service Experience including service on other boards, commissions, clubs, and organizations

Clubs or Organizations: NIGP member

Municipal Experience: 20 years of experience working in the public sector

Why do you wish to be on this committee and what contributions can you make to the committee? (Attach additional sheet if necessary.)

As a small business owner in San Juan Bautista and a local resident I would love to contribute to the economic development of our great town. I have minor public works contracting experience, library bond FFE contracting experience and was involved in the small business development with the City of San Jose.

Date: December 16, 2021

Signature: 

Attach resume if desired.

When completed, please return to the City Clerk's Office at 311 Second Street.

CITY OF SAN JUAN BAUTISTA

APPLICATION FOR AD HOC COMMITTEE MEMBER

Name: Teresa Lavagnino

Address: [REDACTED] San Juan Bautista, CA 95045 (Part-Time Resident)

Email: [REDACTED] Phone: [REDACTED]

Employer: Self Employed-Real Estate Management Cell Phone: [REDACTED]

Work Phone: _____

NOTE: The information you provide is done with the express understanding that it is public information and may be provided to the public when requested.

Education: BA Recreation Administration and Business Administration CSUChico 1981

Community Service Experience including service on other boards, commissions, clubs, and organizations

Clubs or Organizations: San Juan-Aromas Tennis & Fitness (Treasurer), ASJUSD Facilities Committee Member,
Native Daughters of the Golden West Member.

Municipal Experience: Past member of the San Juan Bautista Strategic Planning Committee
Co-Chair subcommittee Arts, Culture, Recreation and Wellness.

Why do you wish to be on this committee and what contributions can you make to the committee? (Attach additional sheet if necessary.)

I have been very involved with the recreation facilities at the San Juan School for 10 years and would like to see the site open to the community after school and on weekends. This would require agreements between the City and School District. If I am selected to be on this committee, it would help me bring these ideas to the Community and City Council.
Projects I have been involved with in SJB. 2011 renovated 2 tennis courts, 2018 upgraded courts to 6 dedicated pickleball courts.

Currently, I am coordinating and fundraising for 1/8 mile running track at San Juan School, with a goal for completion in 2022. Secured \$17,950 US Fish & Wildlife grant to add native plants and identification plaques around soccer field and Creek area by 6/15/22.

This soccer field is underutilized and a plan for a walking trail as per City General Plan would be a great addition, especially now that the City has funds for an Active Transportation Plan. I look forward to the community planning of trails in and around San Juan Bautista.

My interests are more than recreation and have recently been asked to help coordinate an informational gathering in SJB for Strada Verde.

Date: 12/3/2021 Signature: Teresa Lavagnino

Attach resume if desired.

When completed, please return to the City Clerk's Office at 311 Second Street.

RESOLUTION 2021-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN JUAN BAUTISTA ACCEPTING THE SAN JUAN BAUTISTA MUNICIPAL AUDIT FOR FISCAL YEAR 2020-2021

WHEREAS, the City of San Juan Bautista is required under the laws of the State of California to have their financial statements audited annually, and

WHEREAS, an audit of the City's financial statements was conducted by Independent Auditor Bryant L. Jolley, CPA, and

WHEREAS, the City Council held a meeting on December 21, 2021 where, in accordance with all State and Municipal Code requirements, they reviewed the audit.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Juan Bautista accepts the FY 2020-2021 San Juan Bautista Municipal Audit.

PASSED AND ADOPTED by the City Council of the City of San Juan Bautista at a regular meeting held on the 19th day of January 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

, Mayor

ATTEST:

Trish Paetz, Deputy City Clerk



CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: ANNUAL REVIEW OF THE CODE OF ETHICS FOR
COUNCIL, BOARDS AND COMMISSIONS

MEETING DATE: DECEMBER 21, 2021

DEPARTMENT HEAD: DON REYNOLDS, CITY MANAGER

RECOMMENDED ACTION(S):

It is recommended that the City Council comply with Resolution 2018-17, adopted April 17, 2018, and review annually the attached City “Code of Ethics for Council, Boards, and Commissions.”

BACKGROUND INFORMATION:

When a citizen becomes an elected or appointed city official in the form of a Council member, Board member or Commission member, it is necessary that each individual assuming office, adhere to the strict standards that apply to this level of public service for others. It is an honor to be considered worthy of being elected or appointment to these offices. Once accepted, the public official has to participate and engage in community policy decisions with integrity.

Being a public official includes special consideration regarding conflict of interest as defined by the Fair Political Practices Act, and all City decisions have to be compliant with the Brown Act, and be transparent, and made collectively in public view. When questions arise related to these two policies, the City Attorney and occasionally the State will provide opinions and clarification to make certain that laws are adhered to. It is important to remember that the public perception of an inappropriate behavior (like a conflict of interest) can be as damaging for public trust, as an actual illegal act.

The community perceives the opinion of an appointed or elected official as the opinion of the City. Some of these policies are complicated to interpret in today’s “digital” communication environment. Use of social media, email, text messages have to be used carefully as to not confuse personal opinion with City Official opinion, and so as to not form collective decisions outside of the public forum.

On April 17, 2018, the City Council adopted Resolution 2018-17, and its current Code of Ethics. In its Pre-Amble it defines “Public Official” and the general intent of the Code of Ethics earning the public full confidence for fair, ethical, and transparent local government. It outlines 16



different policy intentions, ending with the requirement to review the Code of Ethics annually. It seems sensible to have this review each December, when new appointments and newly elected officials are seated for the upcoming year.

DISCUSSION:

It is required for City public officials to model ideal behavior, recognize and confirm appropriate behavior in all forms of communication. For the use of social media, it is important refrain from expressing opinions on these platforms that can be perceived to be a “city opinion,” and not an individual opinion. The challenges of “group texting,” conducting email “meetings” with “reply all,” or social media mistakes confusing personal opinion with public official opinion, seem like “old issues” compared to the new use of web-based conference calling and appropriate behavior during virtual meetings. Over the past 18-months, operating a public agency has become most challenging amidst the “virtual” environment we have all learned to adopt to.

City councils across the country are contemplating a new code of ethics that pertain to the use of web-conferencing (i.e., “Zoom”) for formal public meetings. The formality and decorum of a public meeting when broadcasting from home or away from a formal setting has to be maintained. One California city just adopted a policy disallowing alcohol to be consumed during a public meeting by any member of their city council. Other city councils have struggled with confidential closed sessions that include spouses or relatives listening in the background. Of course, raising one’s hand before speaking helps the chair or mayor conduct the meeting fairly. Using the mute button to enforce speakers who are out-of-line or disrespectful is another tool. The second attachment was shared with the HRB and Planning Commission last spring, after having seated two new members, establishing a simple protocol for the public speakers at virtual meeting.

If the City Council would like to see edits, additions, or changes to the 2018 Code of Ethics, staff will record these suggestions during this discussion. The matter can then be brought back as an update in January.

ATTACHMENTS:

1. April 17, 2018 Code of Ethics
2. HRB/Planning Commission Zoom Protocols



MEETING SPEAKER PROTOCOLS FOR THE HRB/PLANNING COMMISSION

The following guidelines will be enforced during tonight's HRB/Planning Commission meeting. They are intended to provide an orderly meeting that allows everyone chance to be heard. The Deputy City Clerk and Assistant City Manager will be managing the meeting and will help implement these rules and processes.


HRB/COMMISSIONERS

In order to facilitate a fair and open ZOOM meeting, it is important that HRB/Commissioners all follow the same rules with respect to others. All HRB/Commissioners will be muted by Zoom while others are speaking. In order to be heard, all HRB/Commissioners must "raise their hand" using the tools provided by Zoom.

When the Chair calls on a HRB/Commissioner, the Deputy City Clerk will un-mute that Commissioner, then re-mute them when they are done speaking. When the Chair calls for any "last comments" the Deputy City Clerk will acknowledge those with their hands up one at a time, un-muting one and re-muting each one at a time.

PUBLIC

Members of the public shall all remain muted until the Chair asks for public comment. The Deputy City Clerk will then state "anyone from the public that wishes to speak, please raise their hands or press "*9," and the Deputy City Clerk will then promote them to speak and un-mute them. When they are done speaking or their 3-minutes have expired, the speaker will be placed back into the gallery on mute.

 Code of Ethics for Council, Boards, and Commissions	Citywide Policy Manual Policy # N/A
	Attachments: Resolution 2018-17
Effective Date: April 17, 2018	Responsible Department: City Manager/City Clerk's Office
Related Policies & Notes: N/A	

Preamble

The citizens and businesses of San Juan Bautista are entitled to have fair, ethical and transparent local government which has earned the public's full confidence for integrity. In keeping with the City of San Juan Bautista's commitment to excellence, the effective functioning of democratic government therefore requires that:

- Public officials both elected and appointed will comply with both the letter and spirit of the laws and policies affecting the operations of government.
- Public officials shall be independent, impartial, fair and transparent in their judgment and actions.
- Public office shall be used for public good and not for personal gain.
- Public deliberations and processes shall be conducted openly, unless legally confidential, in an atmosphere of respect and civility.

This Code of Ethics as adopted by the San Juan Bautista City Council applies to members of the City Council and of the City's boards and commissions to assure public confidence in the integrity of local government and its effective and fair operation:

1. Acts in the Public Interest

Members will work for the public interest of San Juan Bautista and not for any private or personal interest and the members will assure fair and equal treatment of all persons, claims and transactions coming before the San Juan Bautista City Council, boards and commissions.

2. Comply with the Law

Members shall comply with the laws of the Federal government, State of California and the City of San Juan Bautista in the performance of their public duties. These laws include but are not limited to the United States and California Constitutions, Fair Political Practices laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities and open processes of government. Members must disclose any potential conflicts and/or recuse themselves if a conflict of interest is presented.

3. Conduct of Members

The professional and personal conduct of members must be above reproach and avoid even the appearance of impropriety in all public situations, regarding City business. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of the Council, boards, commissions, the public and staff of San Juan Bautista.

4. Respect for Process

Members shall perform their duties in accordance with the processes and rules of order established by the City council, boards and commissions governing the deliberation of public policy issues, meaningful involvement of the public and implementation of policy decisions of the City Council by staff.

5. Conduct of Public Meetings

Members shall prepare themselves for public issues, listen courteously and attentively to all public discussions before the body and focus on the business at hand. They shall refrain from interrupting other speakers, making personal comments not germane to the business of the body or otherwise interfering with the orderly conduct of meetings.

6. Decisions Based on Merit

Members shall base their decisions on the merits and substance of the matter at hand rather than on unrelated considerations.

7. Communication

Members shall publicly share substantive information that is relevant to a matter under consideration, which they may have received from sources outside of the public decision-making process. They must disclose any relevant information that was given or requested by them about the matter under consideration.

8. Conflict of Interest

In order to assure their independence and impartiality on behalf of the common good, members shall not use their official positions to influence government decisions in which they have a material financial interest or where they have an organizational responsibility or personal relationship which may give the **appearance of a conflict of interest**. In accordance with the law, members shall disclose investment interests in real property, sources of income and they shall abstain from participating in deliberations and decision making where conflicts may exist.

9. Gifts and Favors

Members shall refrain from accepting any gifts, favors or promises of future benefits, which might compromise their independence of judgment, or action, or give the appearance of being compromised.

10. Confidential Information

Members shall respect the confidentiality of information concerning property, personnel or affairs of the City. They shall neither disclose confidential information without proper legal authorization nor use such information to advance their personal financial or private interests.



11. Use of Public Resources

Members shall not use public resources unavailable to the public, in general, such as City staff time, equipment, supplies or facilities for private gain or personal purposes.

12. Representation of Public Interests

In keeping with their role as stewards of the public interest, members shall not appear on behalf of the private interests of third parties before the Council or any board, commission or proceeding of the City, nor shall members of boards and commissions appear before the body or before the Council on behalf of the private interests of third parties on matters related to the areas of service of the body.

13. Advocacy

Members shall represent the official policies or positions of the City Council, board or commission to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, members shall explicitly state they do not represent the body or the City of San Juan Bautista, nor will they allow inference that they do.

14. Policy Role of Members

Members shall respect and adhere to the council – manager structure of San Juan Bautista City government as outlined by the San Juan Bautista Municipal Code. In this structure the City Council determines the policies of the City with the advice information and analysis provided by the public boards and commissions and City staff. Except as provided by the City Municipal Code, members shall not interfere with the administrative functions of the City or the professional duties of City staff nor shall they impair the ability of staff to implement Council policy decisions.

15. Independence of Boards and Commissions

Because of the value of the independent advice of boards and commissions to the public decision-making process members of Council shall refrain from using their position to unduly influence the deliberations or outcomes of board and commission proceedings.

16. Positive Workplace Environment

Members shall support the maintenance of a positive and constructive work place for the City employees and for the citizens and businesses dealing with the City.

17. Implementation

The San Juan Bautista Code of Ethics is intended to be self-enforcing and is an expression of standards of conduct for members expected by the City. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions.

For this reason, ethical standards shall be included in the regular orientations for candidates for City Council, applicants to boards and commissions, and newly elected and appointed officials. Members entering office shall sign a statement affirming they have read and understand the City of San Juan Bautista Code of Ethics. The Code of Ethics shall be reviewed annually by the City Council, boards and commissions, and the City Council shall consider recommendations from boards and commissions and update as necessary.



18. Compliance and Enforcement

The Boards Chairs, Commission Chairs and the Mayor have the additional responsibility to intervene when actions of members that appear to be in violation of the Code of Ethics are brought to their attention. The City Council may impose sanctions on members whose conduct does not comply with the City's ethical standards, such as reprimand, formal censure, loss of seniority or committee assignment or budget restriction. Under the City's Municipal Code, the City Council may also remove members of boards and commissions from office. A violation of this Code of Ethics shall not be considered as a basis for challenging the validity of a council board or commission decision.



CITY OF SAN JUAN BAUTISTA CITY COUNCIL REPORT

AGENDA TITLE: UPDATE FOR THE COMMUNITY HALL RENTAL
POLICY- PRIVATE SECURITY

MEETING DATE: DECEMBER 21, 2021

DEPARTMENT HEAD: DON REYNOLDS, CITY MANAGER

RECOMMENDED ACTION:

That the City Council consider updating the Community Hall rental policy by agreeing to remove the City from a direct contract relationship with a single security firm for each event rental, preparing a list of qualified, vetted security firms, and requiring the renter to contract directly with a listed firm.

BACKGROUND INFORMATION:

Before February 12, 2019, people renting the Community Hall had to contract directly with private security providers for security services. It is stated in the attached staff report that this method was not effective. Even though the renters were held responsible for their patrons during an event, the security providers they selected were not being held responsible. The City received numerous reports of curfews being neglected, excessive noise, damage to the facility "that could not be recovered," and lewd acts taking place outside the Hall during events. The City's Hall Rental agreement did not set standards or otherwise specify which security companies could be used. As a result, some renters contracted with "companies" that were not qualified, credible or licensed by the State Bureau of Security and Investigative Services ("BSIS"). Any company providing uniformed security guards is required to be licensed or is subject to fines. The second attachment summarizes the BSIS role in assuring only quality services be provided.

On February 12, 2019, the City amended its Hall Rental Agreement and policies regarding private security and this policy remains in effect today. The policy changed to where the City (not the renter) relies on one private security company, and "hires" them to provide security for every private party at the Community Hall. There is no contract between the private security company and the City. After the event, within seven days of receiving an invoice for the security services billed, the City pays the security company, then seeks reimbursement for these expenses from the private renters. This is one way to be certain that licensed quality security services are provided, but it greatly complicates the rental. On a routine basis, renters will protest the costs for security services. This cost can be greater than the cost to rent facility. It does not remove the renter from



being responsible for their guests, serving minors liquor or other common issues between guests and security. It exposes the City to the unnecessary risk of being held accountable for security services, should they be accused of bad or illegal acts (this has not occurred). On more than one occasion (in 2019), the City's security provider called the Sheriff to close down the party. This may be harder to enforce if the City is not hiring the security company.

Due to COVID-19 Emergency, the Community Hall was closed from March 2020 until November 2021. In October, the City Manager agreed to consider a contract with the private security provider for the Community Hall services. On October 21, 2021, the City received a proposed contract and that same day sent it to Legal and Risk for consideration. The contract was generally unacceptable to the City Manager or City Attorney, and the City's Risk Managers CIRA (formerly known as PARSAC), strongly suggested that the City remove itself from providing security services, go back to providing a selection of vetted security firms from which the renter can contract with for their event. Below is the feedback received from Erike Young of CIRA.

Tuesday November 9, 2021

Hi Don-

Per our discussion and in alignment with the City Attorney's recommendation, I have modified the security requirements in your facility rental application. The prior version required the renter to hire security for all events regardless of size and also required that the renter to hire a specific firm. Limiting the choice of which firm a renter utilizes could open the City to potential liability and is not recommended. From a risk management perspective, we recommend that the City provide a list of vendors that meet the City's insurance requirements and have a current business license with the City. As for when security should be required, the standard we have seen with most of our members is that security is only required for events with 50 or more people or events in which alcohol is being served, regardless of size. Some members do allow a higher number of participants without requiring security based on the type of event being hosted.

I have changed the language in both the rental fee schedule and usage agreement documents that reflect the changes above. I have also provided the language for your review below. I also started a new document for "Approved Security Companies", which you can edit to add your current set of approved vendors. Any vendor that you provide on this list should have a current City business license and general liability insurance with a minimum of \$1M per occurrence limits. The security firm should also add the City as an additional insured us endorsement form at least as broad as ISO CG 20 26.

Security: A list of approved security companies will be provided. Security is required for any event where alcohol is being served or where more than 50 people will attend the event.

Security must be in attendance from the time guests are expected to arrive through the close of the rental time. Security guards must be from the city-approved list and have a current business license with the City of San Juan Bautista. Upon receiving your security contract, the City will check to see if the company on your contract is



current. If the company is not current it will be declined. Any deviation from this must be approved by the City Manager and a minimum of ten (10) days required for this approval process.

I tried to make as much of the changes on my end as possible, but please let me know if you need additional assistance.

Best regards,

Erike Young | Risk Manager | CIRA

At 3 PM November 12, the day before the first post-COVID event was to occur, the private security firm informed the City that due to their insurance and risk concerns, they would be unable to provide security without a contract. Due to a miscommunication, the City's code enforcement officer provided security at the last minute making sure the Hall and community were protected while it was rented. After that experience, the City Manager executed a brief contract with the existing service provider to last through December 10, 2021, the last event of the year. The City now has 45-days to either continue with and execute a contract with this the sole provider, or follow the recommendation of the both the City Attorney and CIRA and begin to solicit a selection of vetted and licensed security firms from which the renters can contract with directly.

DISCUSSION:

If approved by the City Council, the City will use the attached updated forms, load them on the web-site, and initiate immediate participation by qualified local security companies to be listed for renters to choose from. Improving upon CIRA's recommended language the security firm is required to stay on site until the last person leaves, and the facility is secured and closed. Security companies eligible to be on the City's list will also have a current BSIS license.

Security companies are held to high standard, regulated by the State Bureau of Security & Investigative Services (BSIS). On December 14, 2021, when asked how the system works, this was the BSIS reply:

Hello,

You can always verify the status of a license with the link I have provided below. You can search the company by their name or license number.

Please be aware that the city must contract a Private Patrol Operator and cannot just hire individual security guards. They must be employed by a company. Thank you

<https://search.dca.ca.gov/> -BSIS Complaint Intake

The City's current security service provider has a current license with the BSIS that expires in February, 2022.

The first recommended change to the Community Hall rental Policy will make certain that every security firm vetted has these same credentials. The Policy itself is the third attachment. There



are three documents- "Hall Use Agreement;" "Rental Fee Schedule," and the proposed list of approved Security Companies.

In the Rental Fee Schedule, Section 1 "Insurance Requirement" has been updated by CIRA, and Section 3 "Security" refers to selecting a firm from the City's list of security providers. In this section, the City requires at least 10-days to confirm with the BSIS that the company continues to be licensed and is in good standing.

In the Hall Use Agreement, Section 16 makes it clear as a "Statement of Liability" that the applicant, not the City is responsible for the actions of the people in attendance. It now includes language regarding COVID safety precautions and accountability. This stronger language is a better tool for transferring the risk to the end user.

If approved the proposed changes are by the City Council, a management plan for the Hall Rental agreement will be established. If this concept is not approved by the City Council, a contract will be negotiated with the current private security provider to assure security is present at the next event scheduled January 29, 2021.

FISCAL IMPACT:

The proposed change to this policy eliminates the City from being in the middle between the security service and the renter. It thereby reduces the likelihood of paying for the services, (now required within 7 days of receipt of the invoice) and having the renter not pay the City. It also reduces the risk of the City being sued for unauthorized acts by the security services provider. If damage occurs, the City may have to file a claim on the renter's insurance policy to recover those expenses and repairs in excess of their deposit.

RESTATED RECOMMENDATION:

If the City Council agrees to this Hall Rental policy change, staff will implement it immediately, because time is of the essence to vet, approve, contract for services, and schedule the services.

ATTACHMENTS:

1. February 12 2019 staff report
2. BSIS Standards
3. Revised Hall Use Agreement, and Rental Fee Schedule

CITY OF SAN JUAN BAUTISTA

CITY COUNCIL

STAFF REPORT

DATE: February 12, 2019

**SUBJECT: AMEND THE COMMUNITY HALL AGREEMENT TO SPECIFY
LEVEL ONE SECURITY FOR ALL EVENTS**

FROM: Trish Paetz, Administrative Services Manager

Background:

Security patrol contracted by renters of the City Community Hall have not been effective. There was recent damage to the hall that the required deposit could not cover, and there have been complaints by neighbors of excessive noise and lewd acts taking place outside the hall during events. Currently, the City's agreement does not specify which security companies can be used but staff provides business cards upon request for Kysmet Security and Patrol and Panther Protective Services. While there have not been issues with these providers, some renters contract with security companies that are not licensed.

Some venues in neighboring Hollister and Aromas specify in their rental agreements who is allowed to cater, serve alcohol, and provide security. Staff feels designating one security company for all events would be in the best interest of the City.

Recommendation:

Staff has developed a good business relationship with Level One and proposes designating Level One as the only security company for events at the Community Hall.

Attachments:

Hall Use agreement with amended areas highlighted.

BUREAU OF SECURITY AND INVESTIGATIVE SERVICES

2420 Del Paso Rd., Suite 270, Sacramento, CA 95834
(916) 322-4000 or (800) 952-5210 | www.bsiss.ca.gov



STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY
GOVERNOR EDMUND G. BROWN JR.

PRIVATE SECURITY INDUSTRIES – WHO MUST BE LICENSED

The Bureau regulates "security" personnel through two practice acts in the Business and Professions Code (BPC): the Private Security Services Act (PSS Act) and the Proprietary Security Services Act (Proprietary Act).

Private Security Services Act Private Patrol Operator (PPO)

1. Person/Business that employs security guard(s) (SG) and contracts them out to another person/business must hold PPO license
2. Person licensed as PPO may perform SG duties without holding SG registration
3. SG must be employee on PPO payroll; independent contractor (i.e. "1099") not permitted
4. PPO may employ unarmed or armed SG (firearm or baton)
5. PPO cannot employ Proprietary Private Security Officer (PSO) and contract that PSO out to another person/business
6. **UNLICENSED ACTIVITY:** BPC 7582.3 mandates licensure. Misdemeanor pursuant to BPC 7582.3 (b) and misdemeanor pursuant to BPC 16240.

Proprietary Act Proprietary Security Employer (PSE)

1. Person/Business that employs proprietary private security officer (PSO) must hold PSE registration if PSO wears distinctive uniform identifying them as "security" and PSO interacts with public when performing private security duties
2. Person with PSE registration may not perform PSO duties unless they also hold a PSO registration
3. PSO must be employee on PSE payroll; independent contractor (i.e. "1099") not permitted
4. **PSE cannot employ armed PSO or armed SG** (firearm or baton)
5. PSE cannot contract out PSO to another person/business
6. **UNLICENSED ACTIVITY:** BPC 7574.12 mandates licensure. Misdemeanor pursuant to BPC 16240.

EXEMPTIONS TO BUREAU LICENSURE/
REGISTRATION REQUIREMENTS

- 1. An unarmed individual providing security services only for, and directly to, a private business or person and who is not in a distinctive uniform identifying them as security is exempt from licensure. For example, an unarmed bouncer, loss prevention employee, or bodyguard not in a distinctive uniform identifying them as providing security services.
- 2. An armed or unarmed individual providing security services and employed by a federal, state, or local agency or a political subdivision of the state.

A licensee shall present his/her Bureau-issued identification card to any peace officer or Bureau representative upon demand. (CCR: Title 16, Div. 7, § 608.3)

E-mail the Bureau at
bsis.incidentreports@dca.ca.gov
regarding any violent incident you encounter involving a SG, PSO, PPO or PSE.

Private Security Services Act
Security Guard (SG)

- 1. Person employed by PPO to provide security services to another person/business must hold SG registration
- 2. Armed SG may only be employed by PPO(s)
- 3. Armed SG must possess BSIS Firearms Permit and only carry firearm of caliber listed on permit
- 4. Armed SG (baton or firearm) must be in a uniform with shoulder patch and badge approved by Bureau (BPC 7582.27)
- 5. SG may not contract themselves out for security services unless they also hold a PPO license
- 6. SG carrying concealed firearm while on duty must possess CCW Permit and a BSIS Firearms Permit
- 7. **UNLICENSED ACTIVITY:** BPC 7583.9 mandates licensure. Misdemeanor pursuant to BPC 16240.

NOTE

- 1. SG or PSO may work pending receipt of registration card with a printout of his/her current registration from the Bureau's website and valid photo identification.

Proprietary Act
Proprietary Security Officer (PSO)

- 1. Person employed by PSE who wears distinctive uniform identifying them as "security officer" and who interacts with the public while performing private security services must hold PSO registration
- 2. PSO must be employed by PSE and only provide security services to PSE
- 3. PSO may not contract out security services
- 4. PSO may not work for a PPO
- 5. **PSO may not carry/use a firearm or baton**
- 6. **UNLICENSED ACTIVITY:** Infraction citation with minimum fine of \$250 and maximum of \$1,000 pursuant to BPC 7574.32 and misdemeanor pursuant to BPC 16240.

- 2. SG may work armed pending receipt of his/her BSIS Firearms Permit with a printout of his/her current Firearms Permit from Bureau's website and valid photo identification.

**San Juan Bautista
Community Hall
P.O. Box 1420
10 San Jose Street
San Juan Bautista, CA 95045**

HALL USE AGREEMENT

I _____

Address: _____

Mailing Address: _____

City: _____ State: _____ Zip code: _____

Telephone No.: _____ Cell No.: _____ Email: _____

Hereby enter into this agreement with the City of San Juan Bautista for the use of the San Juan Bautista Community Hall on:

Day(s): _____ Date: _____ Times: _____

Amplified Music shall stop by 10:00 p.m. Hall Closes at 11:00p.m. Applicant must vacate no later than ending time specified on time of use information line. Any attendees remaining after declared ending time, applicant will incur additional security charges. Any additional charges will be subtracted from your deposit. Doors must be locked at end time of event.

Are you applying for: (circle one) One time use or On-going regular use

Function Information

Type: _____

Setup time: _____ to _____

Time of use: _____ to _____

Cleanup time: _____ to _____

Total hours in use: _____

Number of guests: _____

(200 person capacity)

Will food be served?: Yes / No

Will alcohol be served? Yes / No

Admission charge? Yes / No

Are tables needed? Yes / No

Are chairs needed? Yes / No

Club/Organization Information

Name: _____

Address _____

City/State/Zip _____

Contact Person & Title: _____

Address: _____

City/State/Zip: _____

Home No.: _____

Work No.: _____

Cell No.: _____

Fax No.: _____

Non-profit: Yes / No

(Evidence of non-profit status required, i.e. 501(c)(3))



I agree to the following terms and conditions:

1. A rental use fee of \$ _____ is due 45 days in advance of the date of use. Checks should be made payable to "City of San Juan Bautista". Proof of residency is required. **All forms and payment must be returned to City Hall 45 days in advance of the date of use.**
2. The following deposit is due 45 days in advance of date of use: Refundable Cleaning Deposit \$200.00.
3. All or a portion of the deposit will be refunded within 30 days after use.
4. Any cancellations will be charged an admin fee of \$100.00 _____ (Please Initial)
5. Security: A list of approved security companies will be provided. Security is required for any event where alcohol is being served or where more than 50 people will attend the event. Security must be in attendance from the time guests are expected to arrive through the close of the rental time. Security guards must be from the city-approved list and have a current business license with the City of San Juan Bautista. Upon receiving your security contract, the City will check to see if the company on your contract is current. If the company is not current it will be declined. Any deviation from this must be approved by the City Manager and a minimum of ten (10) days required for this approval process.
6. Alcoholic beverages must be consumed in the building only. Please do not consume alcoholic beverages outdoors.
7. Liability insurance coverage in the amount of \$1,000,000 shall be provided naming the *City of San Juan Bautista as an additional insured*. Proof of coverage shall be presented to the City 45 days prior to use by providing a Certificate of Insurance. The Certificate must have the name of the renter from the top of page 1. The City of San Juan Bautista does provide insurance through Driver Alliant for a fee of \$206.59/per event.
8. Upon completion of this rental, and all clean up, Renter shall contact City Hall at which time arrangements will be made to inspect the hall. Following the inspection, a determination will be made concerning the cleaning deposit refund.
9. All garbage, trash and other waste shall be removed from inside and outside of the building. A 2-yard garbage bin dumpster is located by the kitchen entrance on First Street. **Renters must furnish their own trash bags.**
10. If the kitchen is used, counters shall be wiped clean and any gas appliances that were used shall be wiped clean and shut off.
11. If any spots or spills occur, please wipe up and dry them immediately.
12. The kitchen shall be cleared of any trash or debris.
13. Bathrooms shall be cleared of any trash and the wastebaskets emptied.
14. In no event shall private property be trespassed upon or used for parking. All parking shall be limited to public streets. **Please do not block our neighbors' driveway!**
15. I (the renter) shall be honest in my dealings with the City of San Juan Bautista, and promise to treat its members, their hall, and the neighbors with courtesy and respect.

16. STATEMENT OF LIABILITY

The applicant is solely responsible for any damage, loss, accident or injury to persons or property resulting from the use of City facilities. Applicant shall be responsible for control and supervision of the people in attendance during the use of the facility and shall see that no damage is done to furnishings, fixtures or any part of the facility. Any violation of the conditions in this Community Hall Use Agreement or Rental Fee Schedule can result in a denial of further permits and, in case of damage to a facility, financial reimbursement for repair or replacement will be demanded.



I, the undersigned, have received and read a copy of the Community Hall Rules and Regulations concerning the use of City facilities and agree to comply with them. I, or my representative, agree to be present during the entire period of use of the facility by the applicant organization. I further acknowledge the contagious nature of **COVID-19** and voluntarily assume the risk that myself and others attending my event may be exposed to or infected by **COVID-19**. I agree to having all attendees follow CDC and San Benito County Department of Public Health recommendations for enhanced health and safety measures related to **COVID-19** and follow all posted instructions while using City facilities; including requirements for social distancing, wearing of face coverings, participant grouping, types of activities allowed, and potential limits on event size.

In consideration of the City permitting the use of its facilities, I, individually and on behalf of **Applicant**, my successors, heirs, administrators and assigns, agree to defend, hold harmless, indemnify and release the City of San Juan Bautista, its officials, officers, employees, volunteers and agents, from any and all actions, demands, and/or claims for damage or injury, including claims for negligence, which may arise from or in connection with the use of said facilities, except where caused by the active negligence, sole negligence, or willful misconduct of the City of San Juan Bautista, its officers, officials, employees and volunteers.

17. Key policy:

Weekend use: Keys must be picked up before 11:00 a.m. Friday before the event unless other arrangements have been made with staff. Set-up may start after the keys have been released to the renter. Cleaning must be completed by 2:00 p.m. Sunday after the event. Keys must be returned by dropping them in the gray drop box to the right of the front entrance of City Hall immediately after use.

Weekday use: Keys can be picked up at the City Hall front counter Monday through Friday during the times of 9:00 a.m. - 1:00 p.m. on the day of the use for those who have weekday use. Keys should be returned by dropping them in the gray drop box to the right of the front entrance to City Hall immediately after use.

Date: _____ Signature: _____

Date Received: _____ By: _____





**San Juan Bautista Community
Hall Rental Fee Schedule
P.O. Box 1420
10 San Jose Street
San Juan Bautista, CA 95045**

Rental Fee Schedule

All Checks to be made payable to "City of San Juan Bautista" Maximum capacity: 200 Persons

User Categories:

- 1:** City Residents /County Residents/Unincorporated San Benito County Residents; Proof of residency will be required.
- 2:** Non-San Benito County Residents
- 3:** Local City and County Non-Profits

Hall Rental Fee

User Categories	Monday- Sunday 8:00am -11:00am	Deposit	Cleaning Deposit
1	\$650.00	\$500	\$200
2	\$850.00	\$500	\$200
3	-0-	-0-	\$200

Fees Due By: Fees must be paid 45 days in advance. A reservation cannot be guaranteed until all fees are paid. Fees must be paid immediately for reservations made less than 30 days in advance. If a reservation is cancelled with less than 30-day's notice, fees are not refundable. Initials _____

Hall Cleaning: The Hall Rental Fee includes an allocation of \$200 for cleaning. Should the cleaning costs exceed \$200, the additional amount will be deducted from your Good Faith deposit. Initials _____

Deposit Requirements

Deposit: A deposit is required for all events. The deposit is returned the next regular check cycle (normally within 30 days) after the Hall has been inspected, cleaned and any damages repaired. The deposit is due when the reservation is made. Initials _____



Other Requirements

1. **Insurance:** A certificate of Liability Insurance in the amount of \$1,000,000, endorsed to add the City of San Juan Bautista as an "Additional Insured," must be provided to the City of San Juan Bautista at least 45 days prior to the event. The City of San Juan Bautista offers, as an option, the Tenant User Liability Insurance program through Drivers Alliant Insurance for users of City facilities, for a fee equal to the City's cost for the insurance plus 15% administration fee. (Most homeowner's policies will also provide this coverage at little to no cost). Additional insurance will be required if alcohol is served. California ABC laws must be followed; it is the renter's responsibility to become familiar with those laws. Initials _____

2. **Caterers:** Caterers must be licensed and comply with State and local regulations. Initials _____

3. **Security:** A list of approved security companies will be provided. Security is required for any event where alcohol is being served or where more than 50 people will attend the event.

Security must be in attendance from the time guests are expected to arrive through the close of the rental time. Security guards must be from the city-approved list and have a current business license with the City of San Juan Bautista. Upon receiving your security contract, the City will check to see if the company on your contract is current. If the company is not current it will be declined. Any deviation from this must be approved by the City Manager and a minimum of ten (10) days required for this approval process.

4. **Trash Service:** The State requires all large events to have a solid waste recycling program. To fulfill this requirement the City provides both trash and recycling containers for all events. These containers must be clearly marked. Should a container be filled during an event, the renter is expected to change the bag so garbage does not overflow onto the floor. The City will properly dispose of all properly bagged trash with no charges against the deposit. Initials _____



5. **Decorations:** No decorations are allowed on the walls, windows, woodwork, doors, or ceilings of the building. Tape that will damage or mar surfaces shall not be used. Decorations must be limited to self-standing. No burning candles or open flames are allowed in the building. No smoke, water, or mist devices are allowed. No helium balloons are allowed in the Community Center. Initials _____

Additional Facility Information

1. **Tables and chairs** are available from the City but are limited.
2. **Parking** - Community Hall parking is along the side streets, primarily First Street, Second Street, Jefferson and San Jose Streets. Guests are not allowed to park in the Casa Maria parking lot. If the parking lot is open, it is because Casa Maria is having an event and will need all of the parking for their guests. Initials _____

Additional Community Center Rental Policies

The City of San Juan Bautista City Council has set for the following policies with respect to rental and other uses of the San Juan Bautista Community Center:

Rights and Priorities of Use:

1. Anyone or any group can rent the Community Hall on a first come first serve basis.
2. Rentals can be pre-empted in the event of a declared emergency in which the Community Center will be utilized by the Red Cross and/or other appropriate groups for community assistance. In this event, all deposits and rental fees shall be refunded for any party who is unable to use the hall during the emergency.

Fees and Payments:

1. All fees shall be paid in accordance with the published and approved rental rates and deposit schedule of the City of San Juan Bautista.
2. Public Agencies requesting the use of the Community Center for business activities involving the City of San Juan Bautista will not be charged a rental fee but will be responsible for the cleaning costs of the room following their activity.



3. Community non-profits may rent the Community Center on a space available basis Monday through Thursday only, and are required to pay for insurance and a cleaning deposit.
4. Fees charged and/or assessed may be appealed to the San Juan Bautista City Council.

Cleaning and Damage Assessment:

1. Each renter of the San Juan Bautista Community Center is required to do a pre-rental walk-through with City personnel to assess any existing issues that might be present with the building. Any existing issues must be noted in a writing signed by the renter and the City during this walk-through to avoid subsequent assessment against your deposit. Initials _____
2. After each event, renter must clean the hall inside and outside building but not the floor, as instructed by City staff. City staff will inspect the hall and the renter may be charged for the cost to fix, repair, or clean any damage or detrimental condition found by staff. This includes, but is not limited to wall and floor damage, excess garbage, helium balloon removal, and appliance damage.
3. Rental fees contain an allowance for building cleaning. Any cleaning costs in excess of that allowance will be taken out of the deposit. Any cleaning or repair damages in excess of the deposit are the renter's and the renter's insurance company's responsibility. Initials _____
4. Any fees assessed for cleaning or damage may be appealed to the San Juan Bautista City Council.





CITY OF SAN JUAN BAUTISTA APPROVED SECURITY COMPANY LIST

The City of San Juan Bautista requires that all private security companies have a current license with the State of California Bureau of Security & Investigative Services, and be licensed to do business in the City of San Juan Bautista to provide services in City facilities. The applicant **MUST** provide a copy of the private security contract for their services before being given the keys.

Security is required at all events that include alcohol, and any events with 50+ guests and must be present from the time the activity begins through the time the building is secured and all visitors have vacated the premises. The guards must be from a security company on this city-approved list and have a current business license with the City of San Juan Bautista and general liability insurance with an endorsement listing the City as additional insured. At the time your security contract is provided to us, we will check to see if the company on your contract is current. If the company is not current it will be declined. Any deviation from this must be approved by the City Manager and a minimum of ten (10) days required for this approval process.

Security Company name
xxx-xxx-xxxx

Contact Information
xxx-xxx-xxxx

How Will SB 9 Affect Planning in California?

William Fulton on Sep 18, 2021

[Previous](#) | [Next](#)

SB 9, the bill outlawing single-family zoning in California, is now law. On the surface, it's a transformational piece of legislation, unwinding a century of California land-use regulation. But what's really in it? And will it really result in either far more housing, as its proponents hope, or dramatically changed neighborhoods, as its opponents fear?

Neither question is easy to answer at this point. So let's take a look at SB 9 – first, by examining what it does; and second, by speculating on what its impact will be.

What SB 9 Does

Let's begin by running down what SB 9 does and doesn't do.

First and most important, it mandates ministerial approval of duplexes on lots zoned for a single-family residence. So, with a resounding thud, yes, it ends single-family zoning in California.

Second, it *also* requires ministerial approval of subdivision of residential parcels into two parcels. So it creates the theoretical possibility for four units to be built on what is today a single-family parcel. However, subdivision is only possible in urban locations and cannot occur in a wide variety of circumstances, including farmland and wetlands, fire hazard zones, floodplains, species habitats, or historic districts.

There's been considerable concern that SB 9 will benefit real estate investors and speculators but not people who need housing. So the Legislature imposed several residency requirements, including:

- One of the resulting units must be occupied by an owner for the first three years (but no additional occupancy requirements can be added).
- Local governments *must* adopt an ordinance prohibiting short-term occupancy, thus eliminating the AirBNB problem.
- No deed-restricted units can be destroyed, nor can a rental unit that has been occupied by a tenant for the last three years.
- An accessory dwelling unit cannot be added to the number of units constructed as a result of the bill.
- Double-dipping is not allowed. That is, if a lot has already been split, it can't be split again.

The Legislature has apparently learned from the battles over accessory dwelling units and other reforms where cities have fought back against state mandates with additional rules that made ADU construction more difficult. Longtime California planners will recall that the state and local governments engaged in a long-running battle over ADUs, with the locals consistently imposing more restrictions on ADUs (parking, minimum lot size, minimum unit size, etc.) and the state gradually pushing back. Finally, in 2017, the state passed an ADU law giving local governments little discretion and the number of ADUs permitted increased dramatically.

In this case, the state appears to be trying to clamp down from the beginning, with a variety of restrictions including the following:

- Parking is limited to one space per unit in most circumstances.
- Parking requirements are *prohibited* if the parcels are located within a half-mile of good transit service or within one block of a carshare service.
- The two lots are about equal size.
- Local governments cannot impose standards that would either make it physically impossible to build two units or that would create a minimum unit size of less than 800 square feet.

Local governments can't stop the duplexes or lot splits, but they do have two major powers under SB 9:

First, they can impose "objective design standards" that don't conflict with the law.



And second, they can deny a project if it would create a “specific, adverse impact on health and safety” and there is no way to mitigate that impact.

It's likely that the locals will use these two powers in creative ways that will lead to extensive litigation. In fact, courts have been cracking down on creative use of these exact same standards in recent litigation over SB 35 and the Housing Accountability Act. Cities from [Los Altos](#) to [Huntington Beach](#) have run into trouble by trying to impose design standards that courts have found to be subjective, not objective. Most recently, [an appellate court hammered the City of San Mateo](#) for the same general approach. So cities will have to come up with very tight, objective standards that can be measured against if they seek to box duplexes and urban lot splits in this way.

Furthermore, as the cities in the SB 35 and Accountability Act cases are finding, these two powers are related. It's possible to deny a project because of a health or safety impact – but that impact has to be specific and unmitigatable, and usually a safety impact in particular (such as, for example, egress) has to violate a specific objective standard. In the Huntington Beach case, the city found that the condo project being denied would create a safety hazard because cars would turn right out of the parking garage, make a U-turn, and possible cause collisions. The court reprimanded the city for being vague about this impact, however.

What Will SB 9's Impact Be?

The big question is how often SB 9 will actually be used by property owners. And that's almost impossible to say.

The Turner Center for Housing Innovation at UC [Berkeley tried to estimate how many parcels could feasibly be converted under SB 9](#). Their conclusion was: about 7% statewide.

Statewide, that translates into something like the following numbers:

- There are about 7 million single-family parcels statewide.
- Of those, about 6 million would be eligible for conversion under SB 9
- About 410,000 parcels could be converted in a way that is feasible in the current market.
- These parcels could yield about 714,000 additional units.

But that's assuming that every parcel that could be converted is converted. Single-family homes are largely in the hands of homeowners themselves (though an increasing number are owned by investors large and small), and those homeowners are likely to take action based on their own personal circumstances, not the likelihood of market return.

On top of that, there's the question – which we posed [in a podcast with the Turner Center a few months ago](#) – of who will build and finance these units. The ADU industry stood up pretty fast in California after 2017. But it's a lot easier to plop an ADU in somebody's back yard than it is to build a duplex – or two duplexes. It's unclear whether a duplex industry can stand up as quickly as the ADU industry.

The bottom line probably looks something like this: Will SB 9 yield thousands of units? Probably. Will it yield tens or hundreds of thousands of units? Probably not.

The bigger question, really, is what the impact of all the state's housing laws over the past few years will have on housing production. Like SB 35, the ADU law, SB 330, and others, SB 9 is not going to solve the housing market all by itself. As our Josh Stephens reported not long ago, SB 9 (and its companion bill SB 10) may not be as big a deal as the overall shift driven by the dramatic increase in the Regional Housing Needs Assessment numbers. In the end, Josh noted, RHNA may be more important. ([Josh's blog on this topic](#), which is in front of our paywall, is the most popular piece we've published this year and well worth reading.)

CP&DR is a subscriber-supported publication. This article is being provided free of charge, but most articles are available only on a premium basis.



For **FULL ACCESS** to all our premium content - [Subscribe Online Today!](#)
(If you're not a subscriber premium articles can be purchased for just \$5 each by visiting our online [Single Purchase Store](#))

[Back to top](#)

[Previous](#) | [Next](#)



SB-9 Housing development: approvals. (2021-2022)

SHARE THIS:



Date Published: 09/17/2021 09:00 PM

Senate Bill No. 9

CHAPTER 162

An act to amend Section 66452.6 of, and to add Sections 65852.21 and 66411.7 to, the Government Code, relating to land use.

[Approved by Governor September 16, 2021. Filed with Secretary of State September 16, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 9, Atkins. Housing development: approvals.

The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions.

This bill, among other things, would require a proposed housing development containing no more than 2 residential units within a single-family residential zone to be considered ministerially, without discretionary review or hearing, if the proposed housing development meets certain requirements, including, but not limited to, that the proposed housing development would not require demolition or alteration of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income, that the proposed housing development does not allow for the demolition of more than 25% of the existing exterior structural walls, except as provided, and that the development is not located within a historic district, is not included on the State Historic Resources Inventory, or is not within a site that is legally designated or listed as a city or county landmark or historic property or district.

The bill would set forth what a local agency can and cannot require in approving the construction of 2 residential units, including, but not limited to, authorizing a local agency to impose objective zoning standards, objective subdivision standards, and objective design standards, as defined, unless those standards would have the effect of physically precluding the construction of up to 2 units or physically precluding either of the 2 units from being at least 800 square feet in floor area, prohibiting the imposition of setback requirements under certain circumstances, and setting maximum setback requirements under all other circumstances.

The Subdivision Map Act vests the authority to regulate and control the design and improvement of subdivisions in the legislative body of a local agency and sets forth procedures governing the local agency's processing, approval, conditional approval or disapproval, and filing of tentative, final, and parcel maps, and the modification of those maps. Under the Subdivision Map Act, an approved or conditionally approved tentative map expires 24 months after its approval or conditional approval or after any additional period of time as prescribed by local ordinance, not to exceed an additional 12 months, except as provided.

This bill, among other things, would require a local agency to ministerially approve a parcel map for an urban lot split that meets certain requirements, including, but not limited to, that the urban lot split would not require the demolition or alteration of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income, that the parcel is located within a single-family residential zone, and that the parcel is not located within a historic district, is not included on the State Historic Resources Inventory, or is not within a site that is legally designated or listed as a city or county landmark or historic property or district.

The bill would set forth what a local agency can and cannot require in approving an urban lot split, including, but not limited to, authorizing a local agency to impose objective zoning standards, objective subdivision standards, and objective design standards, as defined, unless those standards would have the effect of physically precluding the construction of 2 units, as defined, on either of the resulting parcels or physically precluding either of the 2 units from being at least 800 square feet in floor area, prohibiting the imposition of setback requirements under certain circumstances, and setting maximum setback requirements under all other circumstances. The bill would require an applicant to sign an affidavit stating that they intend to occupy one of the housing units as their principal residence for a minimum of 3 years from the date of the approval of the urban lot split, unless the applicant is a community land trust or a qualified nonprofit corporation, as specified. The bill would prohibit a local agency from imposing any additional owner occupancy standards on applicants. By requiring applicants to sign affidavits, thereby expanding the crime of perjury, the bill would impose a state-mandated local program.

The bill would also extend the limit on the additional period that may be provided by ordinance, as described above, from 12 months to 24 months and would make other conforming or nonsubstantive changes.

The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment. CEQA does not apply to the approval of ministerial projects.

This bill, by establishing the ministerial review processes described above, would thereby exempt the approval of projects subject to those processes from CEQA.

The California Coastal Act of 1976 provides for the planning and regulation of development, under a coastal development permit process, within the coastal zone, as defined, that shall be based on various coastal resources planning and management policies set forth in the act.

This bill would exempt a local agency from being required to hold public hearings for coastal development permit applications for housing developments and urban lot splits pursuant to the above provisions.

By increasing the duties of local agencies with respect to land use regulations, the bill would impose a state-mandated local program.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for specified reasons.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 65852.21 is added to the Government Code, to read:

65852.21. (a) A proposed housing development containing no more than two residential units within a single-family residential zone shall be considered ministerially, without discretionary review or a hearing, if the proposed housing development meets all of the following requirements:

(1) The parcel subject to the proposed housing development is located within a city, the boundaries of which include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(2) The parcel satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4.

(3) Notwithstanding any provision of this section or any local law, the proposed housing development would not require demolition or alteration of any of the following types of housing:

(A) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.

(B) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.

(C) Housing that has been occupied by a tenant in the last three years.

(4) The parcel subject to the proposed housing development is not a parcel on which an owner of residential real property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.

(5) The proposed housing development does not allow the demolition of more than 25 percent of the existing exterior structural walls, unless the housing development meets at least one of the following conditions:

(A) If a local ordinance so allows.

(B) The site has not been occupied by a tenant in the last three years.

(6) The development is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or within a site that is designated or listed as a city or county landmark or historic property or district pursuant to a city or county ordinance.

(b) (1) Notwithstanding any local law and except as provided in paragraph (2), a local agency may impose objective zoning standards, objective subdivision standards, and objective design review standards that do not conflict with this section.

(2) (A) The local agency shall not impose objective zoning standards, objective subdivision standards, and objective design standards that would have the effect of physically precluding the construction of up to two units or that would physically preclude either of the two units from being at least 800 square feet in floor area.

(B) (i) Notwithstanding subparagraph (A), no setback shall be required for an existing structure or a structure constructed in the same location and to the same dimensions as an existing structure.

(ii) Notwithstanding subparagraph (A), in all other circumstances not described in clause (i), a local agency may require a setback of up to four feet from the side and rear lot lines.

(c) In addition to any conditions established in accordance with subdivision (b), a local agency may require any of the following conditions when considering an application for two residential units as provided for in this section:

(1) Off-street parking of up to one space per unit, except that a local agency shall not impose parking requirements in either of the following instances:

(A) The parcel is located within one-half mile walking distance of either a high-quality transit corridor, as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop, as defined in Section 21064.3 of the Public Resources Code.

(B) There is a car share vehicle located within one block of the parcel.

(2) For residential units connected to an onsite wastewater treatment system, a percolation test completed within the last 5 years, or, if the percolation test has been recertified, within the last 10 years.

(d) Notwithstanding subdivision (a), a local agency may deny a proposed housing development project if the building official makes a written finding, based upon a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

(e) A local agency shall require that a rental of any unit created pursuant to this section be for a term longer than 30 days.

(f) Notwithstanding Section 65852.2 or 65852.22, a local agency shall not be required to permit an accessory dwelling unit or a junior accessory dwelling unit on parcels that use both the authority contained within this section and the authority contained in Section 66411.7.

(g) Notwithstanding subparagraph (B) of paragraph (2) of subdivision (b), an application shall not be rejected solely because it proposes adjacent or connected structures provided that the structures meet building code safety standards and are sufficient to allow separate conveyance.

(h) Local agencies shall include units constructed pursuant to this section in the annual housing element report as required by subparagraph (I) of paragraph (2) of subdivision (a) of Section 65400.

(i) For purposes of this section, all of the following apply:

(1) A housing development contains two residential units if the development proposes no more than two new units or if it proposes to add one new unit to one existing unit.

(2) The terms "objective zoning standards," "objective subdivision standards," and "objective design review standards" mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal. These standards may be embodied in alternative objective land use specifications adopted by a local agency, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances.

(3) "Local agency" means a city, county, or city and county, whether general law or chartered.

(j) A local agency may adopt an ordinance to implement the provisions of this section. An ordinance adopted to implement this section shall not be considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.

(k) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local agency shall not be required to hold public hearings for coastal development permit applications for a housing development pursuant to this section.

SEC. 2. Section 66411.7 is added to the Government Code, to read:

66411.7. (a) Notwithstanding any other provision of this division and any local law, a local agency shall ministerially approve, as set forth in this section, a parcel map for an urban lot split only if the local agency determines that the parcel map for the urban lot split meets all the following requirements:

(1) The parcel map subdivides an existing parcel to create no more than two new parcels of approximately equal lot area provided that one parcel shall not be smaller than 40 percent of the lot area of the original parcel proposed for subdivision.

(2) (A) Except as provided in subparagraph (B), both newly created parcels are no smaller than 1,200 square feet.

(B) A local agency may by ordinance adopt a smaller minimum lot size subject to ministerial approval under this subdivision.

(3) The parcel being subdivided meets all the following requirements:

(A) The parcel is located within a single-family residential zone.

(B) The parcel subject to the proposed urban lot split is located within a city, the boundaries of which include some portion of either an urbanized area or urban cluster, as designated by the United States Census Bureau, or, for unincorporated areas, a legal parcel wholly within the boundaries of an urbanized area or urban cluster, as designated by the United States Census Bureau.

(C) The parcel satisfies the requirements specified in subparagraphs (B) to (K), inclusive, of paragraph (6) of subdivision (a) of Section 65913.4.

(D) The proposed urban lot split would not require demolition or alteration of any of the following types of housing:

(i) Housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income.

(ii) Housing that is subject to any form of rent or price control through a public entity's valid exercise of its police power.

(iii) A parcel or parcels on which an owner of residential real property has exercised the owner's rights under Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 to withdraw accommodations from rent or lease within 15 years before the date that the development proponent submits an application.

(iv) Housing that has been occupied by a tenant in the last three years.

(E) The parcel is not located within a historic district or property included on the State Historic Resources Inventory, as defined in Section 5020.1 of the Public Resources Code, or within a site that is designated or listed as a city or county landmark or historic property or district pursuant to a city or county ordinance.

(F) The parcel has not been established through prior exercise of an urban lot split as provided for in this section.

(G) Neither the owner of the parcel being subdivided nor any person acting in concert with the owner has previously subdivided an adjacent parcel using an urban lot split as provided for in this section.

(b) An application for a parcel map for an urban lot split shall be approved in accordance with the following requirements:

(1) A local agency shall approve or deny an application for a parcel map for an urban lot split ministerially without discretionary review.

(2) A local agency shall approve an urban lot split only if it conforms to all applicable objective requirements of the Subdivision Map Act (Division 2 (commencing with Section 66410)), except as otherwise expressly provided in this section.

(3) Notwithstanding Section 66411.1, a local agency shall not impose regulations that require dedications of rights-of-way or the construction of offsite improvements for the parcels being created as a condition of issuing a parcel map for an urban lot split pursuant to this section.

(c) (1) Except as provided in paragraph (2), notwithstanding any local law, a local agency may impose objective zoning standards, objective subdivision standards, and objective design review standards applicable to a parcel created by an urban lot split that do not conflict with this section.

(2) A local agency shall not impose objective zoning standards, objective subdivision standards, and objective design review standards that would have the effect of physically precluding the construction of two units on either of the resulting parcels or that would result in a unit size of less than 800 square feet.

(3) (A) Notwithstanding paragraph (2), no setback shall be required for an existing structure or a structure constructed in the same location and to the same dimensions as an existing structure.

(B) Notwithstanding paragraph (2), in all other circumstances not described in subparagraph (A), a local agency may require a setback of up to four feet from the side and rear lot lines.

(d) Notwithstanding subdivision (a), a local agency may deny an urban lot split if the building official makes a written finding, based upon a preponderance of the evidence, that the proposed housing development project would have a specific, adverse impact, as defined and determined in paragraph (2) of subdivision (d) of Section 65589.5, upon public health and safety or the physical environment and for which there is no feasible method to satisfactorily mitigate or avoid the specific, adverse impact.

(e) In addition to any conditions established in accordance with this section, a local agency may require any of the following conditions when considering an application for a parcel map for an urban lot split:

(1) Easements required for the provision of public services and facilities.

(2) A requirement that the parcels have access to, provide access to, or adjoin the public right-of-way.

(3) Off-street parking of up to one space per unit, except that a local agency shall not impose parking requirements in either of the following instances:

(A) The parcel is located within one-half mile walking distance of either a high-quality transit corridor as defined in subdivision (b) of Section 21155 of the Public Resources Code, or a major transit stop as defined in Section 21064.3 of the Public Resources Code.

(B) There is a car share vehicle located within one block of the parcel.

(f) A local agency shall require that the uses allowed on a lot created by this section be limited to residential uses.

(g) (1) A local agency shall require an applicant for an urban lot split to sign an affidavit stating that the applicant intends to occupy one of the housing units as their principal residence for a minimum of three years from the date of the approval of the urban lot split.

(2) This subdivision shall not apply to an applicant that is a "community land trust," as defined in clause (ii) of subparagraph (C) of paragraph (11) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code, or is a "qualified nonprofit corporation" as described in Section 214.15 of the Revenue and Taxation Code.

(3) A local agency shall not impose additional owner occupancy standards, other than provided for in this subdivision, on an urban lot split pursuant to this section.

(h) A local agency shall require that a rental of any unit created pursuant to this section be for a term longer than 30 days.

(i) A local agency shall not require, as a condition for ministerial approval of a parcel map application for the creation of an urban lot split, the correction of nonconforming zoning conditions.

(j) (1) Notwithstanding any provision of Section 65852.2, 65852.21, 65852.22, 65915, or this section, a local agency shall not be required to permit more than two units on a parcel created through the exercise of the authority contained within this section.

(2) For the purposes of this section, "unit" means any dwelling unit, including, but not limited to, a unit or units created pursuant to Section 65852.21, a primary dwelling, an accessory dwelling unit as defined in Section 65852.2, or a junior accessory dwelling unit as defined in Section 65852.22.

(k) Notwithstanding paragraph (3) of subdivision (c), an application shall not be rejected solely because it proposes adjacent or connected structures provided that the structures meet building code safety standards and are sufficient to allow separate conveyance.

(l) Local agencies shall include the number of applications for parcel maps for urban lot splits pursuant to this section in the annual housing element report as required by subparagraph (I) of paragraph (2) of subdivision (a) of Section 65400.

(m) For purposes of this section, both of the following shall apply:

(1) "Objective zoning standards," "objective subdivision standards," and "objective design review standards" mean standards that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal. These standards may be embodied in alternative objective land use specifications adopted by a local agency, and may include, but are not limited to, housing overlay zones, specific plans, inclusionary zoning ordinances, and density bonus ordinances.

(2) "Local agency" means a city, county, or city and county, whether general law or chartered.

(n) A local agency may adopt an ordinance to implement the provisions of this section. An ordinance adopted to implement this section shall not be considered a project under Division 13 (commencing with Section 21000) of the Public Resources Code.

(o) Nothing in this section shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code), except that the local agency shall not be required to hold public hearings for coastal development permit applications for urban lot splits pursuant to this section.

SEC. 3. Section 66452.6 of the Government Code is amended to read:

66452.6. (a) (1) An approved or conditionally approved tentative map shall expire 24 months after its approval or conditional approval, or after any additional period of time as may be prescribed by local ordinance, not to exceed an additional 24 months. However, if the subdivider is required to expend two hundred thirty-six thousand seven hundred ninety dollars (\$236,790) or more to construct, improve, or finance the construction or improvement of public improvements outside the property boundaries of the tentative map, excluding improvements of public rights-of-way that abut the boundary of the property to be subdivided and that are reasonably related to the development of that property, each filing of a final map authorized by Section 66456.1 shall extend the expiration of the approved or conditionally approved tentative map by 48 months from the date of its expiration, as provided in this section, or the date of the previously filed final map, whichever is later. The extensions shall not extend the tentative map more than 10 years from its approval or conditional approval. However, a tentative map on property subject to a development agreement authorized by Article 2.5 (commencing with Section 65864) of Chapter 4 of Division 1 may be extended for the period of time provided for in the agreement, but not beyond the duration of the agreement. The number of phased final maps that may be filed shall be determined by the advisory agency at the time of the approval or conditional approval of the tentative map.

(2) Commencing January 1, 2012, and each calendar year thereafter, the amount of two hundred thirty-six thousand seven hundred ninety dollars (\$236,790) shall be annually increased by operation of law according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting. The effective date of each annual adjustment shall be March 1. The adjusted amount shall apply to tentative and vesting tentative maps whose applications were received after the effective date of the adjustment.

(3) "Public improvements," as used in this subdivision, include traffic controls, streets, roads, highways, freeways, bridges, overcrossings, street interchanges, flood control or storm drain facilities, sewer facilities, water facilities, and lighting facilities.

(b) (1) The period of time specified in subdivision (a), including any extension thereof granted pursuant to subdivision (e), shall not include any period of time during which a development moratorium, imposed after approval of the tentative map, is in existence. However, the length of the moratorium shall not exceed five years.

(2) The length of time specified in paragraph (1) shall be extended for up to three years, but in no event beyond January 1, 1992, during the pendency of any lawsuit in which the subdivider asserts, and the local agency that approved or conditionally approved the tentative map denies, the existence or application of a development moratorium to the tentative map.

(3) Once a development moratorium is terminated, the map shall be valid for the same period of time as was left to run on the map at the time that the moratorium was imposed. However, if the remaining time is less than 120 days, the map shall be valid for 120 days following the termination of the moratorium.

(c) The period of time specified in subdivision (a), including any extension thereof granted pursuant to subdivision (e), shall not include the period of time during which a lawsuit involving the approval or conditional approval of the tentative map is or was pending in a court of competent jurisdiction, if the stay of the time period is approved by the local agency pursuant to this section. After service of the initial petition or complaint in the lawsuit upon the local agency, the subdivider may apply to the local agency for a stay pursuant to the local agency's adopted procedures. Within 40 days after receiving the application, the local agency shall either stay the time period for up to five years or deny the requested stay. The local agency may, by ordinance, establish procedures for reviewing the requests, including, but not limited to, notice and hearing requirements, appeal procedures, and other administrative requirements.

(d) The expiration of the approved or conditionally approved tentative map shall terminate all proceedings and no final map or parcel map of all or any portion of the real property included within the tentative map shall be filed with the legislative body without first processing a new tentative map. Once a timely filing is made, subsequent actions of the local agency, including, but not limited to, processing, approving, and recording, may lawfully occur after the date of expiration of the tentative map. Delivery to the county surveyor or city engineer shall be deemed a timely filing for purposes of this section.

(e) Upon application of the subdivider filed before the expiration of the approved or conditionally approved tentative map, the time at which the map expires pursuant to subdivision (a) may be extended by the legislative body or by an advisory agency authorized to approve or conditionally approve tentative maps for a period or

periods not exceeding a total of six years. The period of extension specified in this subdivision shall be in addition to the period of time provided by subdivision (a). Before the expiration of an approved or conditionally approved tentative map, upon an application by the subdivider to extend that map, the map shall automatically be extended for 60 days or until the application for the extension is approved, conditionally approved, or denied, whichever occurs first. If the advisory agency denies a subdivider's application for an extension, the subdivider may appeal to the legislative body within 15 days after the advisory agency has denied the extension.

(f) For purposes of this section, a development moratorium includes a water or sewer moratorium, or a water and sewer moratorium, as well as other actions of public agencies that regulate land use, development, or the provision of services to the land, including the public agency with the authority to approve or conditionally approve the tentative map, which thereafter prevents, prohibits, or delays the approval of a final or parcel map. A development moratorium shall also be deemed to exist for purposes of this section for any period of time during which a condition imposed by the city or county could not be satisfied because of either of the following:

(1) The condition was one that, by its nature, necessitated action by the city or county, and the city or county either did not take the necessary action or by its own action or inaction was prevented or delayed in taking the necessary action before expiration of the tentative map.

(2) The condition necessitates acquisition of real property or any interest in real property from a public agency, other than the city or county that approved or conditionally approved the tentative map, and that other public agency fails or refuses to convey the property interest necessary to satisfy the condition. However, nothing in this subdivision shall be construed to require any public agency to convey any interest in real property owned by it. A development moratorium specified in this paragraph shall be deemed to have been imposed either on the date of approval or conditional approval of the tentative map, if evidence was included in the public record that the public agency that owns or controls the real property or any interest therein may refuse to convey that property or interest, or on the date that the public agency that owns or controls the real property or any interest therein receives an offer by the subdivider to purchase that property or interest for fair market value, whichever is later. A development moratorium specified in this paragraph shall extend the tentative map up to the maximum period as set forth in subdivision (b), but not later than January 1, 1992, so long as the public agency that owns or controls the real property or any interest therein fails or refuses to convey the necessary property interest, regardless of the reason for the failure or refusal, except that the development moratorium shall be deemed to terminate 60 days after the public agency has officially made, and communicated to the subdivider, a written offer or commitment binding on the agency to convey the necessary property interest for a fair market value, paid in a reasonable time and manner.

SEC. 4. The Legislature finds and declares that ensuring access to affordable housing is a matter of statewide concern and not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, Sections 1 and 2 of this act adding Sections 65852.21 and 66411.7 to the Government Code and Section 3 of this act amending Section 66452.6 of the Government Code apply to all cities, including charter cities.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act or because costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.