



CITY OF WEST COVINA

CITY COUNCIL/SUCCESSOR AGENCY

**AUGUST 16, 2022, 7:00 PM
REGULAR MEETING**

**CITY HALL COUNCIL CHAMBERS
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790**

**Mayor Dario Castellanos
Mayor Pro Tem Rosario Diaz
Councilwoman Letty Lopez-Viado
Councilmember Brian Tabatabai
Councilman Tony Wu**

Please turn off all cell phones and other electronic devices prior to entering the Council Chambers

AMERICANS WITH DISABILITIES ACT

The City complies with the Americans with Disabilities Act (ADA). If you will need special assistance at Council meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8 to 5 Monday through Thursday. Do call at least one day prior to the meeting date to inform us of your particular needs and to determine if accommodation is possible. For sign language interpreter services at Council meetings, please request no less than four working days prior to the meeting.

AGENDA MATERIAL

Agenda material is available for review at the City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue South, West Covina and at www.westcovina.org. Any writings or documents regarding any item on this agenda, not exempt from public disclosure, provided to a majority of the City Council that is distributed less than 72 hours before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall located at 1444 W. Garvey Avenue South, West Covina, during normal business hours.

NOTICE

The City Council will regularly convene on the first and third Tuesday of the month. The West Covina Community Development Commission, West Covina Public Financing Authority and the West Covina Community Services Foundation are agencies on which the City Council serves as members. Agendas may contain items for these boards, as necessary.

PUBLIC COMMENTS ADDRESSING THE CITY COUNCIL (Per WCMC 2-48, Ordinance No. 2150)

Any person wishing to address the City Council on any matter listed on the agenda or on any other matter within their jurisdiction should complete a speaker card that is provided at the entrance to the Council Chambers and submit the card to the City Clerk.

Please identify on the speaker card whether you are speaking on an agenda item or non-agenda. Requests to speak on agenda items will be heard prior to requests to speak on non-agenda items. All comments are limited to five (5) minutes per speaker.

Oral Communications may be limited to thirty (30) minutes, unless speakers addressing agenda items have not concluded.

Any testimony or comments regarding a matter set for a Public Hearing will be heard during the hearing.

RULES OF DECORUM

Excerpts from the West Covina Municipal Code and Penal Code pertaining to the Rules of Decorum will be found at the end of agenda.

AGENDA

CITY OF WEST COVINA CITY COUNCIL/SUCCESSOR AGENCY

**TUESDAY AUGUST 16, 2022, 7:00 PM
REGULAR MEETING**

INVOCATION

Led by Pastor Matt Chavez from One and All Church West Covina

PLEDGE OF ALLEGIANCE

Led by Mayor Pro Tem Diaz

ROLL CALL

REPORTING OUT FROM CLOSED SESSION

PRESENTATIONS

- Presentation on Active Shooter Training
- Introducing and welcoming nine new Fire Recruits

ORAL COMMUNICATIONS - Five (5) minutes per speaker

Please step forward to the podium and state your name and city of residence for the record when recognized by the Mayor.

CITY MANAGER'S REPORT

City Manager's report on current City projects.

CONSENT CALENDAR

All matters listed under CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the City Council/Community Development Commission request specific items to be removed from the Consent Calendar for separate discussion or action.

APPROVAL OF MEETING MINUTES

- 1) CONSIDERATION OF APPROVAL OF THE JULY 19, 2022, CITY COUNCIL/SUCCESSOR AGENCY CLOSED SESSION MEETING MINUTES AND THE JULY 19, 2022, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES.**

It is recommended that the City Council approve the July 19, 2022, Closed Session Meeting Minutes and the July 19, 2022 Regular Session Meeting Minutes.

CITY MANAGER'S OFFICE

- 2) CONSIDERATION OF EXCLUSIVE NEGOTIATION AGREEMENT FOR THE CITY YARD PROJECT SITE IN THE CITY OF WEST COVINA**

It is recommended the City Council authorize the City Manager to negotiate and execute all necessary documents to effectuate an Exclusive Negotiation Agreement (ENA) with Envision Hotel Partners, LLC (Envision) for the sale of the City Yard property (811 South Sunset Avenue).

3) CONSIDERATION OF RESOLUTION NO. 2022-87 DETERMINING THERE IS A NEED TO CONTINUE THE LOCAL EMERGENCY

It is recommended that the City Council adopt the following resolution:

RESOLUTION NO. 2022-87 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DETERMINING THE NEED TO FURTHER CONTINUE THE LOCAL EMERGENCY PROCLAIMED ON MARCH 16, 2020, AND PREVIOUSLY CONTINUED ON APRIL 7, 2020, MAY 5, 2020, JUNE 2, 2020, JUNE 23, 2020, JULY 21, 2020, AUGUST 18, 2020, SEPTEMBER 15, 2020, OCTOBER 6, 2020, OCTOBER 20, 2020, NOVEMBER 17, 2020, DECEMBER 1, 2020, JANUARY 19, 2021, FEBRUARY 16, 2021, MARCH 16, 2021, APRIL 6, 2021, MAY 4, 2021, JUNE 1, 2021, JUNE 15, 2021, JULY 6, 2021, JULY 20, 2021, AUGUST 17, 2021, SEPTEMBER 7, 2021, OCTOBER 5, 2021, NOVEMBER 2, 2021, DECEMBER 7, 2021, JANUARY 4, 2022, FEBRUARY 1, 2022, MARCH 1, 2022, APRIL 5, 2022, MAY 3, 2022, JUNE 7, 2022. JULY 5, 2022 AND JULY 19, 2022

COMMUNITY DEVELOPMENT

4) HOUSING PRESERVATION PROGRAM– REVISIONS TO GUIDELINES FOR INCREASE IN MAXIMUM LOAN AMOUNT, ADDITION OF ELIGIBLE IMPROVMENTS, AND ELIMINATION OF INTEREST RATE

It is recommended that the City Council, acting as the Community Development Commission, take the following actions:

1. Approve the revised guidelines for the City of West Covina Housing Preservation Loan Program, in substantially the form as attached and in such final form as approved by the City Manager in consultation with the City Attorney, and authorize the City Manager to revise any and all forms and execute all documents necessary to implement the revised guidelines.
2. Write-off a total of twenty-two (22) former housing loans totaling \$192,858.00. These loans will be considered canceled and removed from the City's ledger.
3. Ratify any former housing loans that were paid-off and incorrectly charged interest by the City and/or AmeriNat (City's loan servicer) prior to August 16, 2022.

5) CONSIDERATION OF APPROVAL OF THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH TRANSTECH FOR CITY ENGINEERING SERVICES

It is recommended that the City Council authorize the City Manager to negotiate and execute the Third Amendment to the Professional Services Agreement with Transtech Engineers, Inc. for engineering services.

FINANCE DEPARTMENT

6) CONSIDERATION OF A RESOLUTION AMENDING THE FY 2021-2022 BUDGET

It is recommended that the City Council approve the following resolution:

RESOLUTION NO. 2022-86 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022 (PRELIMINARY END OF YEAR ADJUSTMENTS)

POLICE DEPARTMENT

7) CONSIDERATION OF APPLICATION FOR 2022 JUSTICE ASSISTANCE GRANT FROM U.S. DEPARTMENT OF JUSTICE

It is recommended that the City Council:

1. Authorize the application for, and acceptance of, 2022 Justice Assistance Grant Program funds, totaling \$19,375;
2. Authorize the Mayor, City Manager and City Manager's designee to execute all grant related documents; and
3. Authorize the necessary budget amendments by adopting the following resolution:

RESOLUTION NO. 2022-85 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023 (2022 BJA JAG GRANT)

PUBLIC SERVICES

8) RATIFICATION OF ADDITIONAL VEHICLE REPAIR EXPENDITURES FOR FISCAL YEAR 2021-22 AND APPROVAL OF BLANKET PURCHASE ORDER FOR FORD FLEET CARE BILLING PROGRAM FOR FISCAL YEAR 2022-23

It is recommended that the City Council:

1. Ratify the additional expenditures for vehicle repairs for Fiscal Year 2021-22 in the amount of \$93,603; and
2. Authorize a blanket purchase order for the Ford Fleet Care Program for Fiscal Year 2022-23 not to exceed the budget allocation for vehicle repairs in Fund 365, Fleet Management.

9) CONSIDERATION OF A MEMORANDUM OF UNDERSTANDING WITH THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (LACMTA) FOR COLLECTING AND REPORTING DATA FOR THE NATIONAL TRANSIT DATA BASE

It is recommended that the City Council authorize the City Manager to enter into a Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (LACMTA) for collecting and reporting data for the National Transit Database (NTD), in substantially the form as attached and in such final form as approved by the City Attorney.

10) CONSIDERATION OF TRANSPORTATION AND LEASE AGREEMENTS WITH MV TRANSPORTATION, INC.

It is recommended that the City Council take the following actions:

1. Approve a one (1) year extension to both the Transportation Services Agreement and the Lease Agreement with MV Transportation, Inc., extending the terms of both agreements through September 2, 2023; and
2. Authorize the City Manager to negotiate and execute all necessary documents, in such final form as approved by the City Attorney, to carry out the City Council's direction.

11) CONSIDERATION OF SECOND AMENDMENT MAINTENANCE SERVICES AGREEMENT WITH WEST COAST ARBORISTS, INC. FOR CITYWIDE TREE MAINTENANCE SERVICES

It is recommended that the City Council take the following actions:

1. Ratify invoices paid to West Coast Arborists, Inc for services provided through June 30, 2022.
2. Authorize the City Manager to execute the Second Amendment to the Maintenance Services Agreement with West Coast Arborists, Inc. for tree trimming and maintenance services for City trees.

END OF CONSENT CALENDAR

MAYOR/COUNCILMEMBERS REPORTS

AB 1234 Conference and Meeting Report (verbal, if any)

(In accordance with AB 1234, Councilmembers shall make a brief report or file a written report on any meeting/event/conference attended at City expense.)

CITY COUNCIL REQUESTS FOR REPORTS, STUDIES OR INVESTIGATION

(Per City of West Covina Standing Rules 4.f - Requests for reports, studies, or investigations that are not readily available must be placed on the City Council/Successor Agency agenda as items of business and must be approved by a majority of the City Council/Successor Agency Board.)

CITY COUNCIL COMMENTS

ADJOURNMENT

Regular Meeting	<u>Next Tentative City Council Meeting</u> September 6, 2022	7:00 PM
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RULES OF DECORUM

The following are excerpts from the West Covina Municipal Code:

Sec. 2-48. Manner of addressing council; time limit; persons addressing may be sworn.

- a. Each person addressing the council shall step up to the rostrum, shall give his or her name and city of residence in an audible tone of voice for the record and unless further time is granted by the council, shall limit his or her address to five (5) minutes.
- b. The city council may establish a limit on the duration of oral communications.
- c. All remarks shall be addressed to the council as a body and not to any member thereof. No person, other than the council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the council, without the permission of the presiding officer. No question shall be asked of a councilmember except through the presiding officer.
- d. The presiding officer may require any person to be sworn as a witness before addressing the council on any subject. Any such person who, having taken an oath that he or she will testify truthfully, willfully and contrary to such oath states as true any material matter which he knows to be false may be held to answer criminally and subject to the penalty prescribed for perjury by the provisions of the Penal Code of the state.

Sec. 2-50. Decorum--Required.

- a. While the council is in session, the members shall preserve order and decorum, and a member shall neither, by conversation or otherwise, delay or disrupt the proceedings or the peace of the council nor interrupt any member while speaking or refuse to obey the orders of the council or its presiding officer, except as otherwise herein provided.
- b. Members of the public shall not willfully disrupt the meeting or act in a manner that actually impairs the orderly conduct of the meeting. For the purposes of this code, "willfully disrupt" includes, but is not limited to, continuing to do any of the following after being warned by the Mayor that continuing to do so will be a violation of the law:
 - a. Addressing the Mayor and City Council without first being recognized.
 - b. Persisting in addressing a subject or subjects, other than that before the Mayor and City Council.
 - c. Repetitiously addressing the same subject.
 - d. Failing to relinquish the podium when directed to do so.
 - e. From the audience, interrupting or attempting to interrupt, a speaker, the Mayor, a council member, or a staff member or shouting or attempting to shout over a speaker, the Mayor, a council member or a staff member.
 - f. As a speaker, interrupting or attempting to interrupt the Mayor, a council member, or a staff member, or shouting over or attempting to shout over the Mayor, a council member, or a staff member. Nothing in this section or any rules of the council

shall be construed to prohibit public criticism of the policies, procedures, programs, or services of the City or of the acts or omissions of the City Council. It shall be unlawful to violate the provisions of this Section.

If any subsection, sentence, clause, or phrase or word of this Section 2-50 is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Section. The City Council hereby declares that it would have passed this section and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses, phrases or words had been declared invalid or unconstitutional.

Sec. 2-52. Persons authorized to be within council area.

No person, except city officials, their representatives and members of the news media shall be permitted within the rail in front of the council chamber without the express consent of the council.

The following are excerpts from the Penal Code

148(a) (1) Every Person who willfully resists, delays, or obstructs any public officer, peace officer, or an emergency medical technician, as defined in Division 2.5 (commencing with Section 1797) of the Health and Safety code, in the discharge or attempt to discharge any duty of his or her office or employment, when no other punishment is prescribed, shall be punished by a fine not exceeding one thousand dollars (\$1,000), or by imprisonment in a county jail not to exceed one year, or by both that fine and imprisonment.

403 Every person who, without authority of law, willfully disturbs or breaks up any assembly or meeting that is not unlawful in its character, other than an assembly or meeting referred to in Section 303 of the Penal Code or Section 18340 of the Elections Code, is guilty of a misdemeanor.



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: August 16, 2022

TO: Mayor and City Council

FROM: David Carmany
City Manager

SUBJECT: CONSIDERATION OF APPROVAL OF THE JULY 19, 2022, CITY COUNCIL/SUCCESSOR AGENCY CLOSED SESSION MEETING MINUTES AND THE JULY 19, 2022, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES.

RECOMMENDATION:

It is recommended that the City Council approve the July 19, 2022, Closed Session Meeting Minutes and the July 19, 2022 Regular Session Meeting Minutes.

DISCUSSION:

That the City Council adopt the attached minutes.

Prepared by: Lisa Sherrick; Assistant City Clerk

Attachments

Attachment No. 1 - 7/19/2022 Closed Session Minutes Draft

Attachment No. 2 - 7/19/2022 Regular Session Minutes Draft

CITY COUNCIL GOALS & OBJECTIVES: Enhance City Image and Effectiveness



CITY OF WEST COVINA

CITY COUNCIL/SUCCESSOR AGENCY

**JULY 19, 2022, 6:00 PM
REGULAR MEETING-CLOSED SESSION**

**MANAGEMENT RESOURCE CENTER 3RD FLOOR
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790**

**Mayor Dario Castellanos
Mayor Pro Tem Rosario Diaz
Councilwoman Letty Lopez-Viado
Councilmember Brian Tabatabai
Councilman Tony Wu**

MINUTES

CALL TO ORDER

A Closed Session Meeting was called to order by Mayor Castellanos on Tuesday, July 19, 2022 at 6:00 p.m., in the Management Resource Center on the 3rd Floor, 1444 West Garvey Avenue South, West Covina, California

ROLL CALL

Council Members

Present: Council Members Tony Wu, Brian Tabatabai, Letty Lopez-Viado, Mayor Pro Tem Diaz, Mayor Castellanos

Council Members

Absent: None

City Staff: David Carmany City Manager, Thomas Duarte City Attorney, Paulina Morales Assistant City Manager, Helen Tran Human Resources Director, Stephanie Sikkema Finance Director, Oliver Yee Attorney (Liebert Cassidy Whitmore)

PUBLIC COMMENTS ON ITEMS ON THE AGENDA

Armando Herman

Mike Greenspan

CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Pursuant to Government Code § 54956.8

Property: 8458-020-002

Agency Negotiator: Carmany, Morales, Duarte, Hildebrand

Negotiating Parties: PEREZ, ADOLFO C TR ADOLFO C PEREZ TRUST

Under Negotiation: Price and Terms of Purchase

2. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code § 54957.6

City Negotiators: Carmany, Duarte

Employee Organizations

- Confidential Employees
- Maintenance & Crafts Employees
- Non-Sworn
- W.C. Police Officers' Association
- W.C. Firefighters' Management Assoc.
- W.C. Firefighters' Association, I.A.F.F., Local 3226
- General Employees
- Mid-Management Employees
- W.C. Police Management Association

Unrepresented Employee Group

- Department Heads

ADJOURNMENT

A motion to adjourn the Closed Session Meeting was made by Mayor Castellanos and the meeting was adjourned at 6:45 pm. The next regularly scheduled Closed Session City Council Meeting will be held on Tuesday August 16, 2022 at 6:00 p.m. in the Management Resource Center, 3rd Floor, 1444 West Garvey Avenue South, West Covina, California.

Submitted by:

Lisa Sherrick
Assistant City Clerk

Dario Castellanos
Mayor



CITY OF WEST COVINA

CITY COUNCIL/SUCCESSOR AGENCY

**JULY 19, 2022, 7:00 PM
REGULAR MEETING**

**CITY HALL COUNCIL CHAMBERS
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790**

**Mayor Dario Castellanos
Mayor Pro Tem Rosario Diaz
Councilwoman Letty Lopez-Viado
Councilmember Brian Tabatabai
Councilman Tony Wu**

MINUTES

CALL TO ORDER

A Regular Session Meeting was called to order by Mayor Dario Castellanos on Tuesday, July 19, 2022 at 7:00 p.m., in the Council Chambers, 1444 West Garvey Avenue South, West Covina, California

INVOCATION

Led by Pastor John Lee from Xaris Church

PLEDGE OF ALLEGIANCE

Led by Councilwoman Lopez-Viado

ROLL CALL

Present: Council Members Tony Wu, Brian Tabatabai, Letty Lopez-Viado, Mayor Pro Tem Diaz, Mayor Castellanos.

Council Members

Absent: None

City Staff: David Carmany City Manager, Paulina Morales Assistant City Manager, Brittany Roberto Deputy City Attorney, Lisa Sherrick Assistant City Clerk; other City staff presented reports and responded to questions as indicated in the minutes.

CLOSED SESSION

1. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - Pursuant to Government Code § 54956.8

Property: 8458-020-002

Agency Negotiator: Carmany, Morales, Duarte, Hildebrand

Negotiating Parties: PEREZ, ADOLFO C TR ADOLFO C PEREZ TRUST

Under Negotiation: Price and Terms of Purchase

2. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code § 54957.6

City Negotiators: Carmany, Duarte

Employee Organizations

- Confidential Employees
- Maintenance & Crafts Employees
- Non-Sworn
- W.C. Police Officers' Association
- W.C. Firefighters' Management Assoc.
- W.C. Firefighters' Association, I.A.F.F., Local 3226
- General Employees
- Mid-Management Employees
- W.C. Police Management Association

Unrepresented Employee Group

- Department Heads

REPORTING OUT FROM CLOSED SESSION

Deputy City Attorney Brittany Roberto reported that no reportable action was taken during the Closed Session Meeting.

PRESENTATIONS

- Certificate of Recognition presented to West Covina residents for life-saving deeds
- Proclamation in recognition of Parks and Recreation Month
- Presentation providing project updates from the San Gabriel Valley Conservation Corps

ORAL COMMUNICATIONS - Five (5) minutes per speaker

Herman
Mike Greenspan
Elsie Messman
Laura Galindo
Nicole Spiegel
Bill Elliott
John Shewmaker
Bill Robinson

CITY MANAGER'S REPORT

Presentation given by Mr. Carmany.

CONSENT CALENDAR

ACTION: Motion by Councilwoman Lopez-Viado, Second by Mayor Pro Tem Diaz 5-0 to: Approve Consent Calendar Items 1, 2, 3, 4, 7, 8, 9.

ACTION: Motion by Councilmember Tabatabai, Second by Councilwoman Lopez-Viado 5-0 to: Approve Consent Calendar Item 5 (Item 5 was pulled for discussion by Councilmember Tabatabai)

ACTION: Motion by Councilwoman Lopez-Viado, Second by Mayor Pro Tem Diaz 5-0 to: Approve Consent Calendar Item 6 (Item 6 was pulled for discussion by Councilwoman Lopez-Viado)

ACTION: Motion by Councilman Wu, Second by Councilmember Tabatabai 4-1 (No: Castellanos) to: Table Consent Calendar Item 10 to a Later Date (Item 10 was pulled for discussion by Councilman Wu)

APPROVAL OF MEETING MINUTES

- 1) **CONSIDERATION OF APPROVAL OF THE JULY 05, 2022, CITY COUNCIL/SUCCESSOR AGENCY CLOSED SESSION MEETING MINUTES AND THE JULY 05, 2022, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES.**

Carried 5-0 to: approve the July 05, 2022, Closed Session Meeting Minutes and the July 05, 2022 Regular Session Meeting Minutes.

ORDINANCES FOR ADOPTION - Procedural Waiver. *Waive full reading of each ordinance on the agenda and authorize the approval of each ordinance by title only.*

- 2) **CONSIDERATION OF SECOND READING AND ADOPTION OF ORDINANCE NO. 2500 - CODE AMENDMENT NO. 22-02 (ACCESSORY DWELLING UNIT ORDINANCE)**

Carried 5-0 to: adopt the following ordinance:

ORDINANCE NO. 2500 - AN ORDINANCE OF THE CITY COUNCIL OF WEST COVINA, CALIFORNIA, AMENDING PORTIONS OF DIVISION 11 (ACCESSORY DWELLING UNITS) OF ARTICLE XII (SPECIAL

**REGULATIONS FOR UNIQUE USES) OF CHAPTER 26 (ZONING) OF THE
WEST COVINA MUNICIPAL CODE TO AUTHORIZE ACCESSORY
DWELLING UNITS AND JUNIOR ACCESSORY DWELLING UNITS
CONSISTENT WITH STATE LAW REQUIREMENTS**

CITY CLERK'S OFFICE

- 3) CONSIDERATION OF APPROVAL OF AN ELECTRONIC SIGNATURE POLICY**
Carried 5-0 to: approve the electronic signature policy.

CITY MANAGER'S OFFICE

- 4) CONSIDERATION OF RESOLUTION NO. 2022-84 DETERMINING THERE IS A
NEED TO CONTINUE THE LOCAL EMERGENCY**
Carried 5-0 to: adopt the following resolution:

**RESOLUTION NO. 2022-84 - A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF WEST COVINA, CALIFORNIA, DETERMINING THE NEED TO
FURTHER CONTINUE THE LOCAL EMERGENCY PROCLAIMED ON MARCH
16, 2020, AND PREVIOUSLY CONTINUED ON APRIL 7, 2020, MAY 5, 2020,
JUNE 2, 2020, JUNE 23, 2020, JULY 21, 2020, AUGUST 18, 2020, SEPTEMBER
15, 2020, OCTOBER 6, 2020, OCTOBER 20, 2020, NOVEMBER 17, 2020,
DECEMBER 1, 2020, JANUARY 19, 2021, FEBRUARY 16, 2021, MARCH 16,
2021, APRIL 6, 2021, MAY 4, 2021, JUNE 1, 2021, JUNE 15, 2021, JULY 6,
2021, JULY 20, 2021, AUGUST 17, 2021, SEPTEMBER 7, 2021, OCTOBER 5,
2021, NOVEMBER 2, 2021, DECEMBER 7, 2021, JANUARY 4, 2022,
FEBRUARY 1, 2022, MARCH 1, 2022, APRIL 5, 2022, MAY 3, 2022, JUNE 7,
2022 AND JULY 5, 2022**

COMMUNITY DEVELOPMENT

- 5) WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 1 SETTING OF
FISCAL YEAR 2022-23 ASSESSMENT RATE**
Carried 5-0 to: adopt the following resolution:

**RESOLUTION NO. 2022-72 — A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF WEST COVINA, CALIFORNIA, SETTING THE ASSESSMENT RATE
FOR WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 1 FOR THE
FISCAL YEAR BEGINNING JULY 1, 2022**

- 6) WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 2 SETTING OF
FISCAL YEAR 2022-23 ASSESSMENT RATE**

Carried 5-0 to: adopt the following resolution, which provides for the assessment rate to be maintained at the current rate of 6.60 cents per 100 dollars of assessed valuation with a correction noting that Landscape Maintenance District 2 does not have paseo lighting:

RESOLUTION NO. 2022-73 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, SETTING THE ASSESSMENT RATE FOR WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 2 FOR THE FISCAL YEAR BEGINNING JULY 1, 2022

7) CONSIDERATION OF ACCEPTANCE OF PROJECT COMPLETION FOR FY 2020-21 RESIDENTIAL STREETS REHABILITATION PROGRAM - PROJECTS NOS. 21020 AND 21007

Carried 5-0 to: take the following actions:

1. Accept project completion for FY 2020-21 Residential Streets Rehabilitation Program (Projects Nos. 21020 and 21007) as performed by Gentry Brothers, Inc. with a final contract amount of \$1,716,225.43; and
2. Authorize the recordation of Notice of Completion with the Los Angeles County Recorder and the release of retention funds 35 days thereafter.

FINANCE DEPARTMENT

8) CONSIDERATION OF A PARTICIPANT AGREEMENT WITH THE COUNTY OF LOS ANGELES FOR THE LOS ANGELES REGION – IMAGERY ACQUISITION CONSORTIUM 7 PROJECT.

Carried 5-0 to: authorize the City Manager to negotiate and execute an agreement with the County of Los Angeles to participate in the Los Angeles Region - Imagery Acquisition Consortium 7 ("LARIAC7") project, in substantially the form as attached and in such final form as approved by the City Attorney.

FIRE DEPARTMENT

9) CONSIDERATION OF RATIFICATION OF EXPENDITURES FOR FIRE PREVENTION PLAN CHECK FEES, APPROVAL OF AMENDMENTS TO AGREEMENTS WITH KJ CONSULTANTS AND MAK FIRE PROTECTION, AND APPROVAL OF A RESOLUTION AMENDING THE FY2021-22 BUDGET

Carried 5-0 to: take the following actions:

1. Ratify expenditures for MAK Fire Protection Engineering & Consulting Inc. and Susan Privitera-Johnson dba KJ Consultants for Fire Prevention plan check services.
2. Approve and authorize the City Manager to execute the Third Amendment to the Professional Services Agreement (Agreement) with MAK Fire Protection Engineering & Consulting Inc. for Fire Prevention plan check services.
3. Approve and authorize the City Manager to execute the Second Amendment to the Professional Services Agreement (Agreement) with Susan Privitera-

Johnson dba KJ Consultants for Fire Prevention plan check and inspection services.

4. Adopt the following resolution:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022 (FIRE PLAN CHECK FEES)

PUBLIC SERVICES

10) CONSIDERATION OF AGREEMENTS WITH UBER TECHNOLOGIES, INC., TO IMPLEMENT AN ON-DEMAND RIDE HAILING PILOT PROGRAM

Carried 4-1 (No: Castellanos) to: table the item to a later date.

1. Authorize the City Manager to enter into agreements with Uber Technologies, Inc. (Uber), to implement a pilot on-demand ride hailing program, in substantially the form as attached and in such final form as approved by the City Attorney;
2. Authorize the City Manager to negotiate and execute all other necessary documents, in such form as approved by the City Attorney, to carry out the City Council's direction; and
3. Approve, by a majority vote of the Council, waiving bidding requirements to implement a pilot on-demand ride hailing program with Uber, as allowed by West Covina Municipal Code Section 2-330(b).

END OF CONSENT CALENDAR

HEARINGS

PUBLIC HEARINGS (Heard out of order)

- 12) WEST COVINA CITYWIDE SEWER SERVICE CHARGE PUBLIC HEARING**
Mayor Castellanos gave direction to hear Public Hearing Item 12 first. Mayor Castellanos announced the Public Hearing matter, Assistant City Clerk Lisa Sherrick verified that proper legal notice was given, and Mayor Castellanos opened the Public Hearing. Staff responded to questions from Council.

Public Comments in Favor

None

Public Comments Neither in Favor nor Opposed

R. Robinson

Armando Herman

Public Comments in Opposition

None

---End of Public Comment---

ACTION: Motion by Councilman Wu, Second by Mayor Pro Tem Diaz 5-0 to:
conduct the public hearing and then adopt the following resolution:

**RESOLUTION NO. 2022-83 - A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF WEST COVINA, CALIFORNIA, APPROVING THE SEWER SERVICE
CHARGES TO BE COLLECTED ON THE FISCAL YEAR 2022-23 TAX ROLL**

**11) WEST COVINA CITYWIDE LIGHTING AND MAINTENANCE DISTRICT PUBLIC
HEARING**

Mayor Castellanos gave direction to hear Public Hearing Items 11,13, 14 and 15 simultaneously. Mayor Castellanos announced the Public Hearing matter, Assistant City Clerk Lisa Sherrick verified that proper legal notice was given, and Mayor Castellanos opened the Public Hearing. Staff responded to questions from Council.

Public Comments in Favor

None

Public Comments Neither in Favor nor Opposed

Armando Herman

R. Robinson

Public Comments in Opposition

None

---End of Public Comment---

ACTION: Motion by Councilmember Tabatabai, Second by Mayor Pro Tem Diaz 5-0 to:
conduct a public hearing and then adopt the following resolution:

**RESOLUTION NO. 2022-84 — A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF WEST COVINA, CALIFORNIA, CONFIRMING THE DIAGRAM
AND ASSESSMENT FOR THE CITYWIDE LIGHTING AND MAINTENANCE
DISTRICT FOR FISCAL YEAR 2022-23**

- 13) **WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 4 PUBLIC HEARING**
Mayor Castellanos gave direction to hear Public Hearing Items 11,13, 14 and 15 simultaneously. Mayor Castellanos announced the Public Hearing matter, Assistant City Clerk Lisa Sherrick verified that proper legal notice was given, and Mayor Castellanos opened the Public Hearing. Staff responded to questions from Council.

Public Comments in Favor

None

Public Comments Neither in Favor nor Opposed

None

Public Comments in Opposition

None

---End of Public Comment---

ACTION: Motion by Councilwoman Lopez-Viado, Second by Mayor Pro Tem Diaz 5-0 to: conduct the public hearing and then adopt the following resolution:

RESOLUTION NO. 2022-80 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE ENGINEER'S REPORT AND CONFIRMING A DIAGRAM AND ASSESSMENT FOR FISCAL YEAR 2022-23 FOR LANDSCAPE MAINTENANCE DISTRICT NO. 4

- 14) **WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 7 PUBLIC HEARING**
Mayor Castellanos gave direction to hear Public Hearing Items 11,13, 14 and 15 simultaneously. Mayor Castellanos announced the Public Hearing matter, Assistant City Clerk Lisa Sherrick verified that proper legal notice was given, and Mayor Castellanos opened the Public Hearing. Staff responded to questions from Council.

Public Comments in Favor

None

Public Comments Neither in Favor nor Opposed

None

Public Comments in Opposition

None

---End of Public Comment---

ACTION: Motion by Councilmember Tabatabai, Second by Councilwoman Lopez-Viado 5-0 to: conduct the public hearing and then adopt the following resolution:

RESOLUTION NO. 2022-82 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE ENGINEER'S REPORT AND CONFIRMING A DIAGRAM AND ASSESSMENT FOR FISCAL YEAR 2022-23 FOR LANDSCAPE MAINTENANCE DISTRICT NO. 7

- 15) **WEST COVINA LANDSCAPE MAINTENANCE DISTRICT NO. 6 PUBLIC HEARING**
Mayor Castellanos gave direction to hear Public Hearing Items 11,13, 14 and 15 **simultaneously**. Mayor Castellanos announced the Public Hearing matter, Assistant City Clerk Lisa Sherrick verified that proper legal notice was given, and Mayor Castellanos opened the Public Hearing. Staff responded to questions from Council.

Public Comments in Favor

None

Public Comments Neither in Favor nor Opposed

None

Public Comments in Opposition

None

---End of Public Comment---

ACTION: Motion by Councilwoman Lopez-Viado, Second by Councilmember Tabatabai 5-0 to: conduct the public hearing and then adopt the following resolution:

RESOLUTION NO. 2022-81 — A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPROVING THE ENGINEER'S REPORT AND CONFIRMING A DIAGRAM AND ASSESSMENT FOR FISCAL YEAR 2022-23 FOR LANDSCAPE MAINTENANCE DISTRICT NO. 6

MAYOR/COUNCILMEMBERS REPORTS

None

CITY COUNCIL REQUESTS FOR REPORTS, STUDIES OR INVESTIGATION

Councilmember Tabatabai requested staff look into how the City of Pasadena created their Fiber Infrastructure.

Councilman Wu has requested that staff look into grants that may offset the cost of creating the City's Fiber Infrastructure.

CITY COUNCIL COMMENTS

Councilmember Tabatabai praised staff for their work on the issues with the West Covina Bruins. Councilman Wu thanked Deputy Director of Public Services Raul Alvarado for his thorough work throughout the city.

ADJOURNMENT

The meeting was adjourned in honor of Paula Sworney. Ms. Sworney was an acclaimed opera singer and vocal coach. Our deep condolences to her family. A motion to adjourn the Regular Meeting was made by Mayor Castellanos, and the meeting was adjourned at 10:06 p.m. The next regularly scheduled Regular City Council Meeting will be held on Tuesday, August 16, 2022 at 7:00 p.m. in the Council Chambers, 1444 West Garvey Avenue South, West Covina, California.

Submitted by:

Lisa Sherrick
Assistant City Clerk

Dario Castellanos
Mayor



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: August 16, 2022

TO: Mayor and City Council

FROM: David Carmany
City Manager

**SUBJECT: CONSIDERATION OF EXCLUSIVE NEGOTIATION AGREEMENT FOR THE CITY
YARD PROJECT SITE IN THE CITY OF WEST COVINA**

RECOMMENDATION:

It is recommended the City Council authorize the City Manager to negotiate and execute all necessary documents to effectuate an Exclusive Negotiation Agreement (ENA) with Envision Hotel Partners, LLC (Envision) for the sale of the City Yard property (811 South Sunset Avenue).

BACKGROUND:

The City of West Covina owns the 8.27 acre property located at 811 South Sunset Avenue in West Covina (the "Development Site") (Attachment No. 1). The Development Site includes the City yard building and facilities, the "shop" with automotive bays, Fire Station 1, two (2) compressed natural gas (CNG) facilities, and a vacant former chamber of commerce building. Currently, there are two operational facilities on the Development Site; the Fire Station 1 building was closed down, however, and the fire station has been relocated to a trailer onsite, and the City yard is also operational.

Over the years, City staff has received multiple inquiries for the Development Site, from prospective housing developers to potential tenants inquiring about the chamber building. In March 2021, the City decided to list the property as surplus, which would allow the City to consider disposition of the site. Pursuant to California Government Code Section 54221(b), the City of West Covina declared the Development Site as surplus property on March 23, 2021. While the City listed the property as surplus, it does not obligate the City to dispose of the property.

On May 10, 2021, in compliance with the Surplus Land Act (Government Code Sections 54220-54233) the City put out to open, competitive bid a Request for Qualifications/Proposal (RFQ/P) and provided all entities identified in subdivision (a) of Section 54222 an invitation to participate in the competitive RFQ/P process, for the purpose of proposing a highest and best use, high quality development project.

The City received development proposals for the Development Site from three development teams; The Olson Company, City Ventures, and Meritage Homes, and ultimately did not come to agreement on price and terms with those entities.

The City also received an unsolicited proposal from Envision for the Development Site (Attachment No. 2). On June 21, 2022, the City rejected the three proposals submitted through the Surplus Land Act and

selected the Envision proposal. Envision is owned by Simon Sarriedine and Frank Zarabi, who currently own and operate four (4) dealerships in West Covina as well as a hotel in the Bay Area. Mr. Zarabi owns a billion-dollar apparel company and twenty (20)+ hotels.

DISCUSSION:

Envision desires to negotiate a Purchase and Sale Agreement (“PSA”) and a Development Agreement (“DA”) (referred to collectively as the “Project Agreements”) with the City, to develop the Development Site as a mixed-use project including market-rate residential, affordable residential, commercial, parking, hotel, and community uses (the “Project” hereinafter). The Project includes the following:

- 300 Residential Units (Townhomes/Condos)
- 15% Affordable Units (45 units)
- 150+Room Contemporary full-service Hotel
- First Floor Retail (Food Hall, Brewery, etc.)
- Walking path along flood control channel (landscaping, lighting, and security)

The proposed ENA (Attachment No. 3) for the sale of the Development Site will include the following terms:

- Purchase by Envision Hotel Partners of 8.27-acres of City-owned property
- Disposition Price:
 - Purchase Price: \$21,000,0000
 - Fire Station Contribution; \$7,000,000
 - City Yard Grant: \$1,500,000
 - **TOTAL CONSIDERATION: \$29,500,000**
- Term of ENA: 270-days
- Deposit: \$295,000
- Disposition Costs (including staff time, attorney fees and any consultants if needed)
- Developer Submissions (comprehensive development plans)
- Exclusive Right to Negotiate. City shall not negotiate with any other party; City and developer shall negotiate in good faith.

The disposition of the City property will comply with the Surplus Land Act. In addition, any future development of the Development Site is contingent on the relocation of Fire Station 1 and the City yard facilities.

Envision will pay for expenses that are necessary to prepare reports, plans, financial projections, California Environmental Quality Act (CEQA), and other documents that will be utilized to negotiate the final terms of the Project Agreements.

Staff recommends authorizing the City Manager to negotiate with Envision towards execution of any and all documents necessary to effectuate the ENA. If the ENA is approved, the City can further pursue negotiations of the Project Agreements.

LEGAL REVIEW:

The City Attorney's Office is assisting staff with the ENA and will review and approve the finalized ENA prior to execution.

OPTIONS:

The City Council has the option to

1. Adopt staff's recommendation; or
2. Provide alternative direction.

ENVIRONMENTAL REVIEW:

The ENA is categorically exempt from the California Environmental Quality Act (CEQA) and CEQA Guidelines. CEQA review will be required when an application for a "project" is submitted.

Prepared by: Paulina Morales, Assistant City Manager

Attachments

Attachment No. 1 - Development Site

Attachment No. 2 - Envision Hotel Partners, LLC Proposal

Attachment No. 3 - Draft ENA

CITY COUNCIL GOALS & OBJECTIVES: Enhance City Image and Effectiveness
A Well-Planned Community
Expand Economic Development Opportunities

City-Owned Property - City Yard



Address: 811 S. Sunset Ave.

APN: 8468016904

Parcel Acreage: 8.27 Acres

City Yard Facilities

Office

Streets Warehouse

Workshop

 Paint Shed

Parks Equipment Warehouse

 CNG Fueling Station

CNG & Propane Fueling Station

Other Buildings

10,275 SF

7,006 SF

3,158 SF

1,395 SF

2,590 SF

Building square footage is approximated.

City Yard Development Proposal

JUNE 16, 2022

Envision Hotel Partners, LLC
Simon Sarriedine





CITY YARD DEVELOPMENT PROPOSAL BY ENVISION HOTEL PARTNERS

Our intent with the subject proposal is to express interest in purchasing and developing the property located at 811 South Sunset Avenue in West Covina, CA. Our vision is to create a block in West Covina unlike any other: The Block on Sunset. The location will have ground floor local retailers and restaurants, a contemporary hotel with banquet and meeting facilities, a rooftop restaurant, pool, and lounge and several hundred condos and townhomes.

Our offer to purchase the land is \$21,000,000 (\$58.29 per square foot). In addition to our commitment to develop the land at 811 S. Sunset, if our bid is accepted, we will also commit to an investment of up to \$7,000,000 for us to build a new fire station at a city owned location. We will also offer an additional \$1,500,000 grant to fund the relocation of the current City Yard. In total, \$29,500,000.

This proposal is offered by Envision Hotel Partners and owners Simon Sarriedine and Frank Zarabi. Mr. Sarriedine and Mr. Zarabi currently own and operate 4 new car dealerships in the City of West Covina and 6 new car dealerships outside of West Covina and one hotel jointly. Mr. Zarabi also owns a billion-dollar apparel company and 20+ hotels. Our team is experienced in building beautiful, state-of-the-art dealerships and hotels and have the capacity to complete this project very quickly.

We enjoy being part of the community surrounding our current properties in West Covina and are confident that this development will be mutually beneficial to the City of West Covina and its residents. I look forward discussing with you soon.

A handwritten signature in black ink, appearing to read 'Simon Sarriedine', is written over the typed name.

Sincerely,
Simon Sarriedine

818-277-5026

simon@envisionmotors.com

PROJECT SUMMARY - CONCEPTUAL DESIGN

- Contemporary full-service hotel with 150+ rooms
 - 1.35 acres of the property dedicated to the hotel
 - Rooftop pool, lounge, and restaurant
 - One hotel floor dedicated to meeting, banquet, and conference space
- First floor retail
 - Open concept
 - Similar to a 'Eatery' style food hall
 - Space to include a local coffee shop, wine bar, brick-oven style pizza kitchen, brewery, and specialty dessert bar
 - Roll up doors will accommodate outdoor seating along S. Sunset Ave
- 300 residential units
 - 6.92 acres of the property dedicated to residential
 - Mixed condos and townhomes
 - 15% of all units will be affordable housing units (45 units)
 - Parking for residential units will be non-visible with both subterranean parking and parking garages in the center of the buildings
 - First floor of the condo complex on S. Sunset Ave. will house a boutique grocery store such as Trader Joe's or Amazon Fresh
 - Pools, gardens and parks will be incorporated into the residential areas
- The space adjacent to the flood control channel will be developed into a walking path to support safe, pedestrian friendly passage for residents and hotel guests to access nearby shopping and restaurants
 - Street lighting
 - Security cameras
 - Landscaping

COMMUNITY BENEFIT

- We will invest up to \$7M to build a new state of the art Fire Station on city property
 - Envision Hotel Partners will finance and facilitate the entire construction process with our preferred contractors, architects, and builders

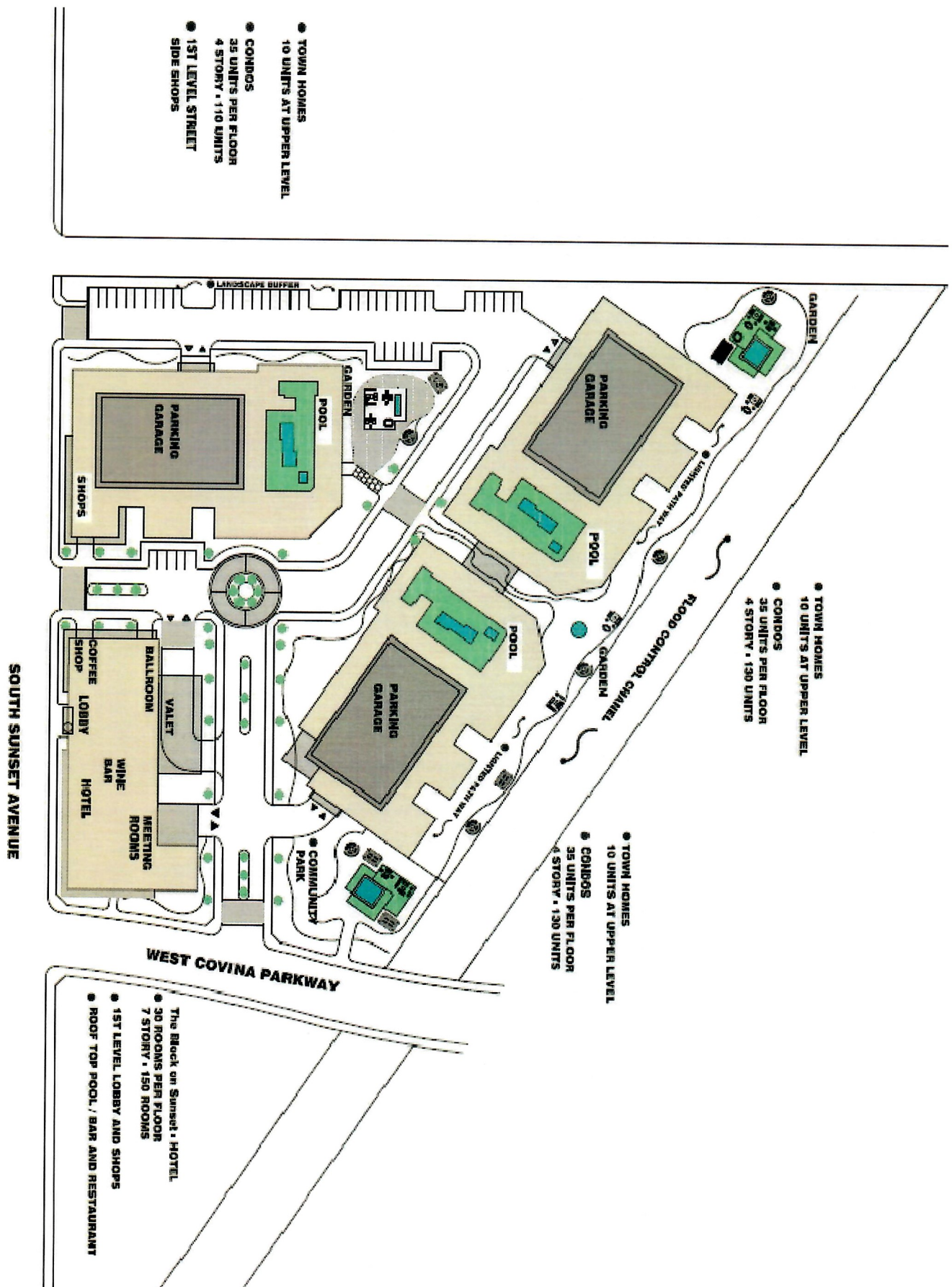


- Additionally, we are willing to provide a grant of \$1.5M for the relocation of the city yard
 - The 300 residential condos and townhouses have the potential to house many West Covina residents, of which 45 units will be affordable, income qualified units
 - We plan to build several Electric Vehicle charging stations in the subterranean parking structure that will be accessible to the public to help make Electric Vehicles more attractive to West Covina residents
 - Research has found that the national average to charge an EV is \$0.15 per kWh, which can translate into savings of as much as \$14,500 over 15 years on fuel costs
 - Significant tax revenue for the city of West Covina

PURCHASE

- Envision Hotel Partners is prepared to offer \$58.29/square foot (\$21,000,000) to purchase the lot at 811 South Sunset Avenue in addition to investing up to \$7M to build the fire station and \$1.5M as a grant for the city yard relocation
- We will begin construction on the lot as soon as permitting allows
- All pre-development expenses, legal and permitting fees, demolition and building costs will be handled by Envision Hotel Partners, making this a turn-key sale

DESIGN INSPIRATION: POTENTIAL SITE PLAN







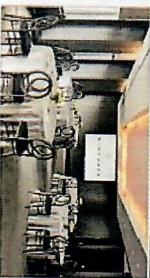
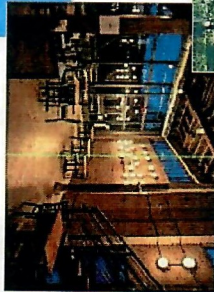
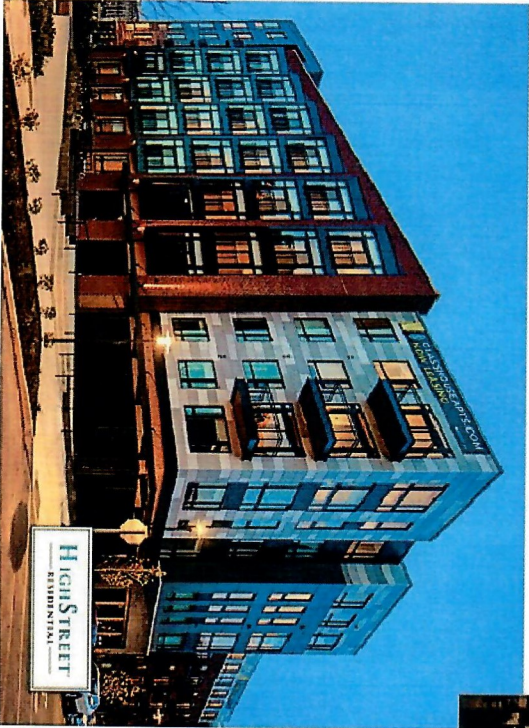






DESIGN INSPIRATION

WEST COVINA - THE BLOCK AT SUNSET
CONCEPT STUDY - INSPIRATION IMAGES



SHEET - A1.00
DATE: 5/18/22



DESIGN INSPIRATION: POTENTIAL FIRE STATION



**EXCLUSIVE NEGOTIATION AGREEMENT FOR THE
CITY YARD PROJECT SITE IN THE CITY OF WEST COVINA**

THIS EXCLUSIVE NEGOTIATION AGREEMENT (the “Agreement”) is made as of this 16 day of August, 2022, by and between the **CITY OF WEST COVINA (the “City”)**, a **municipal corporation**, having their office at 1444 West Garvey Ave. South, West Covina, CA 91790, and **Envision Hotel Partners, LLC a** (hereinafter referred to as “Developer”), with its principal office located at _____.

RECITALS

1. City owns an 8.27 Acre parcel located at 811 South Sunset Avenue in West Covina shown on Exhibit “A” (the “Development Site”).
2. By Resolution No. 2021-93 approved on September 21, 2021, the City declared the Development Site as surplus property under Government Code Section 54221(b).
3. On May 10, 2021, in compliance with the Surplus Land Act (Government Code Sections 54220-54233) the City put out to open, competitive bid a Request for Qualifications/Proposal (RFQ/P) and provided all entities identified in subdivision (a) of Section 54222 an invitation to participate in the competitive RFQ/P process, for the following purpose of proposing a highest and best use, high quality development project.
4. The City received development proposals for the Development Site from three development teams, and ultimately did not come to agreement on price and terms with those entities.
5. On June 21, 2022, the City selected Developer to develop the Development Site. Developer’s proposal is attached hereto as Exhibit “B.”
6. Developer desires to negotiate a purchase and sale agreement (“PSA”) and a development agreement (“DA”) (referred to collectively as the “Project Agreements”) with City, to develop the Site as a mixed-use project including market-rate residential, affordable residential, commercial, parking, hotel, and community uses (the “Project” hereinafter).
7. Developer will pay for expenses, generally described by this Agreement, that are necessary to prepare reports, plans, financial projections, California Environmental Quality Act (CEQA), and other documents that will be utilized to negotiate the final terms of the Project Agreements.

NOW, THEREFORE, CITY AND DEVELOPER HEREBY AGREE AS FOLLOWS:

I. Negotiation

A. Good Faith Negotiations

1. City and Developer agree, for the period set forth below, to negotiate in good faith to prepare a PSA to be entered into between City and Developer concerning the development of the Development Site to establish the Project thereon and, in doing so, shall comply with the Schedule of Performance attached hereto as Exhibit "C."

2. During the term of this Agreement ("Agreement" or "ENA"), or any extension thereof, other than in acting to comply with applicable law, City agrees that it shall not negotiate with any other person or entity for development of the Development Site. The term "negotiate" as used herein shall be deemed to preclude City from accepting development proposals from persons or entities other than Developer, or discussing with persons or entities other than Developer, development plans for the Development Site which might be acceptable to City. However, City shall not be precluded from furnishing to other persons or entities unrelated to Developer information in the possession of City related to development under the General Plan, West Covina Downtown Specific Plan the implementation of which is within City's purview to administer. City also may furnish any other information in the possession of City which City would normally furnish to persons requesting information from City concerning its activities, goals, and matters of a similar nature.

B. Negotiation Period

1. City and Developer hereby establish a negotiating period ("Negotiation Period") commencing on execution of this Agreement by both parties and continuing for nine (9) months plus two potential three-month extensions which may be agreed to by City's City Manager based upon Developer's good faith compliance with the Schedule of Performance attached hereto as Exhibit "C."

2. If, at the expiration of the Negotiation Period, Developer and City have not agreed on the final terms and language of the PSA, then this Agreement will terminate unless the agreement is extended as provided in this Agreement.

3. If, based on the final negotiations with City and an evaluation of proposed terms and conditions Developer deems the PSA acceptable, Developer will sign and submit the PSA to City. If, on the submittal, less than sixty (60) days remain in the then agreed on Negotiation Period, this Agreement will automatically be extended to a date which is sixty (60) days immediately subsequent to the submittal to enable City (1) to take actions necessary to review and consider the PSA, and (2) if approved, to sign the PSA. If City and Developer are not willing to sign the PSA, this Agreement will automatically terminate upon the conclusion of the Negotiation Period.

4. A Schedule of Performance which sets forth the timing of parties' obligations under this Agreement is attached hereto as Exhibit "C" and incorporated herein.

5. Upon the occurrence of a Default by the Developer not cured within the time provided in Section IV.4 below, City shall have the right, after providing Developer with ten (10) days' written notice, to terminate this Agreement.

C. Deposit

1. Concurrent with the execution of this Agreement by City, Developer shall submit to City a good faith deposit ("Deposit") in the amount of Two Hundred Ninety Five Thousand Dollars (\$295,000) to cover the City's actual legal and other expenses to negotiate and prepare the DA and PSA ("Expenses"). The Deposit shall be in the form of cash or in a manner reasonably acceptable to the City. City shall deposit the Deposit in an interest-bearing account and such interest, when received by City, shall become part of the Deposit. The City may thereafter apply such Deposit against Expenses as they are incurred. Notwithstanding, no later than five business days prior to the end of each month, the City shall provide Developer with an estimate of Expenses anticipated to be incurred the following month. Developer may, upon receipt of such estimate, choose to terminate this Agreement, and all unused funds submitted to the City in the form of a Deposit or Supplemental Deposit shall be returned to Developer along with an accounting of the amounts of funds used by the City. The Deposit amount is separate from and will not be used for the payment of City fees for processing of entitlements or the preparation of any required studies and analysis required for compliance with CEQA.

2. If City and Developer subsequently determine that the Deposit is insufficient, which determination shall be based on the reasonable Expenses incurred by City hereunder, then within twenty (20) days following Developer's receipt of written notice from City, Developer shall deposit with the City a lump sum deposit in the amount reasonably estimated by City and Developer to be sufficient to cover the excess (each a "Supplemental Deposit").

3. If Developer defaults in the payment of any Supplemental Deposit to City the Project may be suspended in the discretion of the City until the applicable Supplemental Deposit is made. In no event shall Developer's obligation to reimburse City for Expenses incurred under this paragraph exceed a maximum of Two Hundred Thousand Dollars (\$200,000), unless the parties mutually agree otherwise in writing.

4. In the event the parties do not reach terms of a DA and PSA, all unused funds submitted to the City in the form of a Deposit or Supplemental Deposit shall be returned the Developer along with an accounting of the amounts of funds used by the City. Developer acknowledges that any and all expenditures made by it are not recoverable by Developer in the event that a PSA, DA, land use entitlement application, or permit application is not approved.

II. Consideration

The right to negotiate exclusively with the City, and the City forgoing their right to negotiate with any other party than Developer during the term of this Agreement is consideration exchanged by Developer and City under this Agreement.

III. Developer's Responsibilities

A. Disclosure and Approval

1. Developer is required to make full disclosure to the City of its principals, officers, stockholders, partners, joint venturers, employees and other associates, and all other pertinent information concerning Developer and its associates.

2. Developer agrees to hold City harmless from all costs, expenses, liability or claims of liability (including reasonable attorney fees) in connection with the Developer's activities upon the Site and other performance under this Agreement.

3. Developer shall discharge its obligations hereunder, as further described in Exhibit "C," at its sole cost and expense.

B. Method of Financing

1. Developer shall make available and maintain full disclosure to City of its methods of construction financing proposed to be used on the Project. All requests for financing information shall be submitted to City upon written request. Such financial information shall include the following:

(a) Financial Statement prepared for the Developer and any entities proposed to make an equity contribution to the Project.

(b) Proof of sufficient equity funds available to complete construction.

(c) identification of the sources of construction and permanent financing for the project.

2. City agrees to consider all financial information submitted as confidential and further agrees to retain from releasing information provided by Developer pursuant to this Agreement unless: (i) City's legal counsel determines, after reasonable consultation with the Developer's counsel, that the release of the information is required by the California Public Records Act or other applicable statutes, or (ii) a court orders the release of the information.

IV. Proposed Development

A. Comprehensive Development Plans

Developer shall provide comprehensive development plans for implementation of development of the Development Site as specified in Developer's proposal (Exhibit "B"). Such development shall represent Developer's best efforts to comply with all applicable laws, rules and regulations of City and all other government entities having jurisdiction over the Development Site. Furthermore, such comprehensive development plans shall include, but not be limited to, the items listed in the Schedule of Performance attached hereto as Exhibit "C".

B. Developer's Studies and Reports

As requested by City, from time to time, Developer agrees to make oral progress reports and written reports advising City on all matters and all studies being made. If the negotiations do not result in a PSA, City may request from Developer copies of all non-privileged studies and reports made by Developer specifically for this proposed Development, subject to Developer's covenants of confidentiality which may be contained in such studies and reports.

C. Cooperation and Additional Information

Developer shall generally cooperate with City and shall supply such other documents and information as may be reasonably requested in writing by City.

D. Event of Default

The failure of Developer to reasonably and timely comply with the provisions of this Agreement, if not due to circumstances beyond the reasonable control of Developer, shall be considered a default hereunder. The failure of City to reasonably comply with its obligations hereunder, if not due to circumstances beyond the reasonable control of City, shall be considered a default hereunder. Prior to exercising any remedies hereunder for the default of this Agreement, the party asserting a default shall provide written notice to the other party describing the alleged default, and such party shall have thirty (30) days to cure such default.

V. City Responsibilities

A. Development Project Regulations

This Agreement and the Project Agreements to be negotiated are subject to the provisions of the Surplus Land Act and all applicable City plans, codes and regulations.

B. City Assistance and Cooperation

City shall cooperate fully in providing Developer with appropriate information and assistance.

C. City Approval

If negotiations culminate in a PSA signed by Developer, such an agreement becomes effective only after and if the agreement has been considered and approved by the City Council.

D. Fees

City shall not be liable for any real estate commission or brokerage fees which may arise from this transaction. The City warrant they are not represented by any broker.

E. Hold Harmless

1. City agrees to hold Developer harmless from all costs, expenses, liability or claims of liability (including reasonable attorneys' fees) in connection with City's activities upon the Site and City's performance of its obligations under this Agreement.

2. Developer agrees to hold City harmless from all costs, expenses, liability or claims of liability (including reasonable attorneys' fees) in connection with Developer's activities upon the Site and Developer's performance of its obligations under this Agreement, or any challenge to this ENA, or the approval thereof by the City.

VI. Conceptual Terms of Project Agreements

A. Purpose

City and Developer agree to pursue negotiations of a PSA which result in the establishment of the Project.

B. Proposed Disposition Price

Envision Hotel Partners is prepared to offer \$58.29/square foot (\$21,000,000) to purchase the lot at 811 South Sunset Avenue in addition to investing up to \$7M to build the fire station and \$1.5M as a grant for the city yard relocation. All pre-development expenses, legal and permitting fees, demolition and building costs will be handled by Envision Hotel Partners, making this a turn-key sale.

C. CEQA

The City and Developer acknowledges that all applicable requirements of CEQA must be met in order for the City to approve Project entitlements and for the City and Authority to enter into a PSA, and that this may require reports and/or analyses for CEQA purposes (collectively, the "CEQA Documents"). The Developer will, at its cost, fully cooperate with the City in the City's preparation of any CEQA Documents.

D. Project Agreements Subject to Further Approval

1. The parties understand and agree that no party is under any obligation whatsoever to approve or enter into the Project Agreements, and that notwithstanding its approval of this ENA, each party shall have the right to disapprove one or more, or all, of the proposed PSA or DA to which it is to be a party in its sole and absolute discretion, and in that regard, the Developer hereby expressly agrees that the City shall not be bound by any implied covenant of good faith and fair dealing in connection with such approval or disapproval of any of the proposed PSA or DA.

2. In the event of the expiration or earlier termination of this ENA, the City shall be free to negotiate with any persons or entities with respect to the sale or lease of the Development Site.

3. No consents, approvals, comments or discussions by staff shall diminish, affect or waive: (i) rights of the City to later impose conditions and requirements under CEQA; (ii) the right of City not to approve the PSA or DA; or (iii) the City's other governmental rights, powers and obligations. The Developer understands and acknowledges that the City is not obligated to enter into a PSA or DA or sell the Development Site if, in good faith, the City Council determines that such development plan or sale is not in the public interest, not permitted by law, not consistent with the City of West Covina General Plan, or for any other valid reason.

VII. Right of Entry; Insurance

A. Upon providing to City reasonable evidence of the insurance required below (including the naming of City as additional insureds, and waiver of subrogation), such as a Certificate of Insurance, the Developer and its consultants that shall have been designated in writing to City ("Developer Designees") shall have the right to enter the Development Site (subject to additional conditions imposed by City staff) until the date that is 180 days after the execution of this ENA to inspect the same and any improvements thereon, and to conduct soils tests, Phase I environmental assessments, and if recommended by the applicable Phase I report(s), Phase II tests. Developer shall promptly provide City with copies of all reports and test results.

B. Developer shall obtain, maintain, and keep in full force and effect all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by the City Manager:

1. Broad-form commercial general liability, in a form at least as broad as ISO from #CG 00 01 11 88, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
2. Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence for bodily injury and property damage.
3. Workers' compensation insurance as required by the State of California and Employers Liability Insurance with a minimum limit of \$1,000,000 per accident. Developer agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City and their officers, agents, employees, and

volunteers for losses arising from work performed by Developer and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

C. Before execution of this Agreement by the City, the Developer shall file with the Director of Human Resources and Risk Management of City the following signed certification:

"I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work."

D. The Developer shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the City Clerk before execution of this Agreement by the City. City, Authority, and their officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the Developer to comply with this section.

E. Neither City nor Authority nor any of their elected or appointed officials, officers, agents, employees, or volunteers makes any representation that the types of insurance and the limits specified to be carried by Developer under this Agreement are adequate to protect Developer. If Developer believes that any such insurance coverage is insufficient, Developer shall provide, at its own expense, such additional insurance as Developer deems adequate.

F. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

1. Additional insureds: "The City and the Authority and their elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Developer pursuant to its contract with the City and Authority; premises owned, occupied or used by the Developer; automobiles owned, leased, hired, or borrowed by the Developer."
2. Notice: "Developer shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Developer shall forthwith obtain and submit proof of substitute insurance. Should Developer fail to immediately procure other insurance, as specified, to substitute for any canceled policy, City or Authority may procure such insurance at Developer's sole cost and expense."
3. Other insurance: "The Developer's insurance coverage shall be primary insurance as respects the City, the Authority and their officers, officials, agents, employees,

and volunteers. Any other insurance maintained by the City or Authority shall be excess and not contributing with the insurance provided by this policy."

4. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to City, Authority, or their officers, officials, agents, employees, and volunteers.
5. The Developer's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

G. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by the City Manager. No policy of insurance issued as to which City or Authority is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

H. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Developer may be held responsible for payments of damages to persons or property.

VIII. Miscellaneous

A. Assignment

Neither this Agreement nor any interest herein may be assigned or transferred voluntarily or by operation of law to any other party without written approval of the City Manager. An attempt to transfer this Agreement by the Developer to another party, without first obtaining such written permission of City Manager, shall constitute grounds for the immediate termination of this Agreement by the City Manager. City and acknowledge that Developer may desire to create a limited partnership or limited liability company to be the Developer party to the Project Agreements, and the City shall not unreasonably disapprove the new entity.

B. Notices

Any notice pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered in person or mailed by certified mail, postage prepaid to the following persons:

To City: City Manager

City of West Covina

1444 West Garvey Ave. South, Room 305

West Covina, CA 91790

To Developer:

If sent by mail, any notice, delivery, or other communication shall be effective or deemed to have been given three (3) days after it has been deposited in the United States mail, certified, with postage prepaid, and addressed as set forth above. For purposes of calculating these time frames, weekends, and Federal, State, County and City holidays shall be excluded.

C. Jurisdiction and Venue

This Agreement and all questions relating to its validity, interpretation, and enforcement shall be governed and construed in accordance with the laws of the State of California. Both parties agree that courts in Los Angeles County, California, shall have jurisdiction and shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

D. Attorneys' Fees

In the event any judgment is ordered in any action upon this Agreement, the party hereto against whom such judgment is ordered agrees to pay to the other party ("prevailing party") hereto, and that there may be added to such judgment, an amount equal to, the attorneys' fees and costs incurred by such prevailing party.

E. Severability

The provisions of this Agreement are severable, and if any part of it is found to be unenforceable, the other paragraphs shall remain in full force and effect.

F. Time of Essence

Time is of the essence of every provision herein in which time is a factor.

G. Entire Agreement

This Agreement reflects the complete and total understanding between the parties hereto and all agreements or understandings between the parties hereto are contained within them. Any changes, modifications, amendments or addenda to this Agreement must be in writing and signed by all parties to be effective. If a DA and/or PSA have been executed by the City and the Developer, the DA and PSA shall supersede this Agreement and thereafter govern the rights and obligations of the parties with respect to the sale of the Development Site and the development of the Project.

- Signature Page to Follow –

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to Negotiate Exclusively as of the day and year first above written.

“CITY”

By:

David Carmany, City Manager

ATTEST:

By:

Lisa Sherrick, City Clerk

“DEVELOPER”

_____, LLC

By:

Name:

Title:

APPROVED AS TO FORM:

By:

Thomas P. Duarte, City Attorney

EXHIBIT “A”
DEVELOPMENT SITE MAP

EXHIBIT “B”

PROPOSAL

(Original Plans and Pro Forms Submitted Under the Request for Proposals)

EXHIBIT “C”

SCHEDULE OF PERFORMANCE

<u>ACTION</u>	<u>TIMEFRAME</u>	<u>RESPONSIBLE ENTITY FOR OVERSIGHT AND COORDINATION</u>	<u>RESPONSIBLE ENTITY FOR COST</u>
1. Deposit of \$295,000 with City	Within 30 days of City approval of ENA	Developer	Developer
2. Disclosure of developer principals	Within 30 days of City approval of ENA, with updates thereafter if changes occur	Developer	Developer
3. Disclosure of developer method of financing	For equity portions of financing disclosure shall occur within 6 months of City approval of ENA For debt/construction portions of financing disclosure shall occur prior to the public hearing on the execution of PSA	Developer for all Project components with input from City on public components	Developer
4. Developer submittal of Comprehensive Development Plans to City.	Within 105 days of City of approval of the ENA	Developer	Developer
5. Submittal of all necessary information and estimated costs needed to complete CEQA process for the Project and cooperate with selected CEQA consultant in preparing necessary documents.	Prior to approval of PSA	Developer	Developer

<u>ACTION</u>	<u>TIMEFRAME</u>	<u>RESPONSIBLE ENTITY FOR OVERSIGHT AND COORDINATION</u>	<u>RESPONSIBLE ENTITY FOR COST</u>
6. Processing of CEQA compliance, including review and final approval.	Prior to approval of PSA	City	Processing fees to be paid by Developer
7. Developer provision of progress reports to City	Within 5 days of receipt of request thereof by City staff, and the request for such progress reports shall not exceed two (2) per month	Developer and City	Developer
6. Completion of a Draft Development Agreement	Within 9 months of City approval of PSA	City and Developer	City



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: August 16, 2022

TO: Mayor and City Council

FROM: David Carmany
City Manager

SUBJECT: CONSIDERATION OF RESOLUTION NO. 2022-87 DETERMINING THERE IS A NEED TO CONTINUE THE LOCAL EMERGENCY

RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

RESOLUTION NO. 2022-87 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DETERMINING THE NEED TO FURTHER CONTINUE THE LOCAL EMERGENCY PROCLAIMED ON MARCH 16, 2020, AND PREVIOUSLY CONTINUED ON APRIL 7, 2020, MAY 5, 2020, JUNE 2, 2020, JUNE 23, 2020, JULY 21, 2020, AUGUST 18, 2020, SEPTEMBER 15, 2020, OCTOBER 6, 2020, OCTOBER 20, 2020, NOVEMBER 17, 2020, DECEMBER 1, 2020, JANUARY 19, 2021, FEBRUARY 16, 2021, MARCH 16, 2021, APRIL 6, 2021, MAY 4, 2021, JUNE 1, 2021, JUNE 15, 2021, JULY 6, 2021, JULY 20, 2021, AUGUST 17, 2021, SEPTEMBER 7, 2021, OCTOBER 5, 2021, NOVEMBER 2, 2021, DECEMBER 7, 2021, JANUARY 4, 2022, FEBRUARY 1, 2022, MARCH 1, 2022, APRIL 5, 2022, MAY 3, 2022, JUNE 7, 2022. JULY 5, 2022 AND JULY 19, 2022

BACKGROUND:

On March 17, 2020, the City Council adopted Resolution 2020-19, ratifying Proclamation 2020-01 declaring the existence of a local emergency, which was issued by the City Manager acting in the capacity of Director of Emergency Services. The local emergency is due to the coronavirus (COVID-19) pandemic. Following adoption of the resolution, the City Council needs to review and reevaluate the need for continuing the local emergency at least once every thirty (30) days in accordance with Section 8-7(a)(2) of the West Covina Municipal Code (WCMC).

The City Council previously continued the local emergency on April 7, 2020, May 5, 2020, June 2, 2020, June 23, 2020, July 21, 2020, August 18, 2020, September 15, 2020, October 6, 2020, October 20, 2020, November 17, 2020, December 1, 2020, January 19, 2021, February 16, 2021, March 16, 2021, April 6, 2021, May 4, 2021, June 1, 2021, June 15, 2021, July 6, 2021, July 20, 2021, August 17, 2021, September 7, 2021, October 5, 2021, November 2, 2021, December 7, 2021, January 4, 2022, February 1, 2022, March 1, 2022, April 5, 2022, May 3, 2022, June 7, 2022, July 5, 2022 and July 19, 2022.

DISCUSSION:

Since March 4, 2022 in Los Angeles County, masks have no longer been required in most indoor settings, but continue to be strongly recommended by the Los Angeles County Department of Public Health ("LA County Health Department"). The LA County Health Department continues to require masks for all persons, regardless of vaccination status, in higher transmission risk settings, including public transit, indoor transportation hubs, healthcare settings, correctional facilities and detention centers, homeless shelters, emergency shelters and cooling centers, long-term care settings and adult and senior care centers.

On August 5, 2022, the LA County Health Department reported that LA County remained at the Centers for Disease Control and Prevention (CDC) designated COVID-19 Community Level of High. On August 8, 2022, the LA County Health Department reported 10,430 new COVID-19 cases and 30 new deaths due to COVID-19 for the period of August 6, 2022 through August 8, 2022.

Staff is requesting that the City Council determine there is a need to continue the local emergency.

LEGAL REVIEW:

The City Attorney's Office has reviewed the resolution and approved it as to form.

OPTIONS:

The options available to the City Council are as follows:

1. Adopt the resolution as submitted; or
2. Terminate the local emergency; or
3. Provide alternative direction.

Prepared by: David Carmany, City Manager

Attachments

Attachment No. 1 - Resolution No. 2022-87

CITY COUNCIL GOALS & OBJECTIVES: Protect Public Safety
Maintain Good Intergovernmental Relations
Achieve Fiscal Sustainability and Financial Stability

RESOLUTION NO. 2022-87

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DETERMINING THE NEED TO FURTHER CONTINUE THE LOCAL EMERGENCY PROCLAIMED ON MARCH 16, 2020 AND PREVIOUSLY CONTINUED ON APRIL 7, 2020, MAY 5, 2020, JUNE 2, 2020, JUNE 23, 2020, JULY 21, 2020, AUGUST 18, 2020, SEPTEMBER 15, 2020, OCTOBER 6, 2020, OCTOBER 20, 2020, NOVEMBER 17, 2020, DECEMBER 1, 2020, JANUARY 19, 2021, FEBRUARY 16, 2021, MARCH 16, 2021, APRIL 6, 2021, MAY 4, 2021, JUNE 1, 2021, JUNE 15, 2021, JULY 6, 2021, JULY 20, 2021, AUGUST 17, 2021, SEPTEMBER 7, 2021, OCTOBER 5, 2021, NOVEMBER 2, 2021, DECEMBER 7, 2021, JANUARY 4, 2022, FEBRUARY 1, 2022, MARCH 1, 2022, APRIL 5, 2022, MAY 3, 2022, JUNE 7, 2022, JULY 5, 2022 AND JULY 19, 2022

WHEREAS, the California Emergency Services Act (Government Code section 8550 et seq.) authorizes the City Council, or an official designated by ordinance adopted by the City Council, to proclaim a local emergency when the City is threatened by conditions of disaster or extreme peril to the safety of persons and property within the City that are likely to be beyond the control of the services, personnel, equipment, and facilities of the City; and

WHEREAS, West Covina Municipal Code section 8-7(a)(1) empowers the City Manager, as the Director of Emergency Services, to declare the existence or threatened existence of a local emergency when the City is affected or likely to be affected by a public calamity; and

WHEREAS, on March 16, 2020, the City Manager declared a local emergency as authorized by Government Code section 8630(a) and West Covina Municipal Code section 8-7(a)(1) through Proclamation No. 2020-01 due to the COVID-19 pandemic; and

WHEREAS, on March 17, 2020, the City Council adopted Resolution No. 2020-19, ratifying the City Manager's proclamation as required by Government Code section 8630(b) and West Covina Municipal Code section 8-7(a)(1); and

WHEREAS, Section 8-7(a)(2) of the West Covina Municipal Code empowers the City Manager to request that the City Council review the need for continuing the local emergency at least once every 30 days until the City Council terminates the local emergency; and

WHEREAS, at the time the City Council ratified the proclamation, the World Health Organization (WHO) reported, as of March 15, 2020, 153,517 confirmed cases of COVID-19 globally, 5,735 of which resulted in death. On August 8, 2022, the WHO reported a total of 579,092,623 confirmed cases globally, 6,407,556 of which resulted in death; and

WHEREAS, at the time the City Council ratified the proclamation, the California Department of Public Health (CDPH) reported that, as of March 15, 2020, there were 335

confirmed cases of COVID-19 in California, six (6) of which resulted in death. On August 5, 2022, CDPH reported that, as of August 4, 2022, there were a total of 10,024,326 confirmed cases in California, 93,056 of which resulted in death; and

WHEREAS, at the time the City Council ratified the proclamation, the Los Angeles County Department of Public Health (“LA County Health Department”) reported that, as of March 15, 2020, Los Angeles County had 69 confirmed cases, including one (1) death and one (1) confirmed case at West Covina High School. On August 8, 2022, the LA County Health Department reported that, as of August 7, 2022, Los Angeles County had a total of 3,335,973 confirmed cases, 32,856 of which resulted in death; and

WHEREAS, as of August 7, 2022, the LA County Health Department reported a total of 34,905 confirmed cases in the City of West Covina, 377 of which resulted in death; and

WHEREAS, on April 7, 2020, the City Council adopted Resolution No. 2020-22, determining there was a need to continue the local emergency and confirming the written orders and regulations promulgated by the City Manager; and

WHEREAS, on May 5, 2020, the City Council adopted Resolution No. 2020-41, determining there was a need to continue the local emergency and confirming the written orders and regulations promulgated by the City Manager; and

WHEREAS, on June 2, 2020, the City Council adopted Resolution No. 2020-45, determining there was a need to continue the local emergency; and

WHEREAS, on June 23, 2020, the City Council adopted Resolution No. 2020-68, determining there was a need to continue the local emergency; and

WHEREAS, on July 21, 2020, the City Council adopted Resolution No. 2020-85, determining there was a need to continue the local emergency; and

WHEREAS, on August 18, 2020, the City Council adopted Resolution No. 2020-91, determining there was a need to continue the local emergency and confirming a written order promulgated by the City Manager; and

WHEREAS, on September 15, 2020, the City Council adopted Resolution No. 2020-96, determining there was a need to continue the local emergency; and

WHEREAS, on October 6, 2020, the City Council adopted Resolution No. 2020-101, determining there was a need to continue the local emergency; and

WHEREAS, on October 20, 2020, the City Council adopted Resolution No. 2020-105, determining there was a need to continue the local emergency and clarifying the City Manager’s emergency powers; and

WHEREAS, on November 17, 2020, the City Council adopted Resolution No. 2020-116, determining there was a need to continue the local emergency; and

WHEREAS, on December 1, 2020, the City Council adopted Resolution No. 2020-118, determining there was a need to continue the local emergency and providing that, notwithstanding the requirements of West Covina Municipal Code section 8-7(a)(2), due to the City Council's meeting schedule, the next regular meeting at which the City Council would consider the need to continue the local emergency would be January 19, 2021; and

WHEREAS, on January 19, 2021, the City Council adopted Resolution No. 2021-01, determining there was a need to continue the local emergency; and

WHEREAS, on February 16, 2021, the City Council adopted Resolution No. 2021-12, determining there was a need to continue the local emergency; and

WHEREAS, on March 16, 2021, the City Council adopted Resolution No. 2021-17, determining there was a need to continue the local emergency; and

WHEREAS, on April 6, 2021, the City Council adopted Resolution No. 2021-25, determining there was a need to continue the local emergency; and

WHEREAS, on May 4, 2021, the City Council adopted Resolution No. 2021-49, determining there was a need to continue the local emergency; and

WHEREAS, on June 1, 2021, the City Council adopted Resolution No. 2021-65, determining there was a need to continue the local emergency; and

WHEREAS, on June 15, 2021, the City Council adopted Resolution No. 2021-72, determining there was a need to continue the local emergency; and

WHEREAS, on July 6, 2021, the City Council adopted Resolution No. 2021-76, determining there was a need to continue the local emergency; and

WHEREAS, on July 20, 2021, the City Council adopted Resolution No. 2021-86, determining there was a need to continue the local emergency; and

WHEREAS, on August 17, 2021, the City Council adopted Resolution No. 2021-91, determining there was a need to continue the local emergency; and

WHEREAS, on September 7, 2021, the City Council adopted Resolution No. 2021-92, determining there was a need to continue the local emergency; and

WHEREAS, on October 5, 2021, the City Council adopted Resolution No. 2021-99, determining there was a need to continue the local emergency; and

WHEREAS, on November 2, 2021, the City Council adopted Resolution No. 2021-101, determining there was a need to continue the local emergency; and

WHEREAS, on December 7, 2021, the City Council adopted Resolution No. 2021-116, determining there was a need to continue the local emergency; and

WHEREAS, on January 4, 2022, the City Council adopted Resolution No. 2022-07, determining there was a need to continue the local emergency; and

WHEREAS, on February 1, 2022, the City Council adopted Resolution No. 2022-14, determining there was a need to continue the local emergency; and

WHEREAS, on March 1, 2022, the City Council adopted Resolution No. 2022-21, determining there was a need to continue the local emergency; and

WHEREAS, on April 5, 2022, the City Council adopted Resolution No. 2022-29, determining there was a need to continue the local emergency; and

WHEREAS, on May 3, 2022, the City Council adopted Resolution No. 2022-38, determining there was a need to continue the local emergency; and

WHEREAS, on June 7, 2022, the City Council adopted Resolution No. 2022-58, determining there was a need to continue the local emergency; and

WHEREAS, on July 5, 2022, the City Council adopted Resolution No. 2022-79, determining there was a need to continue the local emergency; and

WHEREAS, on July 19, 2022, the City Council adopted Resolution No. 2022-84, determining there was a need to continue the local emergency; and

WHEREAS, since March 4, 2022 in Los Angeles County, masks have no longer been required in most indoor settings, but continue to be strongly recommended by the LA County Health Department; and

WHEREAS, the LA County Health Department continues to require masks for all persons, 2 years of age or older, regardless of vaccination status, in higher transmission risk settings, including public transit, indoor transportation hubs, healthcare settings, correctional facilities and detention centers, homeless shelters, emergency shelters and cooling centers, long-term care settings and adult and senior care centers; and

WHEREAS, on August 5, 2022, the LA County Health Department reported that Los Angeles County remained at the High Community Level on the Centers for Disease Control and Prevention (CDC) COVID-19 framework; and

WHEREAS, the City Manager has requested that the City Council review the need for continuing the local emergency in accordance with Section 8-7(a)(2) of the West Covina Municipal Code; and

WHEREAS, the City Council has reviewed the need for continuing the local emergency as required by West Covina Municipal Code section 8-7(a)(2); and

WHEREAS, the City Council finds that the conditions resulting from the COVID-19 emergency are still beyond the control of the services, personnel, equipment, and facilities of the City and require the combined forces of other political subdivisions to combat.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The City Council has reviewed the need for continuing the local emergency as required by West Covina Municipal Code section 8-7(a)(2), and determines, based on the foregoing recitals, that there is a need to continue the local emergency.

SECTION 2. This local emergency shall continue to exist until the City Council proclaims the termination of the local emergency. The City Council shall review the need for continuing the local emergency in the manner required by law.

SECTION 3. Pursuant to Resolution No. 2020-105, while the local emergency remains in effect, the City Manager shall limit the exercise of the powers granted to the City Manager, as the Director of Emergency Services, during a proclaimed local emergency pursuant to Section 8-7 of the West Covina Municipal Code, to actions directly related to responding to the COVID-19 pandemic.

SECTION 4. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

APPROVED AND ADOPTED this 16th day of August, 2022.

Dario Castellanos
Mayor

APPROVED AS TO FORM

ATTEST

Thomas P. Duarte
City Attorney

Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2022-87 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 16th day of August, 2022, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Lisa Sherrick
Assistant City Clerk



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: August 16, 2022

TO: Mayor and City Council

FROM: David Carmany
City Manager

SUBJECT: HOUSING PRESERVATION PROGRAM– REVISIONS TO GUIDELINES FOR INCREASE IN MAXIMUM LOAN AMOUNT, ADDITION OF ELIGIBLE IMPROVMENTS, AND ELIMINATION OF INTEREST RATE

RECOMMENDATION:

It is recommended that the City Council, acting as the Community Development Commission, take the following actions:

1. Approve the revised guidelines for the City of West Covina Housing Preservation Loan Program, in substantially the form as attached and in such final form as approved by the City Manager in consultation with the City Attorney, and authorize the City Manager to revise any and all forms and execute all documents necessary to implement the revised guidelines.
2. Write-off a total of twenty-two (22) former housing loans totaling \$192,858.00. These loans will be considered canceled and removed from the City's ledger.
3. Ratify any former housing loans that were paid-off and incorrectly charged interest by the City and/or AmeriNat (City's loan servicer) prior to August 16, 2022.

BACKGROUND:

On December 16, 2014, the City Council approved the updated guidelines for the City of West Covina Housing Preservation Loan Program (HPP) and authorized the reinstatement of the Program. The HPP program focuses on preserving homes within the community by protecting, preserving, and improving the single-family housing stock.

The current HPP guidelines provide a loan of up to \$10,000 to eligible West Covina homeowners. Homeowners are required to execute a promissory note secured by a deed of trust for a 30-year loan term. Loans repaid within the first ten (10) years do not accrue interest. After the tenth year, monthly payments are required to be made and loans accrue interest at the rate of five percent (5%) per annum. The loan can only be used for exterior repairs and improvements.

HPP is funded by two different sources, the Community Development Block Grant (CDBG) program and Low- and Moderate-Income Housing Fund (LMIHF). CDBG is a federal program administered by the U.S. Department of Housing and Urban Development (HUD) and provides communities with resources to address community development needs such as infrastructure development, anti-poverty programs, and property rehabilitation. Each year the City approves the CDBG Action Plan that allocates CDBG funding for that fiscal year. In Fiscal Years, 2014-15, 2015-16, and 2016-17, a total of \$450,000 was allocated for

HPP. Since that time, additional funding has not been allocated to the Program. HPP's second source of funding is the LMIHF. The LMIHF funds are administered by the West Covina Housing Authority through the Community Development Commission (CDC). LMIHF funds are allocated yearly through the annual budget process to HPP.

Since the program was reinstated in 2015, a total of sixty-four (64) HPP loans have been funded with three (3) applications currently pending approval. Of those sixty-four (64) loans, twenty-eight (28) were funded by CBDG funds and thirty-six (36) were funded by LMIHF.

DISCUSSION:

This loan has provided borrowers with a loan opportunity to fund a variety of home improvements. However, with inflation occurring, it has impacted the construction sector especially hard. Labor and material costs have increased, impacting the overall price of home improvements. As a result, staff is proposing to increase the maximum loan amount to \$25,000.

As previously stated, the cost of home improvements has increased significantly in a short period of time. Repairs that fall within the program parameters have increased in cost and now exceed the maximum loan limit. The new proposed amount will help cover present day pricing for similar types of home improvements. The table below illustrates this increase:

Repair Costs		
	2015	2021
Roof Repair	\$9,500	\$12,100 - \$17,600
Exterior Paint	\$6,800 - \$7,300	\$10,400

Of the sixty-four (64) residents who have obtained loans since the reinstatement of the Program, the vast majority have elected to obtain the maximum amount. The following table shows the loan amounts and the number of loans borrowed in each thousand-dollar range.

Loan Amounts				
Total Loans	Under \$5,999	\$6k-\$8,999	\$9k-\$9,999	Entire \$10k
64	2	10	6	46

Of the forty-six (46) loans borrowed at the \$10,000 loan limit, all forty-six (46) borrowers had home improvements completed that exceeded the maximum loan limit. In such cases borrowers paid out-of-pocket for these excess amounts. With the proposed maximum loan amount increase, staff hopes to help a wider range of residents who may not have the ability to pay these out-of-pocket expenses.

The Program's objective is to make loans affordable for moderate-income homeowners. With this in mind, additional program parameters will also be proposed in order to continue with this goal. The Program's interest rate and loan term will be adjusted to assist households. Due to the increase in the loan amount, the deferral period will be shortened from the existing ten (10) years to five (5) years. In extending the repayment years from twenty (20) to twenty-five (25), borrowers will be able to maintain a comparable monthly loan payment. As the Program is directed at moderate- and low-income households, the repayment amounts will be more feasible. The following chart illustrates the comparison of a twenty-year (20) payment program at five percent (5%) interest and a twenty-five-year (25) payment program at zero percent (0%) interest.

Payment Amounts		
Loan Amount*	20 Year Payment Program with 5% Interest	25 Year Payment Program with 0% Interest
\$2,550	\$16.83	\$8.50
\$5,050	\$33.33	\$16.83

\$7,550	\$49.83	\$25.17
\$10,050	\$66.33	\$33.50
\$12,550	N/A	\$41.83
\$15,050	N/A	\$50.17
\$17,550	N/A	\$58.50
\$20,050	N/A	\$66.83
\$25,050	N/A	\$83.50

**Possible loan amounts are listed to illustrate examples of corresponding payment amounts.*

Staff is seeking to clarify the interest charged on existing HPP loans. The interest on former HPP loans have been calculated inconsistently. To correct any errors, documentation on all loans obtained prior to the reinstatement of the program in 2014 will be amended to reflect a 5% per annum interest rate. Promissory notes will be revised to reflect terms and amounts based on each specific loan.

Staff is also proposing revisions to the HPP guidelines to include additional eligible home improvements. Added to the list of accepted improvements will be:

Additional Home Improvements
Central Heating, Ventilation, Air Conditioning (HVAC) Repair/Replacement/Installation
Water Heater Repair/Replacement
Energy Conservation Improvements: Solar (Panels/Battery)
Americans with Disabilities Act (ADA) Accessibility Improvements

A large portion of those with active loans, as well as the majority of prospective applicants are comprised of senior citizens (50+), retired individuals. As retired persons, they tend to reside in their homes for a large portion of a day. Added to that, in the hot summer months, this vulnerable population bears extreme temperatures in a housing stock of homes constructed prior to 1979. Improvements that help the community move towards more sustainable practices will also be included. As with air conditioning, the demand for assistance for electrical panels has also risen. Along the same lines, the list will include water heater renovations. With a persistent drought across the western United States and the need for energy conservation, the additions to the program seek to mitigate increasing water and electricity costs for residents. Lastly, we will also make accessibility improvements available for those with disabilities. The additional improvements consist of repairs that will improve homeowner's quality of life.

In determining the proposed revisions, staff conducted a survey of neighboring communities. The table below illustrates the programs offered by surrounding communities:

Home Improvement Programs		
City	Maximum Loan Amount	Interest Rate
Covina	\$20,000	3%
Diamond Bar	\$20,000	0%
West Covina*	\$25,000	0%
Walnut	\$30,000	0%
Baldwin Park	\$45,000	1%
Pomona	\$75,000	2%
El Monte	\$80,000	0%

*This is based on the proposed HPP Guideline updates.

Staff has researched and compared similar program guidelines of neighboring communities in order to provide City residents with comparable loan options. A larger loan amount, lowered interest rate, and a lengthened list of eligible improvements will further enhance the Program's original objective of improving the City's housing stock. If approved, the revisions proposed will offer residents expanded options to continue to protect, preserve, and improve West Covina home stock. If approved, the attached HPP Guidelines will go into effect September 1, 2022. New loans as of September 1, 2022, will be subject to the new guidelines.

In addition to modifying the HPP guidelines, staff would like to address some former housing loans. First, there are housing loans that were not transferred to AmeriNat after the ten (10) year deferral period. These loans were issued between 2000 and 2010 and would have become due starting 2010 through 2020. Staff has made several attempts to reach out the borrowers to start repayment of those loans. However, the loans are missing the legally binding documentation (Deed of Trust and/or Promissory Note) in order for the City to pursue loan repayment. As such, staff is recommending that these twenty-two (22) loans totaling \$192,858.00 be written off the City's ledger (Attachment No. 2). For the un-transferred loans that the City has a Grant Deed recorded, but no Promissory Note, the City will reduce the 5% interest rate and request the homeowner to execute a new Promissory Note. For those un-transferred loans that the City has a Promissory Note, if necessary, the homeowner will be requested to execute a New Promissory Note to reflect 5% per annum interest rate.

Secondly, there has been inconsistency on how the 5% interest rate was calculated upon payoffs of former HPP loans. As such, staff is recommending that the City Council ratify HPP loans that were paid off prior to August 16, 2022, that were incorrectly charged interest by the City and/or AmeriNat.

LEGAL REVIEW:

The City Attorney's Office has reviewed the revised guidelines and approved them as to form.

OPTIONS:

The City Council has the following options:

1. Approve Staff's recommendation; or
2. Provide alternative direction.

Prepared by: Gerardo Rojas, Economic Development Project Coordinator

Fiscal Impact

FISCAL IMPACT:

The Housing Preservation Loan Program is funded by the Low- and Moderate-Income Housing Fund (LMIHF) and the Community Development Block Grant (CDBG). The current balance for the LMIHF is \$375,800. The current balance for the CDBG funding is \$341,644. General Fund funding is not used for the funding of HPP loans.

Attachments

Attachment No. 1 - Proposed Guidelines

Attachment No. 2 - Loans to be Written-Off

CITY COUNCIL GOALS & OBJECTIVES: Enhance City Image and Effectiveness
A Well-Planned Community



WEST COVINA
COMMUNITY & ECONOMIC
DEVELOPMENT



CITY OF WEST COVINA

Housing Preservation Loan Program Guidelines

Revised August 2022

West Covina Community & Economic Development

**Housing Preservation Loan Program
Guidelines**

A large percentage of the housing stock within the City has matured and is now in need of a face-lift. The Housing Preservation Loan Program focuses on preserving homes within the community by protecting, preserving, and improving the single-family housing stock. This program makes available to eligible West Covina homeowners a 30 year no interest, loan up to a maximum of \$25,000. Loans will have a five (5) year deferred period. After the fifth year, homeowners must make monthly payments for the remainder of the thirty (30) year loan. Please check the income guidelines on the application for current income limits. In addition to income limits, homeowners are required to have occupied their homes for more than twelve (12) months and the unit must be the homeowner's primary residence.

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West Covina Community & Economic Development

**Housing Preservation Loan Program
Guidelines****1 INTRODUCTION**

The Housing Preservation Loan Program (HPP) focuses on preserving homes within the community by protecting, preserving, and improving the single-family housing stock. The program is intended to help rehabilitate and maintain the owner-occupied homes within the City by making available no interest loans to West Covina homeowners. This program is funded by two different sources. It is funded through the Low- and Moderate-Income Housing Asset Fund of the Housing Successor Agency and the Community Development Block Grant (CDBG) of the U.S. Department of Housing and Urban Development. HPP's second source of funding is the Low- and Moderate-Income Housing Fund (LMIHF). The LMIHF funds are administered by the West Covina Housing Authority through the Community Development Commission (CDC).

This program makes available to eligible West Covina homeowners a no interest, thirty-year loan up to a maximum of \$25,000. Borrowers will have a five (5) year deferred payment period. After year five, households must make payments of the loan outstanding until it is paid in full.

The previous Housing Preservation Loan Program provided eligible West Covina homeowners with a loan up to \$10,000. Homeowners were required to execute a promissory note secured by a deed of trust for a 30-year loan term. Loans repaid within the first ten (10) years did not accrue interest. After the tenth year, monthly payments were required to be made and loans accrued simple interest at the rate of five percent (5%) per annum. The loan could only be used for exterior repairs and improvements and focused on preserving homes within the community by protecting, preserving, and improving the single-family housing stock.

1.1 Homeowner Eligibility

The following general guidelines are used to determine initial homeowner eligibility for the program:

1. The home to be improved must be within the City of West Covina legal boundaries.
2. Homes to be improved must be owner-occupied.
3. The incomes of all household members living at the residence longer than twelve (12) months are counted to determine an applicant's eligibility for the program (except as noted below). In the event of a "new birth" in the household, the twelve-month residency requirement is waived.
4. In accordance to Senate Bill 341, the income limit for CDBG funded loans is 60-80% of the area median income of Los Angeles County. The area median income of Los Angeles County is revised annually as set forth in California Code Regulations, Title 25, Section 6932.

Specific eligibility requirements are described later in this Manual.

1.2 Manual Organization

This manual provides all the necessary forms required for administering the Housing Preservation Program and includes a step-by-step procedure for each of the program's four major phases:

Phase	Action
Loan Application	Outlines procedure for reviewing and approving submitted loan applications
Loan Funding	Lists process for funding loans for approved applications
Construction Monitoring	Describes instructions for ensuring that the authorized Housing Preservation work is completed in a satisfactory manner
Loan Repayment	Provides directions for removing the lien on a property when the loan is repaid, an outline of the reconveyance process, and the procedure for responding to a notice of foreclosure

2 PHASE ONE: LOAN APPLICATION

This is the initial phase of the Housing Preservation Program. It requires the homeowner to submit a "Loan Application Packet" containing forms that must be completed by the homeowner in order to determine eligibility and approval for requested repairs and/or improvements. Once the application has been approved, a Loan Folder is created which incorporates the Loan Application Packet plus additional forms. Listed below are the required forms and procedure for reviewing and approving loan applications. The maximum loan amount is \$25,000. A homeowner may apply more than once, but not in the same fiscal year (July 1 to June 30) and as long as the maximum loan amount is not exceeded.

2.1 Loan Application Packet

The Loan Application Packet is sent to a prospective applicant and contains the documents required for determining eligibility for the program. The packet includes the following forms:

1. Cover Letter
2. Loan Application Form
3. List of Eligible Improvements
4. Employment and Salary Certification
5. Mortgage and Information Authorization
6. Lead-Based Paint Hazards Acknowledgement
7. Lead-Based Paint Testing Form

8. Lead-Based Paint Test Deposit Agreement

Each form contained in the Loan Application Packet is described in detail below:

2.1.1 Cover Letter

The Cover Letter is sent to the applicant and serves as a road map for the program. It explains the purpose of the program, requirements for qualifying, and gives a general outline of how the program operates.

2.1.2 Loan Application Form

The Loan Application Form requests basic personal background information such as applicant's name, address, gross household income, and household size. The applicant must provide proof of gross household income for the past twelve (12) months.

The following table provides a list of documents considered acceptable verifications of income:

Type Of Income	Proof Of Income Required
Salary	Federal and State Income Tax Return, Salary Certification, Check Stubs
Social Security	Statement of Social Security Amount
Welfare	Statement from Caseworker
Pension	Statement of Amount, Copy of Check
Alimony	Court Order (divorce papers)
Child Support	Court Order (child support)
Unemployment Insurance	Statement of Award, Verification Form
Self-Employment Income	Federal and State Income Tax Returns
Interest	Bank Statements
Rentals	Receipt Book (applicant cannot have an interest in more than one rental property)

Assets and Interest Income are defined as funds in savings accounts or other interest-bearing accounts. Annual interest is included as income in qualifying calculation; however, eligible applicants must not have an interest in more than one rental property.

For self-employment income, a 30% deduction will be made for business expenses. This 30% deduction is in addition to the deduction for costs as well as the costs of goods sold. If an applicant is involved with a corporation arrangement, then the income of the corporation shall be used to determine income eligibility.

2.1.3 List of Eligible Improvements

The List of Eligible Improvements Form, included in this document on page 25, defines the various home improvements that are eligible under the program. Acceptable improvements must be clearly visible from the public right-of-way.

The following priority improvements must be undertaken unless staff makes a determination that the priority improvements are “not needed”:

1. Building Safety Code Violations; and
2. Exterior Painting, Including the Garage

Special conditions and situations will be reviewed and may be approved by a consensus of the Housing Preservation Committee consisting of the CED Director and staff.

Structural conditions that are unsafe and threaten the health and welfare of occupants and/or neighbors may be considered eligible. (If questionable, the determination will be made by the CED Director).

2.1.4 Employment and Salary Certification

The information contained in the Employment and Salary Certification Form is essential to verify income eligibility. The applicant’s employer must complete the form and the applicant must sign where indicated. If the applicant has not worked in the past twelve (12) months, other sources of income must be identified and documented.

If an applicant claims a person not substantiated by the Federal or State Income Tax Returns, other proof of residency is required. We require a letter from the applicant certifying that the person resided on a continuous basis for the past twelve months. Both the applicant(s) and the person claimed must sign the letter.

If a homeowner has a renter or boarder from which monthly rent is collected on a scheduled manner, and that renter is not a relative of the household, then that renter's income does not have to be counted as income to the household.

If a person is not a renter and has not lived in the home for twelve months or more, then that person cannot be counted in the "number of persons in the household" determination.

2.1.5 Mortgage and Information Authorization

The Mortgage and Information Authorization Form requires the applicant to list all mortgage companies, banks, and/or savings and loans that hold mortgages on the applicant's property.

CED staff will not approve a loan for homeowners who are delinquent in their mortgage payments. Homeowners must make their payments current before being approved for a loan from the CED.

2.1.6 Lead-Based Paint Testing

Under CDBG regulations, rehabilitation on residential structures funded by CDBG and built before 1978 are required to be tested for the presence of lead-based paints. This section will outline all forms and acknowledgements that will be distributed to applicants in order to abide by all U.S. Department of Housing and Urban Development regulations.

A) Lead-Based Paint Hazards Acknowledgement

The Lead-Based Hazards Acknowledgement Form notifies applicants of any health hazards that may be present in their homes due to lead-based paint. The Acknowledgment also outlines possible lead-based paint poisoning symptoms, lead-based poisoning screening locations, and lead-based paint poisoning preventative practices. The EPA's pamphlet, "Protect Your Family from Lead in Your Home" will be attached to this form. All applicants will be required to complete the form and attest that they are aware of the dangers of lead-based paint and that the EPA's pamphlet, "Protect Your Family from Lead in Your Home" has been received.

B) Lead Based Paint Testing Form

All applicants of the program will be required to complete the Lead-Based Testing Form. The form will offer applicants the option of having lead-based paint testing conducted at their residences. If an applicant chooses to not have any testing completed at their residence, they will be unable to qualify for a Housing Preservation Program loan.

C) Lead-Based Paint Test Deposit Agreement

The Lead-Based Paint Deposit Agreement certifies that an applicant will provide a deposit of \$340 for the testing of lead-based paint at their residence. The testing will be completed by a certified contractor selected by the City.

If the inspection of a property results in a negative test for lead-based paint, and the applicant wishes to proceed with the loan, he/she will have the option of having the deposit of \$340 reimbursed to them and have the inspection fee financed into the loan. If this option is chosen, the inspection fee will be drawn from the total available loan amount of \$20,000. If the applicant does not wish to continue with the HPP loan after obtaining a negative test result, the deposit will pay for the cost of the inspection. Should the inspection result in a positive test and lead-based paint is detected, the deposit amount of \$340 and any further remediation expenses will be financed into the loan. Inspections are not required to be conducted on rehabilitation of residential structures funded by the Low- and Moderate-Income Housing Funds.

D) Lead-Based Paint Remediation Form

If lead-based paint is detected, the applicant has the option of having remediation work completed in their home. Applicants can elect to have work completed at their home in order to remediate any health hazards present at the property due to lead-based paint. Remediation costs will be financed into the HPP loan. Applicants can also choose to not proceed with any remediation action at their residence. If this option is chosen, the applicant will forfeit the opportunity to qualify for a HPP loan.

E) Lead-Based Paint Test Funding Source

The HPP is funded using two funding sources, the CDBG fund and the Low- and Moderate-Income Housing Fund. If an applicant's loan is funded using CDBG funds, the cost of the inspection can be financed into their HPP loan. If an applicant's loan is funded using Low- and Moderate-Income Housing Funds, testing of the rehabilitated residential structure is not required.

2.2 Pre-Qualification Approval/Denial

Completed applications may be mailed or hand delivered during regular business hours in the reception area. Upon receipt of the application packet, the Loan Application Form will be dated by staff and compared to the date the packet was mailed to the applicant to verify that the application was submitted within the two-week turnaround period.

Staff will pre-qualify an applicant within ten (10) business days from the date the completed application package is received. The applicant will be notified by mail whether the applicant has been pre-qualified or denied a loan.

The Loan Application Pre-Qualification Letter gives notice that the applicant has been pre-qualified for a loan and instructs the applicant to schedule an appointment with staff for a property inspection of the proposed repairs and improvements.

The Loan Application Denial Letter notifies the applicant that the CED has denied the request for a loan and the reason(s).

2.3 Setting Appointment for Property Inspection

Applicants who have been pre-qualified pursuant to Section 2.2 are instructed to schedule an appointment with staff for an inspection of the proposed repairs and improvements.

2.4 Property Inspection Worksheet/Required Photos

The Property Inspection Worksheet is used as an outline for inspecting the property. Key items to look for besides the proposed improvements/repairs include building code violations, and the condition of the exterior paint. Please refer to Section 2.1.3 and the List of Eligible Improvements Form for further discussion on eligible improvements. Photos are used to show the type of improvements needed such as peeling paint, broken windows, or leaking roof.

2.5 Certification of Approved List of Improvements

The Certification of Approved List of Improvements Form lists the improvements and repairs approved by the CED. Based on this list, the applicant is encouraged to secure three (3) bids from licensed contractors; however, the applicant is not required to accept the lowest bid. Bids must describe the work and the cost on an item-by-item basis. Only improvements approved by CED staff must be shown on the bid/contract.

Contractor bids must be reviewed to check the date and length of time the bid is good. Stale bids can result in higher prices if not confirmed by the contractor. Be sure trim painting is included in the bid price of texture-coating or re-stucco work.

The program requires that only a licensed contractor may undertake the required work. It is important that all contractors asked to bid on a home improvement be informed of the required State and City licenses. **A City business license must be secured prior to approval of the work.**

The applicant must be informed that the CED does not become involved in homeowner and contractor disputes. Payment to contractors will be made upon 100 percent completion of work.

The loan program does not reimburse homeowners for expenditures before participation in the program.

2.6 Lead-Based Paint Testing

Under CDBG regulations, rehabilitation on residential structures funded by CDBG and built before 1978 are required to be tested for the presence of lead-based paints. Testing must be conducted by licensed professionals and should lead-based paint be found, the remediation of either must be addressed and completed by a license contractor. Rehabilitation of residential structures funded by Low-Moderate Housing funds are not required to be tested against lead-based paint. As part of precautionary measure being taken for possible lead-based paint presence in applicant's home, staff will include the Environmental Protection Agency's pamphlet, "Protect Your Family from Lead in Your Home" as part of the HPP application packet. It will inform applicants of possible health hazards associated with lead and possible ways to protect against it.

2.7 Authorization for Loan Funding

The Authorization for Loan Funding Form is sent to the applicant and states the amount of the loan approved, references the Certification of Approved List of Improvements, and notifies the applicant of the 15-day period allowed for executing all loan documents. The bank will not process the applicant's loan without this form.

The West Covina Community & Economic Development will subordinate a loan only if City security for the loan (the property) is in danger of being lost and/or under special circumstances with approval by the CED Director. A subordination allows the borrower to refinance their house without having to repay the City as stated in the Housing Preservation Program guidelines.

If the City subordinates a loan under special circumstances, the homeowner(s) MUST meet all the following criteria:

- Homeowner may not pull-out equity during the refinance
- Homeowner must be refinancing for a lower rate only
- Lender from the bank must verify that the borrower is unable to pay off the loan with the City.

If the homeowner meets all three criteria, a Subordination Agreement, Encumbrance Limitation Agreement, and a Deed of Trust and Security Agreement will be required.

2.8 Loan Folder

Once an application has been approved for a loan, a Loan Folder is prepared which contains the following documents:

Item	Description
Check-off List	Identifies the items that comprise the Loan Folder for each application being processed.
Cover Letter	See Section 2.1.1.
Employment and Salary Certification	See Section 2.1.4.
Process Control (Income Determination)	Used to document the process used to verify the income of the homeowner.
Copy of Latest Check Stub	Used to verify the homeowner's income. See Section 2.1.40.
Copy of Income Tax Return	Used as a means of verifying the homeowner's income. See Section 2.1.4.
Copy of Proof of Income	See Section 2.1.4.
Mortgage and Information Authorization	See Section 2.1.5.
Lead-Based Paint Acknowledgement	See Section 2.1.6
Lead-Based Paint Testing Form	See Section 2.1.6
Lead-Based Paint Deposit Agreement	See Section 2.1.6
Lead-Based Paint Remediation Form	See Section 2.1.6
Proof of Ownership - Grant Deed or Deed of Trust	<p>To prove ownership of the property in question, a copy of the applicant's Grant Deed or Deed of Trust is required.</p> <p>All persons listed on the deed must sign for the loan. All persons listed on the deed must have their respective incomes included and verified when calculating total household income unless proof of residency other than subject property is provided.</p>

3 PHASE TWO: LOAN FUNDING

After a loan application has been approved and contractor bid(s) received, staff must authorize the bank to fund the loan. The procedure for funding is outlined below. Key to this procedure is the preparation of a "Funding Folder" which includes all the documents the lender requires before funding.

3.1 Funding Folder

The Funding Folder is created after a loan application has been approved and contractor bid(s) received. It contains all the funding documents required by the lender. The documents that make up the Bank Folder are described in detail below.

Item	Description
Property Inspection Worksheet/Required Photos	See Section 2.4.
Certification of Approved List of Improvements	See Section 2.5.
Copy of Authorization for Loan Funding	See Section 2.6.
Contractor Bid(s)	See Section 2.5.
Copy of List of Payment Checks to Contractor(s)	See Section 3.1.
Item	Description
Loan Application Form	See Section 2.1.2.
Proof of Ownership - Grant Deed or Deed of Trust	See Section 2.7.
Contractor Bid(s)	See Section 2.5.
Bank Authorization to Release Funds	<p>A letter signed by the Finance Director and the CED Director authorizing the bank to allocate funds from the Low- and Moderate-Income Housing Asset Fund account.</p> <p>A copy of this letter must be provided to the CED Analyst to notify him/her that funds will be released.</p>

Item	Description
List of Payment Checks to Contractor(s)	<p>Also known as a “check log”.</p> <p>Prepared by staff listing all the checks and the amounts to be paid to each contractor.</p>
Truth In Lending Disclosure Statement	<p>States the total amount of the loan and all finance charges.</p> <p>All applicants are required to read and sign this form stating the applicant(s) has read the form and understands the loan terms and amount.</p>
Promissory Note	<p>The legal promise to repay the total loan amounts to the City of West Covina upon the sale, transfer or refinance of title to the subject property.</p> <p>The bank prepares the Promissory Note (which is provided by the City). The applicant must read and sign the Promissory Note.</p>
Notice of Rescission Period	<p>When the applicant(s) signs the loan papers, the bank will also require that the applicant(s) signs the Notice of Rescission Form in a specially designated area near the top of the document.</p> <p>This indicates that the applicant(s) has been notified of the opportunity to reconsider the loan terms within three (3) days.</p> <p>After 3 days, the applicant(s) must return this form to the bank.</p> <p>If the applicant(s) wishes to proceed with the contract, the applicant must sign the bottom of the form, thereby accepting the loan and its terms.</p>
New Deed of Trust	<p>This represents the City’s legal right to the property and is prepared and filed with the Los Angeles County Recorder.</p> <p>It is signed by the applicant and notarized. It is then sent to the City Clerk, who transmits the deed to the Los Angeles County Recorder’s office for recordation.</p>
Cashier’s Check(s)	<p>Made out to the contractor(s) for payment of work completed.</p> <p>See Section 4.7 for final payment procedure.</p>

Item	Description
Homeowner Satisfaction Statement	See Section 4.5.
Release of Labor and Materials Form	See Section 4.6.
Payment Approval Form	See Section 4.7.

3.2 Signing of Loan Documents

The responsibility for scheduling an appointment to sign the required loan documents is between the applicant and the bank. The applicant has 15 days to sign all loan documents. If the applicant does not sign loan documents within the 15-day period, the loan approval is void and the applicant must reapply.

Homeowners will be required to sign a Note and a Deed of Trust with Assignment of Rents. All names on the Deed of Trust must sign for the loan. If a person on the deed of trust does not live in the home to be improved, that person's income will not be counted in the gross household income if residency can be proved otherwise.

The Deed of Trust is notarized at the time loan documents are executed.

4 PHASE THREE: CONSTRUCTION MONITORING

Applicants are encouraged to secure three bids on approved Housing Preservation items. Bids must describe the work and the cost on an item-by-item basis. The applicant does not have to accept the lowest bid. He/she may select the bid he/she wishes. Only improvements approved by the CED staff must be shown on the bid/contract.

The Contractor Information Form must be completed and attached to the bid/contract selected by the applicant. It is important that all contractors asked to bid on a home improvement be informed of the required State and City licenses. A City business license must be secured prior to approval of the work.

Contractor bids must be reviewed to check the date and length of time the bid is good. Stale bids can result in a higher price if not confirmed by the contractor. Painting of the trim must be included in the bid price of texture coating or re-stucco work and payment to contractors will be made only upon 100 percent completion of work. Up-front payments are permitted only when required by the supplier of certain building materials that must be custom-made (i.e., aluminum windows).

Below are directions for ensuring that the authorized work is completed in a satisfactory manner.

4.1 California Preliminary Notice

A California Preliminary Notice may be mailed to the applicant before work begins informing the applicant, "If bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien leading to the loss, through court foreclosure proceedings, of all or part of your property being so improved may be placed against the property even though you have paid your contractor in full."

If this form is received, it should be filed in the Funding Folder. Once the work is completed and before the contractor(s) is paid, obtain a release from the contractor(s) who filed the notice.

4.2 Verification of Building Permits, Contractor(s) License, and City Business License

Verify the following and immediately inform the contractor and the applicant if any discrepancies are found:

1. With the Department of Building and Safety that all permits required for Housing Preservation are pulled;
2. With the California State License Board that the contractor has a valid license; and
3. With the City Business License Department for contractor's current business license.
4. Verify contractors against the System for Award Management (SAM).

4.3 Windshield Surveys

It is important to stress to the applicant and contractor that windshield surveys will be conducted as a means to monitor the contractor's work. Windshield surveys should be conducted regularly to ensure the home improvements are progressing in a timely manner. The Code Enforcement Officer as well as CED staff will conduct the surveys.

4.4 Completion of Work

Upon completion of Housing Preservation, work should be inspected for compliance and homeowner satisfaction. The building inspector must sign off on all building permits.

There will be no material draws or progress payments. Payment is made through the City of West Covina upon labor and material lien releases and taking of completion photographs by CED staff. No payment can be approved without a Homeowner's Satisfaction Statement Form signed by both the homeowner and the contractor. The appropriate CED staff member makes the approval for payment.

The contractor will not receive payment until Sections 4.5, 4.6, and 4.7 are complied with.

4.5 Lead-Based Paint Clearance

Once inspection, testing, and abatement of lead-based paint is completed, the City's licensed contractor will conduct a final clearance inspection to make sure the dwelling is safe for occupants. Final clearance shall ensure that all hazard reduction work covered in the work specification is complete.

4.6 Homeowner Satisfaction Statement

The Homeowner Satisfaction Statement is completed by the applicant and signed by the contractor to verify that the Housing Preservation is complete and to their satisfaction and authorizes the City to release payment for the work. This form must be signed by the contractor and the applicant and returned to the CED before any payment will be approved. The bottom half of the form is for staff's use and is completed after staff has inspected the property for compliance and completion of work.

4.7 Release of Labor and Materials Form

To receive final payment, the contractor is required to submit a Release of Labor and Materials form. All material suppliers must sign, stating that they have been paid or that they waive the lien upon payment being received. All contractors and material suppliers must submit this form before any payment is approved.

A contractor or material supplier who has not been paid has the legal right to place a lien on the property by recording a Preliminary Lien Notice. Should this occur, staff may deduct the amount in question from the total approved contractor's bid price.

4.8 Payment Approval for Work Completed

All contractors who have performed work on the property must complete and sign a Payment Approval Form, stating that they have been paid or they waive the lien upon payment being received. If a general contractor did the work, his or her signature is all that is required on the form.

4.9 Homeowner Evaluation Form

The Homeowner Evaluation Form is completed by the applicant to evaluate the program and make any suggestions or comments that may be useful in improving the program.

5 PHASE FOUR: LOAN REPAYMENT

The loan in full, is due to the CED when the one of the following events occurs:

1. When the property is sold, or title is transferred;
2. Upon death of the owners (all owners);
3. The property is refinanced, and subordination of the City loan is required by the lender;
4. If the property owner is in default of the loan agreement;
5. When the property fails to be maintained according to City building codes;
6. When the homeowner no longer resides in the house; or
7. Whenever the homeowner wishes to pay off the loan in a lump sum.

Otherwise, the loan is repaid based on the following terms:

5a Loans Obtained After September 1, 2022

- Loans obtained after September 1, 2022, will have the following loan terms:
 - \$25,000 Maximum Loan Amount
 - 0% Interest Loan
 - Loans will have a five (5) year deferred period. After the fifth year, borrowers must make monthly payments for the remainder of the thirty (30) year loan.

5b Loans Obtained From 2014 to September 1, 2022

- Loans will retain the following loan terms:
 - \$10,000 Maximum Loan Amount
 - Loans do not accrue interest within the first ten (10) years of the loan
 - After year ten, monthly payments are required to be made and loans accrue interest at the rate of five percent (5%) per annum.

The City will allow homeowners with existing loans to obtain a second loan, if they qualify, with the following terms:

- Borrowers with an existing loan from the CDC/City will be able to obtain a second loan up to, but not to exceed the new loan maximum loan amount of \$25,000. The second loan will have loan terms outlined described under Section 5a.

5c Existing Loans Obtained Prior to 2014

- The following modifications will be made:
 - If the City has a recorded Deed of Trust only:
 - Homeowner's interest will be reduced from 5% per annum if they execute a new Promissory Note reflecting 0% interest.

- If the City has a Promissory Note:
 - If necessary, respective promissory note will be updated to reflect current format of document listed under *Section 6/Phase Two: Forms/Documents*.
 - Interest will be 5% per annum.

5.1 Beneficiary Statement

Upon sale or transfer of title, the escrow agent or title company officer that is handling the sale or transfer of title of the property will request a Beneficiary Statement from the CDC. The Beneficiary Statement is the City's formal request for repayment of the loan and any interest that is due.

The CDC will submit the form to the escrow agent or title company officer, who, in turn, will mail to the CDC the repayment of the loan principal and any interest that is due. It usually takes between two to three weeks from the date the CDC submits the form to when the CDC receives the loan repayment.

When a check for the loan payback is received, a copy of the check is made for the Funding Folder and the original is transmitted to the Finance Department for deposit in the Low- and Moderate-Income Housing Asset Fund or Community Development Block Grant Fund account.

5.2 Release of Lien

Upon receiving full payment of the loan, a Release of Lien Form is mailed by the CDC to the Title Company for recordation. This form is signed by the Executive Director or his/her designee and notarized.

5.3 Deed of Trust Reconveyance

The Deed of Trust Reconveyance Form is located on the reverse side of the Deed of Trust, which is filed in the City Clerk's office. Once the Executive Director his/her designee signs this form, it is mailed to the Title Company for recordation.

5.4 Foreclosure

Below are the steps for responding to a notice of foreclosure:

- CDC receives a Notice of Default and election to cause property to be sold under Deed of Trust
 - Immediately upon receiving the Notice of Default, notify the Department Head and the City Attorney's Office.
 - Contact homeowner and confirm the Notice of Default. Attempt to identify details of the default (i.e., how many payments in arrears, past efforts by homeowner to bring payments current, time period allocated before final foreclosure proceedings take place).
- CDC receives a Notice of Trustee's Sale which states the date and place of sale

- Immediately upon receiving the Notice of Trustee's Sale, notify the Department Head and the City Attorney's Office.
- Most likely, the City Deed of Trust will be removed in order to allow the home to be sold.

5.5 Bankruptcy

Below are the steps for responding to a notice of bankruptcy.

- CDC receives a Notice of Commencement, Discharge of Debtor, and/or an order discharging debtor
 - Immediately upon receiving notices, notify the Department Head or the City Attorney's Office.
 - CDC representative attends a meeting of creditors to determine what course of action to take.

6 PROGRAM FORMS/DOCUMENTS

The Housing Preservation Program is comprised of a number of various forms and documents. Specifically, each phase of the program requires its particular set of forms or documents to be completed before an applicant can progress to the next phase. Therefore, program forms and documents are organized by the phase and the chronological order in which they must be completed.

Phase One: Forms/Documents

- Cover Letter
 - Loan Application Form
 - List of Eligible Improvements
 - Employment and Salary Certification
 - Process Control (Income Determination)
 - Check-off List
 - Mortgage and Information Authorization
 - Lead-Based Paint Hazards Acknowledgement
 - Lead-Based Paint Testing Form
 - Lead-Based Paint Test Deposit Agreement
 - Proof of Ownership - Grant Deed or Deed of Trust
 - Property Inspection Worksheet / Required Photos
 - Certification of Approved List of Improvements
 - Authorization for Loan Funding
 - List of Payment Checks to Contractor(s)
-

Cover Letter

Dear Homeowner:

Thank you for your interest in the City of West Covina Community & Economic Development (CED) Housing Preservation Program.

The goal of the program is to encourage pride in ownership by offering deferred loans for eligible home improvements. To qualify, you must be a West Covina homeowner and earn no more than the maximum income limit established for the program.

If you qualify, you may apply for a deferred payment loan amount of up to \$25,000, with no interest. A \$50 processing fee can be added to the loan amount. The loan is secured by a deed of trust; **therefore you must supply CED with a recorded copy of the Deed of Trust to your home.**

An inspection of your home is required before any work can commence. Our staff will work with you in listing the improvements which may be funded through the program. Please note that any and all building/safety code violations are required to be corrected within a reasonable time period regardless of whether you choose to participate in this program.

Attached is a Housing Preservation Program application packet which provides answers to the most commonly asked questions regarding the program. It is very important that you carefully review all the enclosed documents before you begin to supply the requested information.

BECAUSE THE PROGRAM IS SO POPULAR, WE ASK THAT YOUR COMPLETED APPLICATION BE SUBMITTED BEFORE THE DATE STAMPED AT THE TOP OF THIS LETTER. In the event your complete application is not received by the CED within the specified two-week period, you will lose your place on the program's waiting list and have to reapply. If you qualify for a loan, you will have up to one year to complete all work after the loan is made.

You may mail or hand deliver your completed loan application packet to CED located at West Covina City Hall, Second Floor, Room 205, 1444 West Garvey Avenue South, West Covina, CA 91790. Please allow ten business days from receipt of your application for CED staff to process your loan request. In order for your application to be processed, we must have a complete application.

If you have any questions after reviewing the loan application packet, please call Gerardo Rojas with the CED at (626) 939-8417 or at grojas@westcovina.org.

Sincerely,

Paulina Morales
Assistant City Manager

(Date)

In order for your application to be processed, it is necessary for you to supply us with copies of the applicable documents listed below which verify your household income. **REMEMBER, IT IS UP TO YOU**, the homeowner, to furnish all the information necessary to determine your eligibility. Without your proof of income, we cannot process your loan application. Please note that completed application packets can be mailed or dropped off at the Community & Economic Development, Room 205, City Hall.

PLEASE CHECK TYPE OF INCOME	PLEASE NOTE PROOF OF INCOME REQUIRED
A. <input type="checkbox"/> Salary	1. Federal Tax Return; 2. State Tax Return; 3. Salary Certification; 4. Check Stubs.
B. <input type="checkbox"/> Social Security	Social Security Verification
C. <input type="checkbox"/> Welfare	Statement from Caseworker
D. <input type="checkbox"/> Pension	Statement of Amount, Copy of Check
E. <input type="checkbox"/> Alimony	Court Order (Divorce Papers)
F. <input type="checkbox"/> Child Support	Court Order (Divorce Papers)
G. <input type="checkbox"/> Unemployment Insurance	Statement of Award, Verification
H. <input type="checkbox"/> Self Employed*	Income Tax (Federal and State) Returns (Latest 2 years)
I. <input type="checkbox"/> Interest	Bank Statements
J. <input type="checkbox"/> Rentals**	Receipt Book
K. <input type="checkbox"/> Others	

* Computation of "Self Employed" income requires a special formula, which will be applied by CED staff to determine household income.

** Eligible applicants must not have an interest in more than one rental unit and must reside in the unit to be improved.

Please note that the following chart illustrates an overview of the program's steps and the order in which they occur:

Phase One:

Loan Application

- Application Submittal
- Pre-Qualification Approval/ Denial
- Property Inspection by City Staff
- Certification of Approved List of Improvements

Phase Two:

Loan Funding

- Execution of Loan Documents
- Authorization to Start Construction

Phase Three:

Construction Monitoring

- Completion of Work
- Homeowner Satisfaction Statement
- Payment of Contractor

Phase Four:

Loan Repayment

- Loan Repayment

Permitted Improvements
HOUSING PRESERVATION PROGRAM
PERMITTED IMPROVEMENTS

All of the following repairs, improvements, installations, or removals must be visible from the public right-of-way.

Building Code Violations	Windows
Exterior Painting	Exterior Lighting
Landscaping	Eaves
Tree Trimming & Removal	Rain Gutters
Roofing	Fences/Block Walls
Stucco/Siding	Porches/Balconies
Handicap Access	Central HVAC
Sidewalks	Water Heater
Driveways	Energy Conservation
Cement Entryways and Walks	ADA Accessibility
Garage Doors	Other Improvements
Front Doors	

In addition to the list provided above, modifications to conditions that are unsafe and threaten the health and welfare of occupants and/or neighbors, including structural modification and repair, may be considered eligible. (If questionable, the determination will be made by the CED Director).

Definitions of Eligible Home Improvements

Any building code violations must be corrected along with the listed exterior home improvements. The following definitions have been prepared for the purpose of clarifying the described home improvements that are eligible under the Agency’s Housing Preservation Program. They are not intended to be an exhaustive list; rather they are presented in an effort to provide examples of common, eligible exterior improvements.

Exterior Painting. Includes house and garage. Must be undertaken if needed as determined by the Program Coordinator and/or Code Enforcement Staff.

Tree Trimming & Removal. Trimming and/or removal of trees that are overgrown, overcrowded, or are causing problems with the landscaping, sidewalks, or structure on or near the property due to exposed roots.

Roofing. Repair and replacement of roofing (Building permit required).

Stucco/Siding. The plastering or installation of stucco and siding to a home to improve and extend its life is eligible. Also, repairs, patching, and filling holes in the surfaces of walls is eligible.

Handicap Access. All modifications, alterations, or additions oriented to facilitate access and use of the home by the disabled are eligible. These include installation of ramps, door widening, and other adaptive measures to the exterior of the home.

Sidewalks. Repair and replacement of existing sidewalks to increase safety and overall appearance of the property are eligible (Engineering permit required on right-of-way).

Driveways. Repair and replacement of existing driveway (Engineering permit required on apron).

Entryways/Walks. Repair and replacement of existing entryways and walks, including the addition of brick work, composite pavers, and associated materials used to improve the overall appearance of the building entry. Also includes the installation of new walks where appropriate.

Garage Doors. Repair or replacement of garage doors, including the replacement of broken springs. Installation of automatic openers are only eligible for the handicapped and elderly.

Front Doors. Repair or replacement of the front doors. Any structural modifications to include widening require appropriate Building department approvals. Installation of wrought-iron security doors is not eligible.

Windows. Repair or replacement of the windows facing the public right-of-way. Any structural modifications to include widening require appropriate Building department approvals. Installation of wrought-iron security bars covering the windows are not eligible; however, repairs to existing screens are eligible.

Exterior Lighting. Installation or repair of exterior lighting. Includes landscaping lighting and security lights as well as automatic timers for the system. Any associated electrical modifications need to be approved and permitted.

Eaves. Repair and replacement of building eaves. Structural modifications require appropriate permits and approvals.

Rain Gutters. Installation of rain gutters on the house as well as the garages is eligible.

Fences/Block Walls. Repair and installation of fencing/block walls is permitted only when they face a street or public facility (Planning permit required).

Porches/Balconies. Repair and installation of porches, terraces, and balconies that face a street or public facility. Structural modifications require appropriate permits and approvals.

HVAC System. Repair, replacement, or installation of heating, ventilation, and air conditioning units. Includes furnaces, air conditioners, heat pumps, ductwork, thermostat, and home comfort controls.

Water Heater. Repair or replacement of water heater. Building Department approval required.

Energy Conservation: Repair/Replacement/Installation of solar panels and solar system batteries.

ADA Accessibility: All modifications, alterations, or additions oriented to facilitate access and use of the home by the disabled are eligible. These include installation of ramps, door widening, and other adaptive measures to the exterior of the home.

Other Improvements. Associated improvements not listed above which will improve the overall appearance of the property from the public right-of-way are eligible. All improvements require pre-approval from the Program Coordinator.

Employment and Salary Certification**HOUSING PRESERVATION PROGRAM
EMPLOYMENT AND SALARY CERTIFICATION**

The following information concerning:

NAME _____
(First) (Middle) (Last)

ADDRESS _____
(Street Address) (Zip Code)

SOCIAL SECURITY NUMBER _____ TEL. () _____

is requested to verify eligibility in the West Covina Community & Economic Development Housing Preservation Loan Program.

Employed by _____ Full Time ☐
(Name of Company) Part Time ☐

_____ (_____) _____
(Address of Company) (Telephone)

Period of Employment: From _____ to _____
(Date) (Date)

Total Gross Wages (before Taxes), Commissions, etc., paid the above employee in the past twelve (12) months from receipt of this form: \$ _____

Signature of Company Payroll Clerk (Date)

Signature of Applicant (Date)

IF YOU HAVE ANY QUESTIONS, PLEASE CALL THE CED AT (626) 939-8417

Name of Person	Income Source	No. of Months	Gross Monthly Earning	Total Gross Earning	Proof/Income
TOTALS					

Check-Off List**HOUSING PRESERVATION PROGRAM**

(HOMEOWNER)

(ADDRESS)

	RECEIVED BY	REVIEWED BY	APPROVED BY
1. APPLICATION			
2. HOUSEHOLD INCOME INFORMATION (ONE OR MORE OF THE FOLLOWING INFORMATION)			
A. PAY CHECK STUBS			
B. PENSION VERIFICATION			
C. LATEST FEDERAL INCOME TAX RETURN			
D. FINANCIAL STATEMENT (SELF-EMPLOYED, IF APPLICABLE)			
E. SOCIAL SECURITY			
3. EMPLOYMENT & SALARY CERTIFICATION			
4. DEED OF TRUST, GRANT DEED, TITLE POLICY (LEGAL DESCRIPTION)			
5. MORTGAGE INFORMATION FORM			
6. LEAD-BASED PAINT CERTIFICATION			
7. CONTRACTOR'S INFORMATION FORM			
8. ALL NEEDED PERMITS HAVE BEEN SECURED			
9. PRE-IMPROVEMENT PHOTOGRAPHS (POLAROIDS & PHOTOGRAPHS)			
10. HISTORICAL/ARCHITECTURAL ASSESSMENT FORMS, FLOOD CERTIFICATION			
11. WAIVER REQUEST (IF APPLICABLE)			
12. LOAN APPROVAL			
13. POST-IMPROVEMENT PHOTOGRAPHS (POLAROIDS & PHOTOGRAPHS)			
14. HOMEOWNER'S SATISFACTION DECLARATION			
15. EVALUATION FORM MAILED TO HOMEOWNER			

* PLEASE ENSURE THAT ALL FORMS ARE COMPLETE AND SIGNED BY ALL PARTIES TO THE LOAN WHERE INDICATED.

Lead-Based Paint Hazard Acknowledgement**HOUSING PRESERVATION PROGRAM
HOMEOWNER INFORMATION
*LEAD-BASED PAINT HAZARDS ACKNOWLEDGEMENT***

LEAD-BASED PAINT. Lead-based paint can be present in both exterior and interior surfaces in apartments and homes. This type of paint may be found in homes built before 1978 and may be present in our City's older housing and buildings, even after periodic repainting. Lead-based paint can resurface and pose a hazard when paint surfaces crack, scale, peel, chip or become loose. This most frequently occurs on walls, stairs, porches, railings, windows, doors, woodwork, and in hallways.

HEALTH HAZARDS. Lead poisoning is a serious and continuing health hazard in our country. It can endanger any occupant of housing. However, children and infants are usually its victims when paint chips are *eaten* or *chewed*. Lead poisoning, even from small amounts, may cause intellectual disability, blindness, paralysis and death.

WHAT ARE THE SYMPTOMS? At first there may be no obvious signs of lead poisoning. Symptoms appear as any number of childhood diseases. If the child has continuing and chronic stomach aches, vomiting, headaches, loss of appetite or the child frequently lacks energy, *it may be a warning sign*. Symptoms for adults may include abdominal pain and cramping, anemia, hearing loss, headaches among others.

WHERE TO SEEK HELP. We advise and encourage any family with a child under the age of seven to be tested for elevated blood levels. Ask your doctor about this screening. The Los Angeles County Health Department offers lead-based paint screening and treatment if necessary. Some or all of the cost for screening may be paid by Medi-Cal.

PREVENTION. Don't try and remove lead-based paint yourself. Keep painted surfaces in good condition to minimize deterioration. Lead-based paint hazards may be present in water leaks from faulty plumbing and peeling and flaking walls and ceilings. For additional information please refer to the attached pamphlet.

ADDITIONAL INFORMATION. Attached you can find the HUD required informational pamphlet on lead-based paint. It provides information regarding possible health hazards associated with lead-based paint and possible ways to protect against it.

As evidenced by my signature, I have read this required information on the hazards of lead-based paint and attest that I have received the attached pamphlet.

Homeowner Signature_____
Date

Please print:

NAME _____

ADDRESS _____

TELEPHONE (_____) _____

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT COMMUNITY AND ECONOMIC DEVELOPMENT
STAFF AT (626) 939-8417

Lead-Based Paint Testing



**HOUSING PRESERVATION PROGRAM
HOMEOWNER ACKNOWLEDGEMENT**
LEAD-BASED PAINT TESTING (CDBG Loans Only)

LEAD-BASED PAINT. Lead-based paint can be present in both exterior and interior surfaces in apartments and homes. This type of paint may be found in homes built before 1978 and may be present in our City's older housing and buildings, even after periodic repainting. Lead-based paint can resurface and pose a hazard when paint surfaces crack, scale, peel, chip or become loose. This most frequently occurs on walls, stairs, porches, railings, windows, doors, woodwork, and in hallways.

TESTING. Under U.S. Housing and Urban Development (HUD) regulations, rehabilitation on residential structures built before 1978 will be tested for the presence of lead-based paint. As the Housing Preservation Program (HPP) is funded by Community Development Block Grants (CDBG) through HUD these loans are required to comply with HUD regulations. Please complete the following table and let us know if you would like to have an inspection completed at your property. If you choose to proceed with the testing, we will coordinate a date and time where a contractor will visit your property and conduct the inspection. If you choose not to have testing conducted at your residence, you will not be eligible to proceed with the HPP application. If lead-based paint is found at your residence, mitigation will be funded through the HPP loan up to \$25,000.

<input type="checkbox"/>	Yes, I would like to have Lead-based Paint testing conducted at my residence.
<input type="checkbox"/>	No, I would not like to have Lead-based Paint testing conducted at my residence and acknowledge I will not be able to proceed with obtaining a HPP loan funded by CDBG funds

As evidenced by my signature, I acknowledge the selection made above.

Homeowner Signature	Date
---------------------	------

Homeowner Signature	Date
---------------------	------

Please print:

NAME

ADDRESS

TELEPHONE ()

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT COMMUNITY AND ECONOMIC DEVELOPMENT
STAFF AT (626) 939-8417.

Lead-Based Paint Testing Deposit Agreement**HOUSING PRESERVATION PROGRAM
LEAD-BASED PAINT DEPOSIT AGREEMENT**

The undersigned applicant(s) have paid to the City of West Covina the sum of \$ 340.00 as a deposit for Lead-Based Paint testing for the premises located at _____, West Covina, CA 9179_.

This deposit can be financed into the Housing Preservation Program (HPP) loan under the following circumstances:

- If a **Negative** Lead-based Paint test result is obtained.
If the applicant wishes to proceed with the HPP loan after obtaining a negative test result, he/she will have the option of having the deposit reimbursed to them and have the inspection fee financed into the loan. If the applicant does not wish to continue with the HPP loan, the deposit will pay for the cost of the inspection.
- If a **Positive** Lead-based Paint test result is obtained.
If the applicant wishes to proceed with the HPP loan after obtaining a positive test result, he/she will have the option of having the deposit reimbursed to them and have the test fee financed into the loan. If the applicant does not wish to continue with the HPP loan, the deposit will pay for the cost of the test. If lead-based paint is found at your residence, mitigation can be funded through the HPP loan up to the \$25,000.

As evidenced by my signature, I agree to the terms of this Lead-based Paint Deposit Agreement and have provided the required deposit of \$340.00.

Homeowner Signature

Date

Homeowner Signature

Date

Please print:

NAME(S) _____

ADDRESS _____

TELEPHONE (_____) _____

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT COMMUNITY AND ECONOMIC DEVELOPMENT
STAFF AT (626) 939-8417.

Lead-Based Paint Remediation Form

HOUSING PRESERVATION PROGRAM HOMEOWNER ACKNOWLEDGEMENT <i>LEAD-BASED PAINT REMEDIATION</i>
--

The results of your Lead-based Paint inspection are attached for your reference. The results indicate the following:

- ☐ Lead-based Paint has been detected at your residence
☐ No Lead-based Paint detected at your residence

If your inspection results include the detection of Lead-based Paint in your residence, you can elect to have the lead-based paint remediated or proceed without remediation of the substance at your residence. If you choose to proceed with the remediation, you will need to submit bids for the required remediation work. The cost of the remediation can be included as part of your Housing Preservation Program (HPP) loan. Please be advised that if you elect not to conduct any remediation of the lead-based paint at your residence, you will not be able to proceed with obtaining a HPP loan. Please notify us of your intent by completing the following box:

<input type="checkbox"/>	Yes, I will pursue Lead-based Paint remediation pursuant to the report attached.
<input type="checkbox"/>	No, I will not pursue to have any Lead-based Paint remediation at my residence, and acknowledge I will not be able to proceed with obtaining a HPP loan funded by CDBG funds. I indemnify the City of West Covina from further action or liability pertaining to the Lead-based Paint detected in my residence.

As evidenced by my signature, I attest I have received the lead-based paint inspection report for my residence and acknowledge my selection made above.

_____	_____
Homeowner Signature	Date

_____	_____
Homeowner Signature	Date

Please print:

NAME _____

ADDRESS _____

TELEPHONE (____) _____

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT COMMUNITY AND ECONOMIC DEVELOPMENT
STAFF AT (626) 939-8417.

Remediation Contractors**HOUSING PRESERVATION PROGRAM
REMEDATION CONTRACTORS**

The following is a list of Remediation Contractors. Homeowners are not required to use any of the contractors on the list, but may use it as a guide to narrow their search in finding a company to complete remediation at their residence.

Quality Environmental, Inc.
13123 Lakeland Road
Santa Fe Springs, CA 90670
(562) 941-1434

Air Inc., DBA Air Demolition & Environmental Solutions
3517 W. Washington Blvd.
Los Angeles, CA 90018

Alliance Environmental Group, Inc.
760 East Debra Lane, Anaheim, CA 92805
990 W. Tenth Street, Azusa, CA 91702
(626) 633-3500

J&J Environmental Construction Corp.
9525 Harrell Street
Pico Rivera, CA 90660
(562) 692-5060
(562) 692-4163

KB Environmental, Inc.
1812 W. Burbank Blvd., Suite 343
Burbank, CA 91506

Advanced Quality Hazmat Industries
9513 Business Center Drive, Suite E
Rancho Cucamonga, CA 91730
(909) 989-344
(800) 481-8080 Toll Free

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT COMMUNITY AND ECONOMIC DEVELOPMENT
STAFF AT (626) 939-8417.

Mortgage and Information Authorization**HOUSING PRESERVATION PROGRAM**
MORTGAGE INFORMATION AUTHORIZATION

HOMEOWNER'S NAME _____

ADDRESS _____
(Street Address) (Zip Code)TELEPHONE () _____ () _____
(Home) (Work)Please list all mortgage companies, banks, and/or savings and loans holding mortgages on your property.**1.**

COMPANY NAME _____

COMPANY ADDRESS _____

COMPANY TEL. NO. _____ PAYMENT AMOUNT: _____

LOAN # _____ UNPAID BALANCE: _____

2.

COMPANY NAME _____

COMPANY ADDRESS _____

COMPANY TEL. NO. _____ PAYMENT AMOUNT: _____

LOAN # _____ UNPAID BALANCE: _____

3.

COMPANY NAME _____

COMPANY ADDRESS _____

COMPANY TEL. NO. _____ PAYMENT AMOUNT: _____

LOAN # _____ UNPAID BALANCE: _____

I certify that the above information is true and I hereby authorize the West Covina Community & Economic Development to contact the above institutions for information regarding the status of the loans on my property.

Signature of Homeowner_____
Date

Proof of Ownership – Grant Deed or Deed of Trust

Order No. Escrow No. Loan No.	
WHEN RECORDED MAIL TO:	

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)

This DEED OF TRUST, made _____, between
_____,
herein called TRUSTOR,
whose address is _____
(Number and Street) (City) (State),
FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called TRUSTEE, and
_____, herein called BENEFICIARY,
WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the
County of _____, State of California, described as:

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of \$ _____ with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book

Property Inspection Worksheet / Required Photos**HOUSING PRESERVATION LOAN PROGRAM
PROPERTY INSPECTION WORKSHEET**

NAME _____

ADDRESS _____

TELEPHONE () _____ (Home) () _____ (Work)

PRIORITIES		DESCRIPTION OF WORK	
	YES	NO	
EXTERIOR PAINT	<input type="checkbox"/>	<input type="checkbox"/>	_____
CODE VIOLATIONS	<input type="checkbox"/>	<input type="checkbox"/>	_____
SMOKE DETECTOR(S)	<input type="checkbox"/>	<input type="checkbox"/>	_____

EXTERIOR			
ROOF	<input type="checkbox"/>	<input type="checkbox"/>	_____
DRIVEWAY	<input type="checkbox"/>	<input type="checkbox"/>	_____
LANDSCAPE	<input type="checkbox"/>	<input type="checkbox"/>	_____
WINDOWS	<input type="checkbox"/>	<input type="checkbox"/>	_____
POOL SAFETY	<input type="checkbox"/>	<input type="checkbox"/>	_____
STUCCO	<input type="checkbox"/>	<input type="checkbox"/>	_____
OTHER	<input type="checkbox"/>	<input type="checkbox"/>	_____

IF YOU HAVE ANY QUESTIONS, PLEASE CALL THE CED AT (626) 939-8417

Certification of Approved List of Improvements

HOUSING PRESERVATION LOAN PROGRAM
CERTIFICATION OF APPROVED LIST OF IMPROVEMENTS

NAME _____ DATE _____

ADDRESS _____ TELEPHONE () _____

Congratulations!

The improvements and repairs listed below have been approved. Based on this approved list, you are encouraged to secure three bids from licensed contractors. Contractors must be licensed by the City and State prior to the approval of any work. Bids must describe the work and cost on an *item-by-item* basis. Remember, you do not have to accept the lowest bid. **BIDS MUST BE SUBMITTED WITHIN 30 DAYS FROM THE DATE OF THIS LETTER.**

Please note that the Community & Economic Development (CED) does not recommend contractors, have a contractor’s list or get involved in homeowner and contractor disputes. **All homeowners are responsible for hiring contractors.** The CED also does not reimburse homeowners for expenditures made outside of the Approved List of Improvements or for work completed prior to your loan. Once CED staff has received the bids and you have selected the contractor you will coordinate with the bank to sign loan documents. **After loan documents are signed and CED has confirmed proper execution of forms, you may start construction.** Once you (homeowner) are satisfied with the work completed, and all required signatures are present, checks are issued. There will be no pre-payments.

If you have any questions, please call CED at (626) 939-8417.

Improvements Approved

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

Authorization for Loan Funding

HOUSING PRESERVATION LOAN PROGRAM
AUTHORIZATION FOR LOAN FUNDING

Dear Homeowner:

Congratulations!

Your application for a deferred loan has been approved in the amount of \$_____.
This amount includes the bank's processing fee of \$50.

Please call Pacific Western Bank at (626) 919-5761 to schedule an appointment to sign your loan documents. You will have fifteen (15) days from _____ to sign the loan documents. Once you sign the loan documents, you will have 12 months to complete all necessary work.

If you miss the fifteen-day period, this Authorization for Loan Funding becomes void and you will need to reapply for the program.

If you have any questions regarding these procedures, please call the Community & Economic Development office at (626) 939-8417.

Sincerely,

Paulina Morales
Assistant City Manager

List of Payment Checks to Contractor(s)

HOUSING PRESERVATION LOAN PROGRAM
LIST OF PAYMENT CHECKS/CHECK LOG

This is your authorization to make the following cashier check(s) payable to:

NAME _____ LOAN # _____
(HOMEOWNER)

ADDRESS _____ TELEPHONE () _____

CHECK #	CONTRACTOR NAME	AMOUNT	DATE ISSUED
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Subtotal		\$ _____	
Bank Fee		\$ 50.00	
Total Loan Amount		\$ _____	

Approved by:

Authorized Signature
Finance Director

Paulina Morales
Assistant City Manager

Phase Two: Forms/Documents

- Bank Authorization to Release Funds
- Truth In Lending Disclosure Statement
- Promissory Note
- Notice of Right to Cancel
- New Deed of Trust
- Waiver Request

Bank Authorization to Release Funds

HOUSING PRESERVATION LOAN PROGRAM
BANK AUTHORIZATION TO RELEASE FUNDS

Pacific Western National Bank
200 South Vincent Avenue
West Covina, CA 91790

Date _____

LOAN # _____

This is to inform you that a deferred loan in the amount of \$_____ has been authorized by Community & Economic Development (CED) for

(Homeowner's Name)

This approval is good until _____, after which the applicant must reapply.

Repayment of the loan occurs when 1) The property is sold or title is transferred; 2) Upon death of the owners(s); 3) Whenever the owner wishes to repay the loan in total; 4) When the owner no longer resides in the home; and, 5) The property is refinanced and subordination of the CED's loan is required by the lender.

Please debit our account #XXXXXX for the amount of the loan being approved and prepare the checks per the attached List of Payment Checks to Contractor(s).

Reviewed by:

Approved by:

Gerardo Rojas
Economic Development
Project Coordinator

Paulina Morales
Assistant City Manager

Authorized Signature
Finance Director

Truth in Lending Disclosure Statement

TRUTH-IN-LENDING DISCLOSURE STATEMENT

(THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)

Applicants:

Prepared By:

Property Address:

Application No:

Date Prepared:

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after making all payments as scheduled
%	\$	\$	\$

☐ **REQUIRED DEPOSIT:** The annual percentage rate does not take into account your required deposit
PAYMENTS: Your payment schedule will be:

Number of Payments	Amount of Payments **	When Payments Are Due	Number of Payments	Amount of Payments **	When Payments Are Due	Number of Payments	Amount of Payments **	When Payments Are Due
		Monthly Beginning			Monthly Beginning			Monthly Beginning

☐ **DEMAND FEATURE:** This obligation has a demand feature.

☐ **VARIABLE RATE FEATURE:** This loan contains a variable rate feature. A variable rate disclosure has been provided earlier.

CREDIT LIFE/CREDIT DISABILITY: Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless you sign and agree to pay the additional cost.

Type	Premium	Signature
Credit Life		I want credit life insurance. Signature:
Credit Disability		I want credit disability insurance. Signature:
Credit Life and Disability		I want credit life and disability insurance. Signature:

INSURANCE: The following insurance is required to obtain credit:

☐ Credit life insurance ☐ Credit disability ☐ Property insurance ☐ Flood insurance

You may obtain the insurance from anyone you want that is acceptable to creditor

☐ If you purchase ☐ property ☐ flood insurance from creditor you will pay \$ _____ for a one year term.

SECURITY: You are giving a security interest in:

☐ The goods or property being purchased ☐ Real property you already own.

FILING FEES: \$ _____

LATE CHARGE: If a payment is more than _____ days late, you will be charged _____ % of the payment

PREPAYMENT: If you pay off early, you

☐ may ☐ will not have to pay a penalty.

☐ may ☐ will not be entitled to a refund of part of the finance charge.

ASSUMPTION: Someone buying your property

☐ may ☐ may, subject to conditions ☐ may not assume the remainder of your loan on the original terms.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date and prepayment refunds and penalties

☐ * means an estimate ☐ all dates and numerical disclosures except the late payment disclosures are estimates.

** NOTE: The Payments shown above include reserve deposits for Mortgage Insurance (if applicable), but exclude Property Taxes and Insurance.

THE UNDERSIGNED ACKNOWLEDGES RECEIVING A COMPLETED COPY OF THIS DISCLOSURE.

(Applicant) (Date)

(Applicant) (Date)

(Applicant) (Date)

(Applicant) (Date)

(Lender) (Date)

Promissory Note

HOUSING PRESERVATION PROGRAM

PROMISSORY NOTE SECURED BY DEED OF TRUST

For value received, the undersigned jointly and severally, promise to pay to the City of West Covina Community & Economic Development ("CED") at the CED office in the above-named City, the principal sum of _____ Dollars (_____) with interest at the rate of zero percent (0%) per annum in accordance with the terms of this Note set forth below.

1. The term of this Note shall be for 30 years commencing on (Date).

This Promissory Note shall not bear interest for the life of the loan. At the end of the first 5 year period, the undersigned shall commence making equal monthly installment payments of \$_____, on the first day of each month, to CED over the remaining period of this loan (25 years). Payments shall be credited towards principal.
2. This loan may be prepaid at any time without penalty.
3. The entire amount of principal shall become immediately due and payable upon the happening of any of the following events:
 - a. At the time title to all or any part of the property described in the attached Deed of Trust is encumbered or refinanced or is transferred to other than the present recorded owners of said property. In such event, the undersigned hereby assigns the proceeds of such transfer to CED to pay the then existing balance of this Promissory Note.
 - b. Upon the death of all of the undersigned.
 - c. At the time the Deed of Trust securing this Promissory Note becomes voluntarily or involuntarily subordinate to any other Deed of Trust or Promissory Note, except as to any Deed of Trust or Promissory Note existing on the date this Promissory Note is signed.
 - d. At the time all of the undersigned no longer reside in the property described in the attached Deed of Trust.
 - e. If any of the terms of this Promissory Note are in default by the undersigned.
4. The undersigned further authorize the CED to record a Deed of Trust on the real property located at _____ as security for the payment of this Promissory Note, and reflecting the CED's interest in the proceeds of any sale, conveyance, mortgage or other transfer of title to such property for consideration.
5. Payment shall be made in lawful money of the United States. Should this Note fall into default and legal action is taken on this Note, I/we promise to pay such sum as the court may fix as attorney fees.

Applicant Date

Applicant Date

Notice of Right to Cancel

NOTICE OF RIGHT TO CANCEL

Loan Number:
Borrowers:

Date:

Property Address:

YOUR RIGHT TO CANCEL:

You are entering into a transaction that will result in a mortgage, lien, or security interest on/in your home. You have a legal right under federal law to cancel this transaction, without cost, within THREE BUSINESS DAYS from whichever of the following events occurs last:

1. the date of the transaction, which is

2. the date you receive your Truth in Lending disclosures; or

3. the date you receive this notice of your right to cancel.

If you cancel the transaction, the mortgage, lien, or security interest is also cancelled. Within 20 CALENDAR DAYS after we receive your notice, we must take the steps necessary to reflect the fact that the mortgage, lien, or security interest on/in your home has been cancelled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.

You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within 20 CALENDAR DAYS of your offer, you may keep it without further obligation.

HOW TO CANCEL:

If you decide to cancel this transaction, you may do so by notifying us in writing,

Name of Creditor:

at

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one copy of this notice because it contains important information about your rights.

If you cancel by mail or telegram, you must send a notice no later than midnight of (or midnight of the THIRD BUSINESS DAY following the latest of the three events listed above.) If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

I WISH TO CANCEL

Date

Signature

I/WE ACKNOWLEDGE RECEIPT OF TWO COPIES OF NOTICE OF RIGHT TO CANCEL AND ONE COPY OF THE FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT, ALL GIVEN BY LENDER IN COMPLIANCE WITH TRUTH-IN-LENDING SIMPLIFICATION AND REFORM ACT OF 1980 (PUBLIC LAW 96-221).

Each borrower in this transaction has the right to cancel. The exercise of this right by one borrower shall be effective as to all borrowers.

Borrower's Signature

Date

Borrower's Signature

Date

Borrower's Signature

Date

Borrower's Signature

Date

Ellie Mae, Inc.

Form NRTC (03/95)

New Deed of Trust

Order No. Escrow No. Loan No.	
WHEN RECORDED MAIL TO:	

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST WITH ASSIGNMENT OF RENTS
(SHORT FORM)

This DEED OF TRUST, made _____, between _____
herein called TRUSTOR,
whose address is _____
(Number and Street) (City) (State)
FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation, herein called TRUSTEE, and
_____, herein called BENEFICIARY,
WITNESSETH: That Trustor grants to Trustee in trust, with power of sale, that property in the
County of _____, State of California, described as:

together with the rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of \$ _____ with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

To protect the security of this Deed of Trust, and with respect to the property above described, Trustor expressly makes each and all of the agreements, and adopts and agrees to perform and be bound by each and all of the terms and provisions set forth in subdivision A, and it is mutually agreed that each and all of the terms and provisions set forth in subdivision B of the fictitious deed of trust recorded in Orange County August 17, 1964, and in all other counties August 18, 1964, in the book

(continued on reverse side)

Waiver Request



HOUSING PRESERVATION LOAN PROGRAM

WAIVER REQUEST

Name _____ Date _____

Address _____ Telephone _____

I, _____, hereby request a waiver from the following
(Applicant's Name)

program guidelines: (Please briefly explain)

1. Maximum Loan _____
2. Eligible Improvement _____
3. Other _____

The reason(s) for this request is the following:

NOTE: If the reason for this request is medical, a doctor's certification is required.

(Applicant's Signature)

(Applicant's Signature)

COMMISSION ACTION:

APPROVED _____

DENIED _____

DATE _____

Phase Three: Forms/Documents

- California Preliminary Notice
- Homeowner Satisfaction Statement
- Release of Labor and Materials Form
- Payment Approval Form
- Homeowner Evaluation Form

CALIFORNIA PRELIMINARY NOTICE

IN ACCORDANCE WITH SECTION 1024 AND 1094, CALIFORNIA CIVIL CODE
THIS IS NOT A LEGAL NOTICE. THE ENTIRETY OF ANY CONTRACTOR OR SUBCONTRACTOR
THIS NOTICE IS REQUIRED UNDER CALIFORNIA LAW TO BE SENT TO YOU BY CERTAIN PERSONS OR FIRMS SUPPLYING LABOR OR MATERIALS ON YOUR JOB.

LICENSE NO.

WE ARE PLEASED TO INFORM YOU THAT

**L
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R
,**

**C
O
P
Y**

**CONSTRUCTION LENDER or
Reputed Construction Lender, if any.**

**OWNER or
or Reputed Owner
(on private work)**

**PUBLIC AGENCY
(on public work)**

Construction Loan No. _____

(if known) _____

**ORIGINAL CONTRACTOR or
Reputed Contractor, if any**

(Name of person or firm furnishing labor, services, equipment or materials)

(Address of person or firm furnishing labor, services,

equipment or materials)

has furnished or will furnish labor, services, equipment or materials of the following general description:

(General description of the labor, services, equipment or

materials furnished or to be furnished)

for the building, structure or other work of improvement

located at:

(Address or description of job site

sufficient for identification)

The name of the person or firm who contracted for the purchase of such labor, services, equipment or materials:

(name and address of person or firm)

An estimate of the total price of the labor, services, equipment or materials furnished or to be furnished is:

\$ _____

(Dollar amount must be furnished to construction lender, optional as to owner or contractor)

Trust Funds to which Supplemental Fringe Benefits are Payable.

(name) (address)

(name) (address)

(name) (address)

(name) (address)

(Material men not required to furnish the above)

NOTICE TO PROPERTY OWNER—If bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien leading to the loss, through court proceedings, of all or part of your property being so improved may be placed against the property even though you have paid your contractor in full. You may wish to protect yourself against this consequence by (1) requiring your contractor to furnish a signed release by the person or firm giving you this notice before making payment to your contractor or (2) any other method or device which is appropriate under the circumstances.

Dated: _____

(signature) _____

(date) _____

Telephone Number (_____) _____

**ACKNOWLEDGMENT OF RECEIPT OF PRELIMINARY
20-DAY NOTICE**

This acknowledges receipt on _____ (date)
of a copy of the preliminary 20 day notice at _____

(address) _____

(State this acknowledgment is executed)

(Signature of person acknowledging receipt with date of acknowledgment is made on behalf of another person)

Homeowner Satisfaction Statement
HOUSING PRESERVATION LOAN PROGRAM
HOMEOWNER'S SATISFACTION STATEMENT

Date: _____

1. Name of Homeowner(s): _____
2. Address: _____
3. Telephone: () _____ () _____
- Home Business

The following improvements have been completed to my satisfaction and the Community & Economic Development (CED) may proceed to release payment for the work:

- | | | |
|----------------------------------|-------------------------|---------------|
| ♦ Double cylinder locks _____ | ♦ Plumbing _____ | ♦ Other _____ |
| ♦ Driveway _____ | ♦ Roofing _____ | _____ |
| ♦ Exterior painting _____ | ♦ Sewer hookup _____ | _____ |
| ♦ Handicapped modification _____ | ♦ Stucco, plaster _____ | _____ |
| | ♦ Water Heaters _____ | |

4. Total cost of improvements \$ _____

I declare under penalty of perjury that the above statements are true and certify that the West Covina CED shall not be liable for damages that may arise out of or in connection with the home improvements described above.

Date/ _____

Homeowner's signature(s) _____

Date/ _____

Contractor's signature _____

Date/ _____

Homeowner's signature(s) _____

/ _____

Contractor's phone # / License # _____

FOR FURTHER INFORMATION CALL (626) 939-8417

FOR OFFICE USE ONLY

Work inspected by: _____ Date _____

Deferred loan amount \$ _____

Completion photograph taken by: _____ Date _____

Have there been any Notices of Intent to Lien received by homeowner?

Yes _____ No _____ (If yes, get copies for office and bank)

Assistant City Manager _____ Date _____

E.D. Project Coordinator _____ Date _____

Release of Labor and Materials Form

HOUSING PRESERVATION LOAN PROGRAM
RELEASE OF LABOR AND MATERIALS

Date _____

To Whom It May Concern:

For valuable consideration, the undersigned, _____
hereby releases the property at _____,
in the City of West Covina, California, from liability for lien for all materials delivered
and labor performed for said property to this date. This release is conditioned upon the
clearance of the check received in payment for the above-mentioned materials and labor.

Firm Name

Address

City, State & Zip Code

Authorized Representative

Contractors Tax I.D. Number or
Social Security Number

CHECKS ARE ISSUED BY APPOINTMENT ONLY, CALL CED AT (626) 939-8417 FOR AN APPOINTMENT

Payment Approval Form
HOUSING PRESERVATION LOAN PROGRAM
PAYMENT APPROVAL

Date: _____ Loan No.: # _____
Loan Amount: \$ _____

Homeowner(s): _____

Address: _____

Telephone: Home: () _____ Work: () _____

City Treasurer's Office
City of West Covina
1444 W. Garvey Avenue
West Covina, CA 91790

The following payment in the amount of \$ _____ has
been approved for:

Contractor: _____

Address: _____

Telephone: () _____

Paulina Morales
Assistant City Manager

(Date)

Received by: _____

Date: _____

Check No. _____

FOR FURTHER INFORMATION CALL THE CED AT (626) 939-8417

Evaluation Form

HOUSING PRESERVATION LOAN PROGRAM
EVALUATION FORM

Loan # _____

Dear Homeowner:

Now that you have participated in the Housing Preservation Program, we would like to ask you for your general impressions of the program and any suggestions you might have to improve it. We would like to take this opportunity to thank you for your cooperation.

Please indicate comments in this space:

Homeowner Signature

Date

Phase Four: Forms/Documents

- Request for Demand
- Beneficiary Statement
- Substitution of Trustee and Full Reconveyance

Sample Request for Demand



4041 MacArthur Boulevard, #245
Newport Beach, CA 92660

Phone: (949) 809-0280
Fax: (949) 809-0281

City of West Covina

Date: September 3, 2014
Our Escrow No.: 252241-AR.

Instrument No.: 94-1991294
Instrument No.: 96-469371

REQUEST FOR DEMAND

Ladies/Gentlemen:

An escrow has been opened in this office by **Albert Garcia Navarro Jr and Carolyn Ruth Navarro** wherein you are listed as the holder of the Note and Deed of Trust covering property legally described and commonly known as:

202 South Lark Ellen Avenue West Covina, CA 91791

You are requested to fax your payoff demand statement to (949) 809-0281. Payoff should be good through September 30, 2014. The borrower's authorization is attached. Please refer to our escrow number listed above when remitting your demand.

Thank you for your prompt attention to this matter.

Sincerely,
PPF Escrow, Inc.

Ann Roueihb
Escrow Officer

Beneficiary Statement



COMMUNITY & ECONOMIC
DEVELOPMENT

HOUSING PRESERVATION LOANPROGRAM

BENEFICIARY STATEMENT

Date _____
Our Loan No. _____
Your Escrow No. _____

West Covina Community & Economic Development is the legal holder of a note executed by:

Dated _____ Original Amount _____ Balance Now Owing _____
Secured by a lien/Deed of Trust _____
Recorded _____ Document No. _____

of Official Records of the County of Los Angeles, State of California.
Funds due to the CITY OF WEST COVINA \$ _____
Upon receipt of funds, the City will send to your company for recording:

_____ Reconveyance Deed
_____ Deed of Trust with Assignment of Rents

Thank you,

Paulina Morales
Assistant City Manager

Substitution of Trustee and Full Reconveyance

MAIL TO:

SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE

REFERENCE: DEED OF TRUST

RECORDED:

INSTRUMENT BOOK PAGE

OFFICIAL RECORDS OF Los Angeles County,

TRUSTOR:

TRUSTEE: First American Title Insurance Company

BENEFICIARY: The City of West Covina, CA (in its capacity as Successor Agency to the City of West Covina Community Development Commission, and was formerly known as the Redevelopment Agency of the City of West Covina)

DATED: AFFECTING LAND SITUATED IN THE COUNTY OF LOS ANGELES

STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

SUBSTITUTION OF TRUSTEE

WHEREAS, THE UNDERSIGNED THE CITY OF WEST COVINA, CA, AS SUCCESSOR AGENCY TO THE CITY OF WEST COVINA COMMUNITY DEVELOPMENT COMMISSION WHICH, WAS FORMERLY KNOWN AS THE REDEVELOPMENT AGENCY OF THE CITY OF WEST COVINA (HEREINAFTER, "THE CITY OF WEST COVINA, CA"), BEING THE OWNER AND HOLDER OF THE NOTE OR NOTES OR OTHER SECURITY AGREEMENTS, SECURED BY DEED OF TRUST HEREINABOVE DESCRIBED.

AND WHEREAS, THE UNDERSIGNED THE CITY OF WEST COVINA, CA BEING THE PRESENT BENEFICIARY UNDER SAID DEED OF TRUST AND ACKNOWLEDGES THAT ALL SUMS AND OBLIGATIONS SECURED BY SAID DEED OF TRUST HAVE BEEN FULLY PAID OR SATISFIED.

AND WHEREAS, THE BENEFICIARY DESIRES TO SUBSTITUTE A NEW TRUSTEE UNDER SAID DEED OF TRUST, IN THE PLACE OR STEAD OF THE CITY OF WEST COVINA, CA.

NOW THEREFORE, THE UNDERSIGNED HEREBY SUBSTITUTES THE CITY OF WEST COVINA, CA WHOSE ADDRESS IS: 1444 W. GARVEY AVENUE, WEST COVINA, CA 91790. AS TRUSTEE UNDER SAID DEED OF TRUST UNDER SAID DEED OF TRUST, TO THE PERSON OR PERSONS LEGALLY ENTITLED THERETO.

FULL RECONVEYANCE

THE CITY OF WEST COVINA, CA AS SUBSTITUTED TRUSTEE UNDER THE HEREINABOVE DESCRIBED DEED OF TRUST, HAVING RECEIVED FROM THE HOLDER OF THE OBLIGATIONS A WRITTEN REQUEST TO RECONVEY, HEREBY RECONVEYS, WITHOUT WARRANTY TO THE PERSON OR PERSONS LEGALLY ENTITLED THERETO, THE ESTATE NOW HELD BY SAID TRUSTEE THEREUNDER.

DATE XXXX, 2014

City of West Covina

Christopher J. Chung
City Manager

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES ss,

Date XXXX, 2014 before me,
XXX, Notary Public, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.
WITNESS my hand and official seal.

Housing Loans to be Written Off

Loan #	Date of Loan	Loan Amount
1	July 18, 2000	5,008.76
12	September 7, 2000	9,146.00
16	September 27, 2000	9,908.75
17	October 11, 2000	10,050.00
22	October 10, 2000	10,050.00
27	October 14, 2000	9,995.00
31	October 25, 2000	7,350.00
96	April 20, 2001	9,994.81
100	May 7, 2001	9,949.00
209	July 26, 2001	8,876.64
228	September 21, 2001	6,259.00
258	October 21, 2001	7,635.00
266	March 22, 2002	10,050.00
271	March 21, 2002	8,090.00
307	August 20, 2002	8,100.00
318	September 11, 2002	4,195.87
348A	April 4, 2003	10,008.00
412	August 28, 2003	10,050.00
505	August 30, 2004	10,050.00
506	November 2, 2004	8,591.17
609	June 26, 2006	9,550.00
902	October 13, 2008	9,950.00
Total Amount of Loans to Write Off:		\$192,858.00



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: August 16, 2022

TO: Mayor and City Council

FROM: David Carmany
City Manager

SUBJECT: CONSIDERATION OF APPROVAL OF THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH TRANSTECH FOR CITY ENGINEERING SERVICES

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to negotiate and execute the Third Amendment to the Professional Services Agreement with Transtech Engineers, Inc. for engineering services.

BACKGROUND:

On August 20, 2019, the City Council approved a Professional Services Agreement (Agreement) with Transtech for City Engineering Services, Traffic Engineering, and General Engineering Services. The Agreement was for a term of two (2) years with three (3), one (1) year extensions available and a maximum annual compensation of \$800,000.

On February 4, 2020, the City and Transtech entered into the First Amendment to the Agreement, which separated the Engineering and Capital Improvement Projects (CIP) budgets. It established an annual limit of \$700,000 for Engineering Services and \$1,000,000 for CIP compensation.

The Second Amendment was entered into September 2, 2021, extending the term of the Agreement until September 5, 2022.

DISCUSSION:

Transtech has provided the City of West Covina's City Engineering Services since September 6, 2019. Since that date, the division has experienced an influx in the number of engineering plan-checks, inspections, and permit issuances. The City has increased the number of permits processed over the past few years. In Fiscal Year (FY) 2020-21, 471 engineering permits were processed; for FY 2021-22, the City anticipates processing over 882 engineering permits. In addition to the permits, the increase of Transtech services consists of additional traffic analysis studies requested, the hiring of an interim Public Works Director, and miscellaneous engineering services (engineering services not covered by permit fees). In doing so, Transtech's compensation limit of \$700,000 will not be sufficient to cover the Engineering services rendered to the City.

Transtech is paid according to the fee schedule (set hourly rates) included in the Agreement (Exhibit B of the Agreement is Attachment No. 2). As most of the expenditures are offset by revenue, the proposed

third Amendment would remove the compensation limit for engineering services, so it will not impede the City's ability to have Transtech continue to process engineering permits and conduct traffic safety analyses.

The Third Amendment will also remove the CIP compensation limit of \$1,000,000. The CIP budgeted projects increased from FY 21-22 (\$37 Million) to FY 22-23 (\$94 Million) by over \$56 Million. As the City has increased the CIP budget, the CIP services required of Transtech has increased. Transtech is paid in accordance to the fee schedule. The cost of their services varies between 18% - 27% of the CIP project budget and is funded by the project funding source.

Lastly, as the term of the Agreement expires September 5, 2022, the Third Amendment will extend the term until September 2023.

LEGAL REVIEW:

The City Attorney's Office has reviewed the amendment and approved it as to form.

OPTIONS:

The City Council has the following options:

1. Approve staff's recommendation; or
2. Provide alternative direction.

Prepared by: Gerardo Rojas, Economic Development Project Coordinator

Fiscal Impact

FISCAL IMPACT:

With the removal of the compensation limits to Engineering Services and CIP, Transtech will continue to be paid accordance with the fee schedule. Engineering and CIP services are paid from various funds based on the service and location. These include but are not limited to the General Fund (No. 110), Proposition C (No. 122), Gasoline Tax (No. 124), Sewer Maintenance (No. 189), and Maintenance Districts. The table below includes the primary accounts charged for engineering services and the estimated costs for FY2021-22. This does not include CIP services which are charged to the various projects.

Account No.	Account Name	FY2021-22 Budget*	FY2021-22 Estimate	Estimated Balance
110.71.4130.6110	Professional Services	\$600,000	\$588,100	\$11,900
122.71.4132.6130	Service Contracts	\$506,000	\$427,200	\$78,800
124.71.4131.6110	Professional Services	\$77,400	\$77,300	\$100
189.71.4189.6130	Service Contracts	\$123,700	\$79,200	\$44,500

**Pending approval of Preliminary End of Year Budget Amendment.*

Attachments

Attachment No. 1 - Third Amendment to Professional Services Agreement

Attachment No. 2 - Exhibit B to the Professional Services Agreement with Transtech

CITY COUNCIL GOALS & OBJECTIVES: Achieve Fiscal Sustainability and Financial Stability

**THIRD AMENDMENT TO
CITY OF WEST COVINA
PROFESSIONAL SERVICES AGREEMENT WITH
TRANSTECH ENGINEERS, INC.
FOR
CITY ENGINEER SERVICES, TRAFFIC ENGINEER SERVICES AND
ON-CALL GENERAL ENGINEERING SERVICES**

THIS THIRD AMENDMENT ("Amendment") is made and entered into as of August 16, 2022 ("Effective Date") by and between the CITY OF WEST COVINA, a municipal corporation ("City"), and TRANSTECH ENGINEERS, INC., a California corporation ("Consultant").

WHEREAS, City and Consultant entered into a Professional Services Agreement dated September 6, 2019 for Consultant to provide City Engineer services, Traffic Engineer services and on-call general engineering services ("Original Agreement"); and

WHEREAS, City and Consultant amended the Original Agreement to clarify Consultant's compensation for engineering services and for preparing and completing capital improvement projects through the First Amendment to the Original Agreement, dated February 4, 2020; and

WHEREAS, Section 4.1 of the Original Agreement provides for an initial term of two (2) years, ending September 6, 2021, with the option for City and Consultant to extend the term for up to three (3) additional one (1) year periods; and

WHEREAS, City and Consultant extended the term of the Original Agreement through September 5, 2022 through the Second Amendment to the Original Agreement, dated September 2, 2021; and

WHEREAS, City and Consultant now desire to extend the term for one (1) year, through September 5, 2023; and

WHEREAS, City and Consultant further desire to amend Section 2.1 of the Original Agreement as set forth herein.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 2.1 of the Original Agreement shall be amended to read as follows:
 - 2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit B (the "Fee Schedule").
2. The term of the Original Agreement shall be extended through September 5, 2023.
3. All terms not defined herein shall have the same meaning and use as set forth in the Original Agreement.
4. All other terms, conditions, and provisions of the Original Agreement shall remain

in full force and effect.

IN WITNESS WHEREOF, City and Consultant have executed this Amendment as of the date set forth above.

CITY OF WEST COVINA

CONSULTANT

David Carmany
City Manager

Ali Cayir
President

ATTEST:

Sybil Cayir
Secretary

Lisa Sherrick
Assistant City Clerk

APPROVED AS TO FORM:

Thomas P. Duarte
City Attorney

APPROVED AS TO INSURANCE:

Helen Tran
Human Resources and Risk Management
Director

Exhibit B
Fee Schedule

Below is Transtech's current Standard SCHEDULE OF HOURLY RATES for all staff classifications. Please note, Rates are average and negotiable, and final rates are negotiated based on final scope, staff positions.

TRANSTECH ENGINEERS, INC.
SCHEDULE OF HOURLY RATES

Effective through June 30, 2020

ENGINEERING		CONSTRUCTION MANAGEMENT		BUILDING & SAFETY	
Field Technician	\$67	Labor Compliance Analyst	\$123	Permit Technician	\$62
Engineering Technician	\$82	Funds Coordinator	\$123	Building Inspector	\$87
Assistant CAD Drafter	\$97	Utility Coordinator	\$138	Senior Building Inspector	\$97
Senior CAD Drafter	\$118	Office Engineer	\$113	Plans Examiner/Checker	\$123
Associate Designer	\$123	Construction Inspector	\$118	Plan Check Engineer	\$133
Senior Designer	\$133	Senior Construction Inspector	\$133	CASp Plan Checker	\$144
Design Project Manager	\$164	Construction Manager	\$164	Deputy Building Official	\$133
Assistant Engineer	\$103	Resident Engineer	\$164	Building Official	\$144
Staff Engineer	\$128	PUBLIC WORKS INSPECTION		PLANNING	
Associate Civil Engineer	\$128	Public Works Inspector	\$118	Community Development Technician	\$62
Senior Civil Engineer	\$164	Senior Public Works Inspector	\$133	Planning Technician	\$62
Traffic Analyst Technician	\$82	Supervising PW Inspector	\$138	Assistant Planner	\$97
Associate Traffic Analyst	\$97	SURVEY AND MAPPING		Associate Planner	\$113
Senior Traffic Analyst	\$133	Survey Analyst	\$118	Senior Planner	\$123
Professional Transportation Planner	\$154	Senior Survey Analyst	\$123	Planning Manager	\$138
Traffic Engineer Technician	\$82	2 Man Survey Crew	\$287	Deputy Director	\$174
Associate Traffic Engineer	\$128	Survey & Mapping Specialist	\$164	Director	\$185
Traffic Engineer	\$144	Licensed Land Surveyor	\$179	ADMINISTRATIVE STAFF	
Senior Traffic Engineer	\$164	FUNDING & GRANT WRITING		Administrative/Clerical	\$62
Project Manager	\$154	Funds Analyst	\$103	Project Accountant	\$77
Senior Project Manager	\$164	Senior Funds Analyst	\$123		
Deputy City Engineer	\$144	Graphic & Rendering Designer	\$113		
Senior City Engineer	\$164	Grant Writer	\$123		
Principal Engineer	\$185	Funds & Grant Project Manager	\$154		

All fees are increased each year July 1st automatically by the percentage change Los Angeles-Long Beach-Anaheim California Consumer Price Index-All Urban Consumers ("CPI-U") for the preceding twelve-month period as calculated for February by the U.S. Department of Labor Bureau of Labor Statistics and published by the United States Bureau of Labor Statistic.

SUMMARY**CITY OF WEST COVINA, CITY ENGINEERING SERVICES ANNUAL HRS AND BUDGET ASSUMPTIONS****BUDGET ALLOWANCE FOR BASE SERVICES****BUDGET ALLOWANCE FOR BASE SERVICES 1A: CITY ENGINEER/TRAFFIC ENGINEER**

TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20	\$162,400	SEE PAGE 2 FOR DETAILS
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BUDGET ALLOWANCE FOR BASE SERVICES**BUDGET ALLOWANCE FOR BASE SERVICES 1B: SPECIAL CLASSIFICATIONS AND RATES**

TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20	\$268,820	SEE PAGE 3 FOR DETAILS
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BUDGET ALLOWANCE FOR CC AND TC MEETINGS AND STAFF REPORTS

TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20	\$48,720	SEE PAGE 4 FOR DETAILS
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BUDGET ALLOWANCE FOR CIP RELATED ENGINEERING SOFT COSTS, SUCH AS PROJECT MANAGEMENT, DESIGN, CONSTRUCTION MANAGEMENT, INSPECTION, CONTRACT ADMINISTRATION, UTILITY COORDINATION, ETC.)

TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20	\$1,093,822	SEE PAGE 5 FOR DETAILS
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BUDGET ALLOWANCE TRAFFIC ENGINEERING FOR PREPARATION (SIGNAL WARRANTS, STOP WARRANTS, SCHOOL SAFETY, TRAFFIC CALMING, LEVEL OF SERVICE, SPEED HUMP, ETC.). PER HRLY RATES BASED ON ACTUAL TIME AND MATERIAL

TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20	\$75,000	SEE PAGE 9 FOR DETAILS
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BUDGET ALLOWANCE FOR DEVELOPMENT/ENCROACHMENT PLAN REVIEW, DEVELOPMENT INSPECTION. BASED ON % OF FEES COLLECTED BY THE CITY, AND/OR HRLY RATES

TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20	\$50,000	SEE PAGE 10 FOR DETAILS
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BUDGET ALLOWANCE FOR TRAFFIC STUDY REVIEWS FOR DEVELOPMENT PROJECTS. BASED ON % OF FEES COLLECTED BY THE CITY, AND/OR HRLY RATES

TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20	\$25,000	SEE PAGE 11 FOR DETAILS
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BUDGET ALLOWANCE FOR ALL OTHER SERVICES

TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20	PER HRLY BASIS	SEE PAGE 12 FOR DETAILS
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CITY OF WEST COVINA, CITY ENGINEERING SERVICES ANNUAL HRS AND BUDGET ASSUMPTIONS

BUDGET ALLOWANCE FOR BASE SERVICES

BUDGET ALLOWANCE FOR BASE SERVICES 1A: CITY ENGINEER/TRAFFIC ENGINEER

CITY ENGINEER	Time Allowance for: On-site presence to attend meetings and Service Hours at City Hall	4	hrs/week average time allowance for on-site service	208	hrs Annual Hours estimated
	Time Allocation for: Off-site service	8	hrs/week average time allowance for off-site service	416	hrs Annual Hours estimated
	TOTAL ESTIMATED ANNUAL HOURS			624	
	Average estimated Billing Rate			\$140	
	TOTAL ESTIMATED ANNUAL BUDGET			\$87,360	
CITY TRAFFIC ENGINEER	Time Allowance for: On-site presence to attend meetings and Service Hours at City Hall	10	hrs/month average time allowance for on-site service	120	hrs Annual Hours estimated
	Time Allowance for: Off-site service. SEE BUDGET ALLOCATION for "TRAFFIC ENGINEERING FOR RESPONDING TO TRAFFIC RELATED QUESTIONS, PREPARATION OF SIGNAL WARRANTS, STOP WARRANTS, SCHOOL SAFETY, TRAFFIC CALMING, LEVEL OF SERVICE, SPEED HUMP, ETC.. PER HRLY RATES BASED ON ACTUAL TIME AND MATERIAL. SEE BUDGET"	8	hrs/week average time allowance for off-site service	416	hrs Annual Hours estimated
	Total estimated Annual Hours			536	
	Average estimated Billing Rate			\$140	
	Total estimated Annual Budget			\$75,040	
	TOTAL ANNUAL HOURS ALLOWANCE FOR FY 2019/20			1,160	
TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20			\$162,400		

CITY OF WEST COVINA, CITY ENGINEERING SERVICES ANNUAL HRS AND BUDGET ASSUMPTIONS

BUDGET ALLOWANCE FOR BASE SERVICES

BUDGET ALLOWANCE FOR BASE SERVICES 1B: SPECIAL CLASSIFICATIONS AND RATES

<u>SPECIAL CLASSIFICATION 1</u> FOR THIS CONTRACT: PERMIT TECHNICIAN/PUBLIC WORKS OBSERVER	Time Allocation for: On-site presence (assume full time) (For full-time, billable hours are estimated as follows: 2,080 payroll hrs/year minus 80 hours to account for holidays that fall on a City work days, vacation/sick leave days are assumed to be covered by another person at the same billing rate) (See Note 1.)	40	hrs/week average time allowance for on-site service	1,864	Annual billable hrs are equal to 2,080 - 12 days for holidays - 15 days will be charged at regular permit inspector rate as indicated in the line for Time Allowance for: On-site presence by experienced inspector.
	TOTAL ESTIMATED ANNUAL HOURS			1,864	
	This position is a combination of permit tech and public works observer with limited experience, therefore, a lower rate as indicated is assumed as indicated (if this position is adjusted to regular/experienced inspector position, billing rate will be adjusted accordingly.			\$75	Special Rate for Permit Tech/PW Observer position (was established for Kun who is employed with the City, and whose position was scheduled to be terminated as of September 1. Kun was going to join Transtech, but later decided to go into a different direction). Rate will be adjusted if assigned staff changes and applicable rate per then current Fee Schedule will be charged for actual staff classification provided.
	TOTAL ESTIMATED ANNUAL BUDGET			\$153,960	
<u>BUDGET FOR PW INSPECTOR WHILE KUN IS ON VACATION/SICK</u>	Time Allowance for: On-site presence by experienced inspector for 15 days a year when Eng. Tech is on vacation.			120	Annual billable hrs are equal to 15 days at regular permit inspector rate.
	TOTAL ESTIMATED ANNUAL HOURS			120	
			Billing Rate	\$118	
	TOTAL ESTIMATED ANNUAL BUDGET			\$14,160	
<u>SPECIAL CLASSIFICATION 2</u> FOR THIS CONTRACT: PUBLIC WORKS MANAGER	Time Allocation for: On-site presence (assume 20 hrs/week	20	hrs/week average time allowance for on-site service	1,060	hrs Annual Hours estimated
	TOTAL ESTIMATED ANNUAL HOURS			1,060	
	This is a special position and rate for this contract. If the position is filled by a professional engineer, the rate will be adjusted accordingly.			\$95	Special Rate (for current City Staff Miguel who is retiring and will work under Transtech contract on part-time employee without benefits). Rate will be adjusted if assigned staff changes and applicable rate per then current Fee Schedule will be charged for actual staff classification provided.
	TOTAL ESTIMATED ANNUAL BUDGET			\$100,700	
TOTAL ANNUAL HOURS ALLOWANCE FOR FY 2019/20				3,044	
TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20				\$268,820	

Note 1: Originally, this position was offered to City Employee Kun. Per August 8, 2019 email received from Kun, he has made the decision to go in a separate direction.

CITY OF WEST COVINA, CITY ENGINEERING SERVICES ANNUAL HRS AND BUDGET ASSUMPTIONS

BUDGET ALLOWANCE FOR CC AND TC MEETINGS AND STAFF REPORTS

BUDGET ALLOWANCE ASSUMPTION FOR CITY COUNCIL MEETINGS	Time Allocation for City Council Meetings (per 7-18-19 meeting with City Staff, assume attendance at all CC meetings)	24	CC meetings attendance a year assumed	3	hrs/meeting average assumed	72	hrs Annual Hours estimated (some of the TC items may be related to CIP projects or development projects for which City may collected fees from developers. Time spent at TC meetings related to CIP projects or development projects will be charged to those specific project budgets/fees)	
	Time Allocation for CC Staff Report Preparation	3	per 7-18-19 meeting with City Staff, average number of reports related to City Engineering per CC meeting is assumed			216		
		3	hrs is allocated per Staff Report preparation					
		24	CC meetings attendance a year assumed					
		72	staff reports assumed per year					
	Total estimated Annual Hours						288	
	Average estimated Billing Rate						\$140	
Total estimated Annual Budget Allowance						\$40,320		
BUDGET ALLOWANCE ASSUMPTION FOR TRAFFIC COMMITTEE MEETINGS	Time Allocation for: Traffic Committee Meetings attendance	12	TC meetings attendance a year assumed	3	hrs/meeting average assumed	36	hrs Annual Hours estimated	
	Time Allocation for CC Staff Report Preparation	2	Average number of reports related to City Engineering per TC meeting is assumed			24	hrs Annual Hours estimated	
		1	hrs is allocated per Staff Report preparation per Meeting					
		12	TC meetings attendance a year assumed					
		12	Staff report is assumed per year					
	Total estimated Annual Hours						60	
	Average estimated Billing Rate						\$140	
Total estimated Annual Budget Allowance						\$8,400		
TOTAL ANNUAL HOURS ALLOWANCE FOR FY 2019/20						348		
TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20						\$48,720		

CITY OF WEST COVINA, CITY ENGINEERING SERVICES ANNUAL HRS AND BUDGET ASSUMPTIONS		
BUDGET ALLOWANCE FOR CIP RELATED ENGINEERING SOFT COSTS, SUCH AS PROJECT MANAGEMENT, DESIGN, CONSTRUCTION MANAGEMENT, INSPECTION, CONTRACT ADMINISTRATION, UTILITY COORDINATION, ETC.)		
CIP PROJECTS BASED ON PROJECT SPECIFIC SCOPE, BUDGET AND HOURLY RATES. ENGINEERING RELATED SOFT COSTS FOR CIP PROJECTS ARE GENERALLY IN THE RANGE OF 8 TO 12% FOR DESIGN PHASE, AND 10 TO 15% FOR CONSTRUCTION PHASE. (BASED 2019-20 BUDGET TOTAL CIP COST OF	\$1,093,822	SEE NEXT PAGES FOR CITY CIP AND SOFT COST BUDGET ALLOWANCE ESTIMATES FOR EACH PROJECT.
TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20	\$1,093,822	

2019-2020 CIP PROJECT LIST Page 331, CITY PRELIM BUDGET FY 2019-20					CIP SOFT COST BUDGET ALLOWANCE ESTIMATES (Note: The % ratios are estimates, and may change based on final project specific requirements and scope of work at the time the project is developed)									
NO	FUND NO.	FUND	PROJECT	BUDGET AMOUNT	SOFT COST ALLOWANCE			TOTAL SOFT COST			TOTAL CONSTRUCTION COST	PROJECT TOTAL	BUDGET TOTAL minus PROJECT TOTAL (This should be = \$0)	COMMENTS
					TRANSTECH	OTHER								
S-5	122	Prop C	Bus Stop Enhancement Annual Program	\$25,000	10%	\$2,500	0%	\$0	\$2,500	11% OF CONSTRUCTION COST	\$22,500	\$25,000	\$0	
			TOTAL PROPOSITION C - 122	\$25,000		\$2,500			\$2,500		\$22,500	\$25,000	\$0	
S-1	124	GT	Pavement Management Plan Update	\$75,000	10%	\$7,500	90%	\$67,500	\$75,000	#DIV/0! OF CONSTRUCTION COST	\$0	\$75,000	\$0	PMP REPORT. NO CONSTRUCTION INVOLVED
T-13	124	GT	Traffic Signal Battery Back-up Controller Replacement	\$60,000	5%	\$3,000	0%	\$0	\$3,000	5% OF CONSTRUCTION COST	\$57,000	\$60,000	\$0	
T-14	124	GT	Traffic Signal Battery Back-up Battery Replacement	\$30,000	5%	\$1,500	0%	\$0	\$1,500	5% OF CONSTRUCTION COST	\$28,500	\$30,000	\$0	
T-15	124	GT	Installation of traffic Control Devices	\$30,000	5%	\$1,500	0%	\$0	\$1,500	5% OF CONSTRUCTION COST	\$28,500	\$30,000	\$0	
			TOTAL GAS TAX - 124	\$195,000		\$13,500		\$67,500	\$81,000		\$114,000	\$195,000	\$0	
S-3	128	TDA	Annual Concrete Sidewalk Installation/Replacement Program	\$70,000	10%	\$7,000	0%	\$0	\$7,000	11% OF CONSTRUCTION COST	\$63,000	\$70,000	\$0	
			TOTAL TRANSPORTATION DEVELOPMENT ACT - 128	\$70,000		\$7,000		\$0	\$7,000		\$63,000	\$70,000	\$0	
S-6	131	CDBG	Curb Access Ramp Programs	\$100,000	15%	\$15,000	0%	\$0	\$15,000	18% OF CONSTRUCTION COST	\$85,000	\$100,000	\$0	
			TOTAL COMMUNITY DEVELOPMENT GRANT PROGRAM - 131	\$100,000		\$15,000		\$0	\$15,000		\$85,000	\$100,000	\$0	
SD-1	160	CP	Update Housing Element	\$65,000	0%	\$0	100%	\$65,000	\$65,000	#DIV/0! OF CONSTRUCTION COST	\$0	\$65,000	\$0	
S-9	160	CP	Residential Street Rehabilitation Annual Program	\$567,148	15%	\$85,072	0%	\$0	\$85,072	18% OF CONSTRUCTION COST	\$482,076	\$567,148	\$0	
			TOTAL CAPITAL PROJECTS - 160	\$632,148		\$85,072		\$65,000	\$150,072		\$482,076	\$632,148	\$0	
G-8	161	CT	BKK Radio Tower Monitoring System	\$150,000	2%	\$3,000	13%	\$19,500	\$22,500	18% OF CONSTRUCTION COST	\$127,500	\$150,000	\$0	
			TOTAL CONSTRUCTION TAX - 161	\$150,000		\$3,000		\$19,500	\$22,500		\$127,500	\$150,000	\$0	
P-13	170	PDF A	Del Norte Park Restroom Improvements	\$30,000	5%	\$1,500	20%	\$6,000	\$7,500	33% OF CONSTRUCTION COST	\$22,500	\$30,000	\$0	
P-14	170	PDF A	Del Norte Park Repair Trash Enclosures	\$30,000	5%	\$1,500	20%	\$6,000	\$7,500	33% OF CONSTRUCTION COST	\$22,500	\$30,000	\$0	
			TOTAL PARK DEDICATION FEES "A" - 170	\$60,000		\$3,000		\$12,000	\$15,000		\$45,000	\$60,000	\$0	
P-29	171	PDF B	Palmview Park Repair Trash Enclosures	\$30,000	5%	\$1,500	20%	\$6,000	\$7,500	33% OF CONSTRUCTION COST	\$22,500	\$30,000	\$0	
			TOTAL PARK DEDICATION FEES "B" - 171	\$30,000		\$1,500		\$6,000	\$7,500		\$22,500	\$30,000	\$0	
P-25	172	PDF C	Orangewood Park Security Fencing	\$150,000	5%	\$7,500	10%	\$15,000	\$22,500	18% OF CONSTRUCTION COST	\$127,500	\$150,000	\$0	
P-26	172	PDF C	Orangewood Park Restroom Improvements	\$30,000	5%	\$1,500	10%	\$3,000	\$4,500	18% OF CONSTRUCTION COST	\$25,500	\$30,000	\$0	
			TOTAL PARK DEDICATION FEES "C" - 172	\$180,000		\$9,000		\$18,000	\$27,000		\$153,000	\$180,000	\$0	
P-8	174	PDF E	Cortez Park - Repair Trash Enclosures	\$30,000	5%	\$1,500	10%	\$3,000	\$4,500	18% OF CONSTRUCTION COST	\$25,500	\$30,000	\$0	
P-9	174	PDF E	Cortez Park - Repair Football Goal Posts	\$20,000	5%	\$1,000	10%	\$2,000	\$3,000	18% OF CONSTRUCTION COST	\$17,000	\$20,000	\$0	
			TOTAL PARK DEDICATION FEES "E" - 174	\$50,000		\$2,500		\$5,000	\$7,500		\$42,500	\$50,000	\$0	

2019-2020 CIP PROJECT LIST Page 331, CITY PRELIM BUDGET FY 2019-20					CIP SOFT COST BUDGET ALLOWANCE ESTIMATES (Note: The % ratios are estimates, and may change based on final project specific requirements and scope of work at the time the project is developed)										
					SOFT COST ALLOWANCE				TOTAL SOFT COST			TOTAL CONSTRUCTION COST	PROJECT TOTAL	BUDGET TOTAL minus PROJECT TOTAL (This should be = \$0)	COMMENTS
NO	FUND NO.	FUND	PROJECT	BUDGET AMOUNT	TRANSTECH		OTHER								
P-37	175	PDF F	Shadow Oak Park Restroom Improvements	\$30,000	5%	\$1,500	10%	\$3,000	\$4,500	18%	OF CONSTRUCTION COST	\$25,500	\$30,000	\$0	
P-38	175	PDF F	Shadow Oak Park Repair Trash Enclosure	\$30,000	5%	\$1,500	10%	\$3,000	\$4,500	18%	OF CONSTRUCTION COST	\$25,500	\$30,000	\$0	
			TOTAL PARK DEDICATION FEES "F" - 175	\$60,000		\$3,000		\$6,000	\$9,000			\$51,000	\$60,000	\$0	
P-16	177	PDF H	Friendship Park Replace Drinking Fountains	\$20,000	5%	\$1,000	10%	\$2,000	\$3,000	18%	OF CONSTRUCTION COST	\$17,000	\$20,000	\$0	
P-17	177	PDF H	Friendship Park Repair Trash Enclosure	\$30,000	5%	\$1,500	10%	\$3,000	\$4,500	18%	OF CONSTRUCTION COST	\$25,500	\$30,000	\$0	
			TOTAL PARK DEDICATION FEE "H" - 177	\$50,000		\$2,500		\$5,000	\$7,500			\$42,500	\$50,000	\$0	
P-42	183	CSS	Upgrade Landscaping based on Biologist Report	\$100,000	5%	\$5,000	10%	\$10,000	\$15,000	18%	OF CONSTRUCTION COST	\$85,000	\$100,000	\$0	
			TOTAL Coast Scrub and Sage CFD - 183	\$100,000		\$5,000		\$10,000	\$15,000			\$85,000	\$100,000	\$0	
P-21	184	LMD-4	Tree trimming and shrub clearing	\$400,000	5%	\$20,000	10%	\$40,000	\$60,000	18%	OF CONSTRUCTION COST	\$340,000	\$400,000	\$0	
P-22	184	LMD-4	Paseo Lighting Replacement/Repair	\$100,000	5%	\$5,000	10%	\$10,000	\$15,000	18%	OF CONSTRUCTION COST	\$85,000	\$100,000	\$0	
			TOTAL MAINTENANCE DISTRICT 4 - 184	\$500,000		\$25,000		\$50,000	\$75,000			\$425,000	\$500,000	\$0	
U-1	189	Sewer	Replace/upgrade pumps for City Hall Storm Water Lift Station	\$50,000	15%	\$7,500	0%	\$0	\$7,500	18%	OF CONSTRUCTION COST	\$42,500	\$50,000	\$0	
U-2	189	Sewer	Upgrades to Sewer Lift Station at Police Department Building	\$600,000	15%	\$90,000	0%	\$0	\$90,000	18%	OF CONSTRUCTION COST	\$510,000	\$600,000	\$0	
U-6	189	Sewer	Sewer Main Replacement - Portions of Glenview Rd, Michelle St, and Azusa Ave	\$1,450,000	15%	\$217,500	0%	\$0	\$217,500	18%	OF CONSTRUCTION COST	\$1,232,500	\$1,450,000	\$0	
U-7	189	Sewer	Sewer Main Replacement - Portions of Azusa Ave	\$295,000	15%	\$44,250	0%	\$0	\$44,250	18%	OF CONSTRUCTION COST	\$250,750	\$295,000	\$0	
U-8	189	Sewer	Sewer Main Replacement - Portion of Citrus St	\$230,000	15%	\$34,500	0%	\$0	\$34,500	18%	OF CONSTRUCTION COST	\$195,500	\$230,000	\$0	
N-1	189	Sewer	Catch basin Trash Capture Device Installation Program	\$50,000	10%	\$5,000	0%	\$0	\$5,000	11%	OF CONSTRUCTION COST	\$45,000	\$50,000	\$0	
			TOTAL SEWER FUND - 189	\$2,675,000		\$398,750		\$0	\$398,750			\$2,276,250	\$2,675,000	\$0	
S-11	224	Measure R	Implementation of green Streets Improvements	\$500,000	15%	\$75,000	0%	\$0	\$75,000	18%	OF CONSTRUCTION COST	\$425,000	\$500,000	\$0	
T-1	224	Measure R	Merced / Sunset- Install Left-turn Phasing	\$190,000	15%	\$28,500	0%	\$0	\$28,500	18%	OF CONSTRUCTION COST	\$161,500	\$190,000	\$0	
T-2	224	Measure R	Glendora / Merced - Install Left-turn Phasing	\$190,000	15%	\$28,500	0%	\$0	\$28,500	18%	OF CONSTRUCTION COST	\$161,500	\$190,000	\$0	
T-3	224	Measure R	Merced / Valinda - Install Left-turn Phasing	\$25,000	15%	\$3,750	0%	\$0	\$3,750	18%	OF CONSTRUCTION COST	\$21,250	\$25,000	\$0	
T-4	224	Measure R	La Puente Road / Forcstle - New Traffic Signal Installation with City of Walnut	\$200,000	15%	\$30,000	0%	\$0	\$30,000	18%	OF CONSTRUCTION COST	\$170,000	\$200,000	\$0	
			TOTAL MEASURE R - 224	\$1,105,000		\$165,750		\$0	\$165,750			\$939,250	\$1,105,000	\$0	
S-2	235	Measure M	Annual concrete sidewalk and curb and gutter repair program	\$180,000	15%	\$27,000	0%	\$0	\$27,000	18%	OF CONSTRUCTION COST	\$153,000	\$180,000	\$0	
S-9	235	Measure M	Residential Street Rehabilitation Annual Program	\$500,000	15%	\$75,000	0%	\$0	\$75,000	18%	OF CONSTRUCTION COST	\$425,000	\$500,000	\$0	
			TOTAL MEASURE M - 235	\$680,000		\$102,000		\$0	\$102,000			\$578,000	\$680,000	\$0	

2019-2020 CIP PROJECT LIST Page 331, CITY PRELIM BUDGET FY 2019-20					CIP SOFT COST BUDGET ALLOWANCE ESTIMATES (Note: The % ratios are estimates, and may change based on final project specific requirements and scope of work at the time the project is developed)										
					SOFT COST ALLOWANCE			TOTAL SOFT COST			TOTAL CONSTRUCTION COST	PROJECT TOTAL	BUDGET TOTAL minus PROJECT TOTAL (This should be = \$0)	COMMENTS	
NO	FUND NO.	FUND	PROJECT	BUDGET AMOUNT	TRANSTECH		OTHER								
T-3		Grant	Merced / Valinda - Install Left-turn Phasing	\$165,000	15%	\$24,750	0%	\$0	\$24,750	18%	OF CONSTRUCTION COST	\$140,250	\$165,000	\$0	
			TOTAL GRANT FUNDS	\$165,000		\$24,750		\$0	\$24,750			\$140,250	\$165,000	\$0	
S-9	237	SB-1	Residential Street Rehabilitation Annual Program	\$1,500,000	15%	\$225,000	0%	\$0	\$225,000	18%	OF CONSTRUCTION COST	\$1,275,000	\$1,500,000	\$0	
			TOTAL SB-1 - 237	\$1,500,000		\$225,000		\$0	\$225,000			\$1,275,000	\$1,500,000	\$0	
			GRAND TOTAL	\$8,327,148		\$1,093,822	\$264,000	\$1,357,822				\$6,969,326	\$8,327,148	\$0	

CITY OF WEST COVINA, CITY ENGINEERING SERVICES ANNUAL HRS AND BUDGET ASSUMPTIONS		
BUDGET ALLOWANCE TRAFFIC ENGINEERING FOR PREPARATION (SIGNAL WARRANTS, STOP WARRANTS, SCHOOL SAFETY, TRAFFIC CALMING, LEVEL OF SERVICE, SPEED HUMP, ETC.). PER HRLY RATES BASED ON ACTUAL TIME AND MATERIAL		
TRAFFIC ENGINEERING FOR PREPARATION (SIGNAL WARRANTS, STOP WARRANTS, SCHOOL SAFETY, TRAFFIC CALMING, LEVEL OF SERVICE, SPEED HUMP, ETC.). PER HRLY RATES BASED ON ACTUAL TIME AND MATERIAL	\$75,000	
TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20	\$75,000	

CITY OF WEST COVINA, CITY ENGINEERING SERVICES ANNUAL HRS AND BUDGET ASSUMPTIONS		
BUDGET ALLOWANCE FOR DEVELOPMENT/ENCROACHMENT PLAN REVIEW, DEVELOPMENT INSPECTION. BASED ON % OF FEES COLLECTED BY THE CITY, AND/OR HRLY RATES		
DEVELOPMENT PLAN REVIEW.	\$25,000	
DEVELOPMENT INSPECTION.	\$25,000	
TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20	\$50,000	

CITY OF WEST COVINA, CITY ENGINEERING SERVICES ANNUAL HRS AND BUDGET ASSUMPTIONS

BUDGET ALLOWANCE FOR TRAFFIC STUDY REVIEWS FOR DEVELOPMENT PROJECTS. BASED ON % OF FEES COLLECTED BY THE CITY, AND/OR
HRLY RATES

TRAFFIC STUDY REVIEWS FOR DEVELOPMENT PROJECTS.

\$25,000

TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20

\$25,000

CITY OF WEST COVINA, CITY ENGINEERING SERVICES ANNUAL HRS AND BUDGET ASSUMPTIONS

BUDGET ALLOWANCE FOR ALL OTHER SERVICES

ALL OTHER SERVICES. BASED ON SPECIFIC SCOPE, BUDGET AND HOURLY RATES

PER HRLY
BASIS

TOTAL ANNUAL BUDGET ALLOWANCE FOR FY 2019/20

PER HRLY
BASIS

CITY OF WEST COVINA, CITY ENGINEERING SERVICES FY 2019/20 BUDGET ASSUMPTIONS TABLES

TRANSTECH ENGINEERS, INC.

SCHEDULE OF HOURLY RATES (submitted with the proposal to City)

Effective through June 30, 2020

ENGINEERING		CONSTRUCTION MANAGEMENT		BUILDING & SAFETY	
Field Technician	\$67	Labor Compliance Analyst	\$123	Permit Technician	\$62
Engineering Technician	\$82	Funds Coordinator	\$123	Building Inspector	\$87
Assistant CAD Drafter	\$97	Utility Coordinator	\$138	Senior Building Inspector	\$97
Senior CAD Drafter	\$118	Office Engineer	\$113	Plans Examiner/Checker	\$123
Associate Designer	\$123	Construction Inspector	\$118	Plan Check Engineer	\$133
Senior Designer	\$133	Senior Construction Inspector	\$133	CASp Plan Checker	\$144
Design Project Manager	\$164	Construction Manager	\$164	Deputy Building Official	\$133
Assistant Engineer	\$103	Resident Engineer	\$164	Building Official	\$144
Staff Engineer	\$128	PUBLIC WORKS INSPECTION		PLANNING	
Associate Civil Engineer	\$128	Public Works Inspector	\$118	Community Development Technician	\$62
Senior Civil Engineer	\$164	Senior Public Works Inspector	\$133	Planning Technician	\$62
Traffic Analyst Technician	\$82	Supervising PW Inspector	\$138	Assistant Planner	\$97
Associate Traffic Analyst	\$97	SURVEY AND MAPPING		Associate Planner	\$113
Senior Traffic Analyst	\$133	Survey Analyst	\$118	Senior Planner	\$123
Professional Transportation Planner	\$154	Senior Survey Analyst	\$123	Planning Manager	\$138
Traffic Engineer Technician	\$82	2 Man Survey Crew	\$287	Deputy Director	\$174
Associate Traffic Engineer	\$128	Survey & Mapping Specialist	\$164	Director	\$185
Traffic Engineer	\$144	Licensed Land Surveyor	\$179	ADMINISTRATIVE STAFF	
Senior Traffic Engineer	\$164	FUNDING & GRANT WRITING		Administrative/Clerical	\$62
Project Manager	\$154	Funds Analyst	\$103	Project Accountant	\$77
Senior Project Manager	\$164	Senior Funds Analyst	\$123		
Deputy City Engineer	\$144	Graphic & Rendering Designer	\$113		
Senior City Engineer	\$164	Grant Writer	\$123		
Principal Engineer	\$185	Funds & Grant Project Manager	\$154		

All fees are increased each year July 1st automatically by the percentage change Los Angeles-Long Beach-Anaheim California Consumer Price Index-All Urban Consumers ("CPI-U") for the preceding twelve-month period as calculated for February by the U.S. Department of Labor Bureau of Labor Statistics and published by the United States Bureau of Labor Statistic.



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: August 16, 2022

TO: Mayor and City Council

FROM: David Carmany
City Manager

SUBJECT: CONSIDERATION OF A RESOLUTION AMENDING THE FY 2021-2022 BUDGET

RECOMMENDATION:

It is recommended that the City Council approve the following resolution:

RESOLUTION NO. 2022-86 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2021 AND ENDING JUNE 30, 2022 (PRELIMINARY END OF YEAR ADJUSTMENTS)

BACKGROUND:

The City Council adopted the Fiscal Year 2021-2022 budget on June 15, 2021 through the adoption of Resolution No. 2021-66. The budget covered the period from July 1, 2021 through June 30, 2022. Amendments must periodically be made to the budget to conform to changed circumstances following adoption of the budget.

DISCUSSION:

A budget amendment is proposed to adjust revenue and expenditures based on preliminary activity through June 30, 2022. This amendment includes the following adjustments:

General Fund

- Salaries and benefits are proposed to be adjusted based on actuals to-date.
- Fuel: The price of gas has increased and thus expenditures have exceeded budgetary amounts across several divisions.
- Contracted services: Building, planning and engineering permits have surpassed estimated numbers. Thus, the revenue (Plan Check Fees) and associated expenditures is proposed to be increased as applicable. Additionally, staff has corrected its accounting for sales tax auditing by adding an expenditure and increasing sales tax revenue accordingly. This was previously accounted for within sales tax revenue. Lastly, due to recent labor negotiations, legal and professional services within Human Resources have exceeded budgetary amounts.
- Staff proposes increasing the budget for account overages in vehicle maintenance and utilities.
- A transfer to the Self Insurance General/Auto Liability Fund is also proposed to cover unexpected claims. This transfer is offset by decreasing an expense.
- Overall, the net impact to the General Fund is Zero.

Proposition C Fund

- This is an administrative clean-up item. The City received notification of funding for the Traffic Signal at Cameron/Barranca (Project No. 18040) in a prior year and the budget was not carried over. Therefore, staff proposes re-appropriating the funds.

Gas Tax Fund

- Actuals for electricity and professional services are over budget and are recommended being increased.

CDBG Fund

- This is an administrative clean-up item. Partial funding for Friendship Park (Project No. 21035) from the prior year was not carried over into FY2021-22. Therefore, staff proposes re-appropriating the funds.

Waste Management Enforcement Grant

- The cost of environmental services exceeded original budgetary estimates. Therefore, staff recommends increasing the appropriation in this special revenue fund.

COPS/SLESF Grant Fund

- Overtime for this program exceeded budget but will be reimbursed by the state.

CIP Fund

- This is an administrative clean-up item. Funding to replace the sign at City Hall (Project No. 22028) was included in the FY2022-23 budget, however staff was able to initiate and complete the project before the start of the fiscal year. Therefore: funding needs to be moved back into the FY2021-22 budget.

Measure R

- Contract services for street sweeping has come in slightly over budget, however there is funding in this Special Revenue fund to cover the overage.

Taskforce Regional Auto Theft Prevention Fund

- Overtime for this program exceeded budget but will be reimbursed by the county.

Debt Service Fund

- Cost for ongoing bond administration was not included in the budget, however there is funding within fund to cover the overage.

Self Insurance General/Auto Liability Fund

- Staff has been working with attorneys to actively address the list of claims against the city. As a result, the amount claims paid this fiscal year exceeded the budget. Therefore, staff recommends increasing the budget and transferring funds from the General Fund and Workers' Comp Fund to address this overage.

Self-Insurance - Workers' Comp Fund

- The City has experience more workers' comp claims than budgeted. Funded is available within the fund to cover these additional expenses.

Fleet Management Fund

- Fuel costs have been rising and continue to increase. As a result, fuel expenditures have exceeded appropriations. The proposed amendment increases expenditures and offsetting revenue charged back to various departments.

Successor Housing Agency

- The budget for the PERS UAL payment was not included in the budget for this fund.

LEGAL REVIEW:

The City Attorney's Office has reviewed the resolution and approved it as to form.

Prepared by: Stephanie Sikkema, Finance Director

Fiscal Impact**FISCAL IMPACT:**

The overall net impact of the proposed budget amendment to the City's General Fund is zero. The table below summarizes the overall changes in the proposed budget amendment by fund.

Fund No.	Fund Name	Revenue	Expenditures	Rev Less Exp.
110	General Fund	4,364,000	4,364,000	0
122	Proposition C	416,000	134,000	282,000
124	Gas Tax	0	36,000	(36,000)
131	CDBG	0	100,000	(100,000)
145	Waste Mgmt Enforcement Grant	0	3,000	(3,000)
155	Cops/SLESF	55,000	50,000	5,000
160	CIP	0	125,000	(125,000)
224	Measure R	6,000	6,000	0
233	Taskforce Regional Autotheft Prevention	29,600	29,600	0
300	Debt Service	5,000	5,000	0
361	Self Insurance Genrl/Auto Liab	1,200,000	500,000	700,000
363	Self-Insurance - Workers' Comp	130,000	800,000	(670,000)
365	Fleet Management	200,000	200,000	0
820	Successor Housing Agency	0	35,000	(35,000)
TOTAL		\$6,405,600	\$6,387,600	\$18,000

Attachments

Attachment No. 1 - Resolution No. 2022-86

CITY COUNCIL GOALS & OBJECTIVES: Achieve Fiscal Sustainability and Financial Stability

RESOLUTION NO. 2022-86

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET
AMENDMENT FOR THE FISCAL YEAR COMMENCING
JULY 1, 2021 AND ENDING JUNE 30, 2022 (PRELIMINARY
END OF YEAR ADJUSTMENTS)**

WHEREAS, the City Manager, on or about May 18, 2021, submitted to the City Council a proposed budget for the appropriation and expenditure of funds for the City for West Covina for Fiscal Year 2021-22; and

WHEREAS, following duly given notice and prior to budget adoption, the City Council held public meetings, considered and evaluated all comments, and on June 15, 2021 adopted a budget for the fiscal year commencing July 1, 2021 and ending June 30, 2022; and

WHEREAS, amendments must periodically be made to the budget to conform to changed circumstances following adoption of the budget.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA,
CALIFORNIA DOES RESOLVE AS FOLLOWS:**

SECTION 1. The City Council hereby approves Budget Amendment No. 088, attached hereto as Exhibit A, for Fiscal Year 2021-22.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

APPROVED AND ADOPTED this 16th day of August, 2022.

Dario Castellanos
Mayor

APPROVED AS TO FORM

ATTEST

Thomas P. Duarte
City Attorney

Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2022-86 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 16th day of August, 2022, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Lisa Sherrick
Assistant City Clerk

EXHIBIT A
BUDGET AMENDMENT

CITY OF WEST COVINA
BUDGET AMENDMENT

BA # 088

Posted By:

Date Posted:

Date: 08/16/2022
Requested by: S. Sikkema
Dept/Div: Finance

Fiscal Year: 2021-2022
Amount: 6,387,600
Description: Preliminary adjustments based on end of year actuals to-date.

EXPENDITURES

Account Number	Dept/Account Description	Current Budget	Proposed Amendment	Amended Budget
Fund 110, General Fund				
110.32.3210.5110	Sworn Full Time Salaries	7,019,200	211,000	7,230,200
110.32.3210.5113	Overtime Salaries	2,450,000	900,000	3,350,000
110.32.3210.5129	Mutual Aid Overtime	900,000	70,000	970,000
110.32.3210.5151	Workers' Compensation	562,900	270,000	832,900
110.32.3210.5156	Retirement - Safety	1,512,700	288,000	1,800,700
110.32.3210.5160	Retiree Medical Benefit	550,000	195,000	745,000
110.31.3130.5110	Sworn Full Time Salaries	1,293,400	450,000	1,743,400
110.31.3130.5113	Over Time Salaries	402,600	115,000	517,600
110.31.3130.5151	Workers' Compensation	121,700	45,000	166,700
110.31.3130.5156	Retirement - Safety	240,000	127,000	367,000
110.31.3130.5180	Leave Lump Sum	-	66,000	66,000
110.31.3116.5113	Over Time Salaries	183,100	150,000	333,100
110.31.3110.5160	Retiree Medical Benefit	1,230,000	121,000	1,351,000
110.31.3125.5111	Full Time Salaries	30,900	11,000	41,900
110.32.3230.5180	Leave Lump Sum	-	3,000	3,000
110.31.3120.5110	Sworn Full Time Salaries	6,407,100	(230,000)	6,177,100
110.31.3121.5110	Sworn Full Time Salaries	438,700	(220,000)	218,700
110.14.1410.5112	Part Time Salaries	-	30,000	30,000
110.14.1410.5113	Overtime Salaries	-	30,000	30,000
110.11.1120.5111	Full Time Salaries	304,500	85,000	389,500
110.61.5110.5160	Retiree Medical Benefit	-	13,000	13,000
110.61.4140.5125	Vacation Buy Back	-	5,000	5,000
110.61.4140.5152	Health/Flex Benefit	6,600	3,000	9,600
110.61.5150.5113	Over Time Salaries	9,700	10,000	19,700
Subtotal Salaries & Benefits			2,748,000	
110.32.3210.8105	Fuel Usage Charges	109,200	75,000	184,200
110.31.3130.8105	Fuel Usage Charges	70,000	50,000	120,000
110.71.4120.8105	Fuel Usage Charges	5,000	5,000	10,000
Subtotal Fuel			130,000	
110.71.4120.6120	Other Contractual Services	1,440,000	839,000	2,279,000
110.71.4130.6110	Professional Services	96,100	600,000	696,100
110.71.2110.6110	Professional Services	80,000	23,000	103,000
110.13.1310.6120	Other Contractual Services	14,400	100,000	114,400
110.14.1410.6110	Professional Services	125,000	40,000	165,000
110.14.1410.6111	Legal Services	100,000	55,000	155,000
Subtotal Contractual Services			1,657,000	
110.61.5110.8104	Vehicle Maintenance Charges	1,800	12,000	13,800
110.61.4140.6142	Electricity	50,000	3,000	53,000
110.61.4140.6143	Water	8,000	3,000	11,000
110.95.9500.9361	Transfer Out	-	700,000	700,000
110.13.1310.5168	Supplemental Retirement Plan	2,362,000	(889,000)	1,473,000
Total General Fund			4,364,000	
122.61.5142.8105	Fuel Usage Charges	35,400	12,000	47,400
122.61.5120.5113	Over Time Salaries	-	1,000	1,000
122.61.5120.5125	Vacation Buy Back	-	3,000	3,000
122.61.5120.5180	Leave Lump Sum	-	2,000	2,000
122.80.7006.7800	Street Light & Traffic Signal	-	116,000	116,000
18040.122.7800	Traffic Signal Cameron/Barranca	-	-	-
Subtotal Fund 122, Prop C			134,000	
124.61.4150.6142	Electricity	163,900	30,000	193,900
124.71.4131.6110	Professional Services	71,400	6,000	77,400
Subtotal Fund 124, Gasoline Tax			36,000	

Account Number	Dept/Account Description	Current Budget	Proposed Amendment	Amended Budget
131.80.7004.7700	CIP Park		100,000	100,000
21035.131.7700	Friendship Park Improvements			
145.71.4182.6120	Other Contractual Services	115,700	3,000	118,700
155.31.3120.5113	Over Time Salaries	-	50,000	50,000
160.80.7001.7500	Buildings	-	125,000	125,000
22028.160.7500	City Hall Entry Signs			-
224.61.4153.6130	Service Contracts	588,300	6,000	594,300
233.31.3130.5113	Over Time Salaries	-	29,600	29,600
300.13.9000.6426	Ongoing Bond Costs	8,500	5,000	13,500
361.15.1520.6419	Claim Paid	1,750,000	500,000	2,250,000
363.15.1510.6419	Claim Paid	1,228,800	300,000	1,528,800
363.95.9500.9361	Transfer Out	-	500,000	500,000
Subtotal Fund 363, Workers' Comp			800,000	
365.61.4170.6485	Fuel Usage	600,000	200,000	800,000
820.71.2210.5182	PERS UAL Pmt - Miscellaneous	-	35,000	35,000
TOTAL EXPENDITURES		32,686,600	6,387,600	39,074,200
REVENUES				
Account Number	Account Description	Current Budget	Proposed Amendment	Amended Budget
110.00.4014	Residual/Excess Tax Increment	2,300,000	1,300,000	3,600,000
110.71.4614	Plan Check Fees	475,000	2,324,000	2,799,000
110.00.4110	Sales And Use Taxes	22,800,000	100,000	22,900,000
110.00.4580	Prop A Exchange	1,710,000	390,000	2,100,000
110.32.4609	Ambulance Services	2,300,000	250,000	2,550,000
Subtotal Fund 110, General Fund			4,364,000	
122.61.4110	Sales Tax	1,890,200	300,000	2,190,200
122.61.4535	Grants From Other Agencies	-	116,000	116,000
Subtotal Fund 122, Prop C			416,000	
155.31.4521	State Grant	205,000	55,000	260,000
361.00.9110	Transfer In	-	700,000	700,000
361.00.9363	Transfer In	-	500,000	500,000
Subtotal Fund 361, Self Insurance Genrl/Auto Liab			1,200,000	
365.61.4780	Interfund Charges - Fuel	600,000	200,000	800,000
224.61.4110	Sales Tax	1,331,700	6,000	1,337,700
233.31.4540	County Grants	176,800	29,600	206,400
300.00.4410	Interest Income	20,000	5,000	25,000
363.15.4760	Interfund Charges	1,753,000	130,000	1,883,000
TOTAL REVENUE		35,561,700	6,405,600	41,967,300

REASON/JUSTIFICATION (Please be specific)

Perliminary adjustments based on end of year actuals to-date.

APPROVALS

City Council Approval Date (if required, attach minutes): _____ ☐ Approval Not Required

Dept Head Approval: _____ Date: _____

Finance Director: _____ Date: _____

Funds Available? ☐ Yes ☐ No

City Manager: _____ Date: _____
(if over \$100,000) ☐ Approved ☐ Denied



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: August 16, 2022

TO: Mayor and City Council

FROM: David Carmany
City Manager

**SUBJECT: CONSIDERATION OF APPLICATION FOR 2022 JUSTICE ASSISTANCE GRANT FROM
U.S. DEPARTMENT OF JUSTICE**

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the application for, and acceptance of, 2022 Justice Assistance Grant Program funds, totaling \$19,375;
2. Authorize the Mayor, City Manager and City Manager's designee to execute all grant related documents; and
3. Authorize the necessary budget amendments by adopting the following resolution:

RESOLUTION NO. 2022-85 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023 (2022 BJA JAG GRANT)

DISCUSSION:

In 2005 the federal Bureau of Justice Assistance (BJA), within the U.S. Department of Justice, combined several grant programs and created the Justice Assistance Grant (JAG). According to federal requirements, this grant must be used to meet local law enforcement, and cannot be used to supplant existing funds or ongoing activities budgeted elsewhere. The U.S. Department of Justice requires that the City Council consider and approve the grant application at an open meeting, and submit application documents online. Police Department staff have begun the application process, and with the City Council's approval, staff can complete the process of obtaining 2022 Justice Assistance Grant funds totaling \$19,375.

With the grant purpose areas and restrictions in mind, the Police Department prioritized a list of unmet law enforcement supply needs in anticipation of this grant. In total, these supplies cost \$19,375 (the exact grant amount for which the City is eligible), and include the following items:

- Cartridges and batteries for non-lethal weapons;
- Investigation tools that retrieve digital and cellphone data;
- Law enforcement first aid kits for first responders;
- Headset communication gear for police first responders.

Using 2022 Justice Assistance Grant funds for these items aligns with the federal purpose areas and

meets all requirements from the Bureau of Justice Assistance. This grant is reimbursable, and purchases will not be made until the grant application is completed and approved by the U.S. Department of Justice.

LEGAL REVIEW:

The City Attorney's Office has reviewed the resolution and approved it as to form.

Prepared by: Alex B. Houston, Police Administrative Services Manager

Additional Approval: Richard Bell, Chief of Police

Additional Approval: Stephanie Sikkema, Finance Director

Fiscal Impact

FISCAL IMPACT:

The City of West Covina will receive an estimated \$19,375 in 2022 BJA Justice Assistance Grant funds to meet unfunded law enforcement supply needs. There is no local match requirement, and no cost to the City General Fund. As detailed in the proposed budget amendment, City staff is recommending an expenditure appropriation of \$19,375 and a corresponding revenue appropriation in Fund 130.

Fund 130	FY2022-23 Budget	Proposed Amendment	Amended Budget
Revenue	\$0	\$19,375	\$19,375
Expenditures	\$0	\$19,375	\$19,375
Revenue Less Expenditures	\$0	\$0	\$0

Attachments

Attachment No. 1 - Resolution No. 2022-85 with Exhibit A

CITY COUNCIL GOALS & OBJECTIVES: Protect Public Safety

RESOLUTION NO. 2022-85

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET
AMENDMENT FOR THE FISCAL YEAR COMMENCING
JULY 1, 2022 AND ENDING JUNE 30, 2023 (2022 JUSTICE
ASSISTANCE GRANT)**

WHEREAS, on April 19, 2022, the City Manager presented to the City Council a proposed budget for Fiscal Year 2022-23 in compliance with Section 2-151(m) of the West Covina Municipal Code; and

WHEREAS, following the initial presentation of the proposed budget for Fiscal Year 2022-23, the City held meetings and community workshops and conducted an online budget survey in order to solicit input from the public regarding the proposed budget; and

WHEREAS, on June 7, 2022, the City Council adopted a budget for the 2022-2023 Fiscal Year; and

WHEREAS, amendments must periodically be made to the budget to conform to changed circumstances following adoption of the budget.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES RESOLVE AS FOLLOWS:

SECTION 1. The City Council hereby approves Budget Amendment No. 2023-002, attached hereto as Exhibit A, for Fiscal Year 2022-23.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

APPROVED AND ADOPTED this 16th day of August, 2022.

Dario Castellanos
Mayor

APPROVED AS TO FORM

ATTEST

Thomas P. Duarte
City Attorney

Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2022-85 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 16th day of August, 2022, by the following vote of the City Council:

AYES:

NOES:

ABSENT:

ABSTAIN:

Lisa Sherrick
Assistant City Clerk

Exhibit A

City of West Covina
Fiscal Year 2022-23
Budget Amendment No. 2023-002
2022 USDOJ BJA Justice Assistance Grant

<u>Fund Name (No.)</u>	<u>Current Budget</u>	<u>Proposed Amendment</u>	<u>Amended Budget</u>
Bureau of Justice Asst. (No. 130)			
Revenue	-	19,375	19,375
Expenditures	-	19,375	19,375
Revenue less Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: August 16, 2022

TO: Mayor and City Council

FROM: David Carmany
City Manager

SUBJECT: RATIFICATION OF ADDITIONAL VEHICLE REPAIR EXPENDITURES FOR FISCAL YEAR 2021-22 AND APPROVAL OF BLANKET PURCHASE ORDER FOR FORD FLEET CARE BILLING PROGRAM FOR FISCAL YEAR 2022-23

RECOMMENDATION:

It is recommended that the City Council:

1. Ratify the additional expenditures for vehicle repairs for Fiscal Year 2021-22 in the amount of \$93,603; and
2. Authorize a blanket purchase order for the Ford Fleet Care Program for Fiscal Year 2022-23 not to exceed the budget allocation for vehicle repairs in Fund 365, Fleet Management.

BACKGROUND:

In January of 2017, the City began using Ford Fleet Care, a credit line through Ford Motor Company that can be used at any Ford dealership for parts and service. Because the City fleet consists of mostly Ford vehicles that are still covered under manufacturer's warranty, the vehicles must go to an authorized Ford dealer for repair.

Dealerships that bill through Ford Fleet Care can repair most of the City's Ford and non-Ford vehicles. The City fleet consists of 46 non-Ford Vehicles and 110 Ford Vehicles, most of which are Police and Maintenance Department vehicles that are under warranty. The City uses various Ford vendors for City fleet repairs (i.e. Ford of West Covina and Puente Hills Ford).

DISCUSSION:

The City participates in the various programs offered through the Sourcewell Cooperative Purchasing Agreement with Ford (#101520-FMXC expiring December 14, 2024) that includes the Ford Pro National Parts Discount Program and Ford Fleet Advantage Program that provides the ability to purchase vehicles at the fleet discount rate. The City utilizes Ford Fleet Care to self-manage its fleet of vehicles with monthly single consolidated invoices replacing the multiple repair orders or part invoices, ensuring that all discounts are applied. This service is available for fleets of Ford, Lincoln and Mercury vehicles, as well as non-Ford vehicles and trailers through Ford and Lincoln Dealerships and Quick Lane Tire & Auto Centers throughout the United States and Canada.

For FY 2019-20, the City Council approved the purchase order in the amount of \$200,000, with the actual expenditures totaling \$195,509. For FY 2020-21, City Council approved the purchase order in the

amount \$200,000 with actual expenditures of \$170,551.

For FY 2021-22, the City Council-approved budget was \$200,000, with actual expenditures totaling \$293,603 for repairs to its fleet vehicles through the Ford Fleet Care. This was a result of the additional employees hired in the Code Enforcement and Maintenance divisions as part of the approved FY 2021-22 budget, as well as the required maintenance that had been deferred. Staff is requesting ratification of the additional expenditures for FY 2021-22. A budget amendment is not required as there were sufficient funds for these additional expenditures.

For FY 2022-23, staff is requesting that the City Council approve a blanket purchase order for Ford Fleet not to exceed the budget allocation for vehicle repairs in Fund 365, Fleet Management.

OPTIONS:

1. Adopt staff's recommendation.
2. Provide alternative direction.

Prepared by: Renee M. G. Chavez

Fiscal Impact

FISCAL IMPACT:

For FY2021-22, a budget amendment is not required as there were sufficient funds for the additional expenditures.

Funds are budgeted for FY 2022-23 under the Fleet Management account number 365.61.4170.6329; thus, no appropriation is required.

Account No.	Account Name	FY2021-22 Budget	FY2022-23 Budget
365.61.4170.6329	Other Sublet Repairs	\$458,700	\$502,000
	Total	\$458,700	\$502,000

Attachments

ATTACHMENT NO. 1 - FORD FLEET AGREEMENT

ATTACHMENT NO. 2. - FORD FLEET CARE BROCHURE

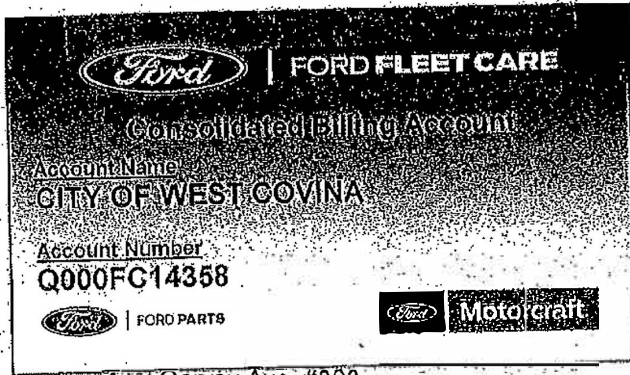
ATTACHMENT NO. 3. - SOURCEWELL COOPERATIVE AGREEMENT - FORD

CITY COUNCIL GOALS & OBJECTIVES: Protect Public Safety
Enhance City Image and Effectiveness
Achieve Fiscal Sustainability and Financial Stability



FORD FLEET CARE

Ford Motor Company
19855 W. Outer Drive
Suite 500 E
Dearborn, MI 48124



1444 W Garvey Ave. #308
West Covina, CA 91790

FORD FLEET CARE ACCOUNT INFORMATION

Fleet Code: 014358/00000

Parts Billing Code: Q000FC14358

Billing Credit Limit: \$140,000.00

90 Day 10% Discount Ends April 19, 2018

Dear Mr. Martinez,

Congratulations and welcome to the Ford Fleet Care Program. With your enrollment, your company is now eligible to enjoy the benefits of consolidated billing. **PLUS your company will receive a 10% discount on parts and services billed within 90 days of program enrollment*.**

*10% discount will be applied for 90 days from program enrollment on services using Ford and Motorcraft brand parts and billed through Ford Fleet Care. Discount excludes tax. Offer is valid for new account enrollments only. This offer can't be combined with any other Ford Motor Company parts rebate or service discount offer. Offer valid in U.S. only. Void where prohibited. Ford Motor Company reserves the right to modify or cancel this offer without prior notice.

The program allows you the flexibility to visit a participating Ford and Lincoln Dealer or QuickLane Tire & Auto Center nationwide, and have all invoicing pass to you in a convenient monthly bill. In addition, enrollment includes access to a National Glass Program of over 4,000 vendors, as well as Enhanced Roadside Assistance. Details on all of our available support programs can be found in the enclosed literature as well as on line at www.fleetcare.ford.com.

If you haven't already made arrangements for electronic transactions, you may also want to review the information on our Electronic Billing and the Electronic Funds Transfer payment option. It provides a safe, fast payment method and may reduce per-transaction costs.

The Ford Fleet Care website is available to help you manage your account. Detailed business reports are available for accounts with a Ford Fleet Identification Number (FIN) and secure web single logon (WSL) ID. To review FIN requirements, or to apply, please select contact us at www.fleetcare.ford.com. You can use these reports for tracking and maintaining a history of your vehicle service repairs or parts purchases.

Program terms are outlined in the enclosed Ford Fleet Care Agreement Provisions. Please note service fees are applied to late payments, and disputes need to be submitted in writing within 30 days. Guidelines on disputing billing charges to your account can be viewed online; please refer to the agreement provisions or to "Billing Disputes - Frequently Asked Questions" at the information tab of the www.fleetcare.ford.com site.

Ford Fleet Care is committed to sustaining your vehicle support needs. If you have any questions you can reach us at Ford Fleet Program Headquarters Monday – Friday, 8:30 am – 5:00 pm EST by dialing 800-367-3221 or by emailing us at ffcadmin@ford.com.

Don't delay, start saving 10% today!

Ford Fleet Program Headquarters

FL 70A
08/17/2016

Ford Fleet Care Program Agreement

DEFINITION OF FORD MOTOR COMPANY ("FORD") FORD FLEET CARE CONSOLIDATED BILLING AND PARTS PURCHASE PROGRAM. Acceptance into the Ford Fleet Care Consolidated Billing and Parts Purchase Programs is at the sole discretion of Ford. Additional information (such as corporate, vendor or state forms) may be required prior to enrollment. Upon acceptance into the Ford Fleet Care Consolidated Billing Program or Ford Fleet Care Parts Purchase Program, Ford will establish a billing account and pay participating Ford or Lincoln dealerships, Quick Lane Tire & Auto Centers or any Ford authorized program service provider in the USA or Ford and Ford-Lincoln dealerships or Quick Lane Tire & Auto Centres in Canada (collectively referred to as "Ford Fleet Care Service Providers") for repair, maintenance service, parts or accessories, Ford Protect Extended Service Plans, Rotunda shop equipment, or Ford Fleet Training purchases on behalf of the approved fleet company ("Fleet Company") in accordance with the Ford Fleet Care Program Agreement provisions set out herein.

WHERE TO GO FOR SERVICE OR PARTS PURCHASES. All Ford Fleet Care Service Providers can perform repairs or maintenance services under the terms of the Ford Fleet Care Consolidated Billing Program. Parts may be purchased under the terms of the Ford Fleet Care Parts Purchase Program from all participating Ford or Lincoln dealerships in the USA or Ford and Ford-Lincoln dealerships in Canada. Certain parts or services may not be available for non-Ford vehicles. Motorcraft brand parts and fluids may be available from participating Ford Authorized Distributors.

ELIGIBILITY AND AGREEMENT PERIOD. Eligibility for the Ford Fleet Care Consolidated Billing Program is in effect from the issue date of the Ford Fleet Care Program acceptance letter, and is valid for the duration of the fleet company's enrollment in the Program. Eligibility for the Ford Fleet Care Parts Purchase Program is in effect from the issue date of the Parts Purchase membership card and is valid for the duration of the Fleet Company's enrollment in the Ford Fleet Care Parts Purchase Program. Enrollment for both programs is renewed annually with then current provisions, unless notified and agreed to otherwise. Ford Fleet Care billing services may not be used for non- Ford vehicle components and/or operating systems on vehicles not owned, leased and operated by the approved fleet company, including Ford Qualified Vehicle Modifiers.

PROGRAM CREDIT LIMIT AND MAXIMUM AUTHORIZED REPAIR AMOUNT.

Credit Limit: A maximum credit limit will be established for the Fleet Company based on a credit history evaluation and vehicle enrollment. Credit limits may be adjusted (increased/decreased) based on program activity and vehicles enrolled. Services or purchases that exceed the Fleet Company's credit limit may result in suspension of Ford Fleet Care billing privileges. As a result, additional services or purchases may be denied until payment has been made. Requests for credit limit increase may be sent in writing to Ford Fleet Care Administration at the correspondence address identified below.

Ford Fleet Care Consolidated Billing Program: Should the total cost of repairs exceed the authorized limit, the Ford Fleet Care Service Provider will contact the Fleet Company for authorization, which shall be evidenced by the issuance of a purchase order or approval number, prior to proceeding with the repair. The authorization limit is set by the Fleet Company at the time of enrollment as Repair Prior Approval and generally will not exceed \$500.00. The authorization limit may be modified at Ford's sole discretion by submission of a written request to the correspondence address below at a later date. Repairs that are less than the authorization limit are deemed to be authorized repairs. The Fleet Company is responsible for payment of all authorized repairs.

Ford Fleet Care Parts Purchase Program: All parts purchases shall require authorization for purchase from the Fleet Company, which shall be evidenced by the issuance of a purchase order or approval number. The Fleet Company is responsible for payment on all authorized parts purchases.

FORD FLEET CARE NATIONAL PROGRAMS. Ford Fleet Care may offer national programs as part of the Consolidated Billing program, such as Glass and Roadside programs (available only in the U.S.). The Fleet Company is automatically enrolled in Ford Fleet Care national programs as they become available. Services provided under the Ford Fleet Care national programs do not require prior approval from the Fleet Company, even if the charges exceed the established maximum authorized repair amount. Additional information is available at www.fleetcare.ford.com.

ACCOUNT RESPONSIBILITIES FOR SERVICE AND MAINTENANCE OR PARTS PURCHASES. The Fleet Company is responsible for ensuring that: (1) Tax Exempt information, if applicable, is provided at time of service or purchase. (2) The requested work has been completed or the required part(s) have been received, (3) The repair or purchase order contains the correct name, VIN or account code, odometer reading and repair or purchase date and (4) The repair or purchase order is signed and dated or otherwise documented and a copy is retained for the Fleet Company's records. (5) VIN enrollment is accurate and additions and deletions are required in a timely basis. Failure to do so may result in charges on vehicles no longer owned or operated by the fleet.

STATEMENT OF ACCOUNT, INVOICE AND SUMMARY. Each billing period, Ford will post online or send the Fleet Company a summary and detail of individual charges, an invoice tallying monthly charges and a statement of account that includes billing and payment activity from the previous billing period. Online billing documents are available at www.fleetcare.ford.com. Documents without billing charges are not posted online or sent to the Fleet Company.

FOREIGN EXCHANGE. USA/Canadian currency exchange will be calculated based on the Ford bookkeeping rate at the time of the repair or parts purchase, as the case may be, with no service fees charged.

CHARGES AND FEES. Ford will bill the fleet company for their authorized repairs and services (including Prior Approval repair values) not covered by the New Vehicle Limited Warranty, Ford Protect Extended Service Plan (ESP), or other Ford program, and for parts and products purchased using an assigned Ford Fleet Care billing account number. Approved deviations from the standard services outlined in this agreement may result in additional charges to the Fleet Company's account. Service requests that may cause additional charges may include, but are not limited to: Requests for customized data reports, billing reprint requests, alternative billing services (i.e. EDI, third party billing services) or express mailing of billing documentation. Additionally, approved payment terms extended beyond net thirty days may result in additional charges.

PAYMENT. The Fleet Company shall pay Ford the amount stated on the invoice by the specified due date. At Ford's sole discretion, existing credit on account may be applied to subsequent billing, thereby reducing the amount owed. This will be reflected on the Fleet Company's statement of account, which is provided with the current billing period's invoice. In the event of nonpayment in whole or in part, Ford reserves the right to suspend or cancel Ford Fleet Care billing privileges upon written notice to the Fleet Company. Ford reserves the right to seek payment by any legal means it deems appropriate, including the right to offset against and redirect payments of any amounts otherwise payable to the Fleet Company by Ford (e.g. Competitive Price Allowance (CPA), Government Price Concession (GPC), etc.). Delinquent payment may be reported to national credit bureaus.

LATE PAYMENT FEE. Charges not disputed in writing or not paid in full by the specified invoice due date will be subject to a late fee at the standard rate of 4%, calculated and compounded monthly from the invoice due date until payment is received in full. Disputed charges will be exempt from the monthly service fee provided payment is made within 30 days from the time the dispute is resolved. The Fleet Company will be responsible for late fees incurred on delinquent invoices as a result of a failure to identify vendor approval steps or documentation required to facilitate payment. Additionally, approved payment terms extended beyond net thirty days may incur a late payment fee higher than the standard rate.

DISPUTED CHARGES. The Fleet Company MUST submit in writing inquiries and applicable copies of disputed charges within 30 days of the date of the invoice. Charges not disputed within 30 days of the date of invoice will become the responsibility of the Fleet Company. Disputed charges must include the Fleet Company name and account number, the dollar amount being disputed, and a description of the dispute and any supporting documentation. Submitting disputed invoices immediately may help in avoiding interruption of Ford Fleet Care service. Ford Fleet Care is a billing service only, so Ford will only correct errors made by Ford. Ford shall not be responsible for any misrepresentation of the Ford Fleet Care program and its features by a Ford Fleet Care Service Provider, any claims that work was not actually provided by the Ford Fleet Care Service Provider, or that the Ford Fleet Care Service Provider inaccurately or improperly performed the work. *The Fleet Company should contact the Ford Fleet Care Service Provider directly to resolve these types of disputes.* Ford makes no warranty or representation regarding the work performed by the Ford Fleet Care Service Providers or the parts and services provided by the Ford Fleet Care Service Providers, except to the extent that any purchased parts or accessories may be subject to an express Ford product warranty.

TO CANCEL FORD FLEET CARE ENROLLMENT. The Fleet company MUST notify Ford's Ford Fleet Care Administration in writing as soon as: (1) An enrolled vehicle is taken out of service, (2) Ford Fleet Care is no longer desired on a vehicle, or, (3) the Consolidated Billing or Parts Purchase account is no longer desired. The request must include the Fleet Company account code and specific VIN information if applicable. The enrollment cancellation process generally takes 10 business days from Ford's receipt of the request. The Fleet Company will be charged and responsible for all repairs performed on vehicles and/or parts purchases until Ford Fleet Care Administration completes the cancellation process. To avoid being charged, the Fleet Company should instruct drivers to refrain from receiving service or purchasing parts through Ford Fleet Care while the enrollment cancellation is in process. Confirmation of enrollment cancellation will be provided to the Fleet Company upon completion.

TERMINATION AND CHANGES TO FORD FLEET CARE PROGRAM AGREEMENT. In addition to any other termination rights specified herein, Ford shall have the right to terminate the Ford Fleet Care Program Agreement with the fleet company at any time, with or without cause, upon providing thirty (30) days prior written notice to the fleet company. Additionally, Ford shall have the right to change the Program Agreement at any time and such changes shall be effective upon Ford providing thirty (30) days prior written notice to the fleet company.

CORRESPONDENCE. Please direct all inquiries to Ford Fleet Care Headquarters as follows:

Phone: (800) 367-3221
Fax: (313) 390-3555
Email: ffcadmin@ford.com
Mail: 19855 W. Outer Drive Suite #500
Garrison Place East
Dearborn, MI 48124

PRIVACY STATEMENT. Ford's full privacy policy is available at www.fleetcare.ford.com for review.



FORD FLEET CARE

Program Application for Ford Fleet Care Programs

Promotion Code:

Program Selection (*Denotes a required field)

☒ Ford Fleet Care Consolidated Billing Program☒ Ford Fleet Care Parts Purchase Program

Fleet Company Information

CITY OF WEST COVINA		Type of Business*	
825 S SUNSET AVE		1444 W GARVEY AVE #308	
Fleet Administrator Name* WEST COVINA		Street Address (No P.O. Box)*	
626-939-8789		WEST COVINA CA 91790	
Telephone Number*		City, State, Zip Code*	
626-939-8731		MARTIN C. WEST COVINA, ORG	
Fax Number		E-Mail Address*	

Billing Information Accounts Payable Contact* Billing Street Address/P.O. Box* City, State, Zip Code* Telephone Number* Ext. E-Mail Address*		Repair Service & Parts Purchase Authorization Specify dollar value of repairs that require approval before service \$ <u>600K</u> \$ <u>600K</u> Current Monthly Average Estimated Monthly Average Ford Fleet Care Repair/Parts Charges* Repair/Parts Charges* DANIEL MARTINEZ Authorization Contact Name (if different from fleet admin.) Telephone Number* Ext. \$ <u> </u> Repair Prior Approval (Max. \$800.00)* All Part purchases require fleet company approval.	
Fleet Vehicle Information Ford Vehicle Count* <u>150</u> Non-Ford Vehicle Count* <u>150</u> <input type="checkbox"/> Enable Non-Ford Vehicle Billing		Tax Exemption Information <input type="checkbox"/> Yes - All states <input type="checkbox"/> Yes - State Specific (indicate below) <input checked="" type="checkbox"/> No Tax ID#: Tax Exempt Status:	
Online Billing <input type="checkbox"/> Enable Online Billing Ford FIN Code: A Ford FIN Code and Web ID are required to activate online billing and MyFord Fleet Care web site features. Ford Fleet Care Headquarters will contact the Fleet Administrator to obtain the necessary information.		Additional Information Active Ford Credit Commercial Line of Credit (CLOC) account <input type="checkbox"/> Yes <input type="checkbox"/> No Additional forms required? (Corporate vendor, state forms) <input type="checkbox"/> Yes <input type="checkbox"/> No If accounts payable, state, municipal or vendor forms are required to be completed, please include all appropriate forms with Ford Fleet Care application.	
Select Payment Option <input type="checkbox"/> EFT (Electronic Funds Transfer) <input checked="" type="checkbox"/> Check			
Finalize Enrollment Send Completed Applications: Email: fleetadmin@ford.com with VIN list in Excel spreadsheet (for quicker processing) OR Fax: (313) 390-3555 (VIN listing may also be included)			

THIS APPLICATION IS SUBMITTED TO PROVIDE INFORMATION IN CONNECTION WITH ESTABLISHING OR MAINTAINING CREDIT WITH FORD MOTOR COMPANY. INFORMATION OBTAINED IN THIS APPLICATION IS FOR THE EXCLUSIVE USE OF FORD MOTOR COMPANY AND PAYMENT PLAN PROCESSORS. ALL PORTIONS OF THIS FORM MUST BE COMPLETED FOR APPLICATION REVIEW. FORD MOTOR COMPANY RESERVES THE RIGHT TO REQUEST ADDITIONAL INFORMATION. APPLICANTS MAY BE CONTACTED FOR FURTHER PROCESSING.

Authorized Representative Name*: Chris Freeland Date*: 1-4-18
 Title*: City Manager
 Signature*: [Signature]

THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. THE FLEET COMPANY LISTED ABOVE UNDERSTANDS AND AGREES TO THE FORD FLEET CARE PROGRAM AGREEMENT PRINTED ON THE BELOW AGREEMENT PROVISION SECTION.

Enrollment Referral Information

To be completed by Dealer or Ford Representative

Dealer Representative <u>RON STAYEN</u> Dealer Name <u>RON STAYEN @ FORD OF LOS ANGELES</u> Print Dealer Contact Name and Title <u>310.926.3669</u> Telephone Number Ext.		Ford Representative <u>Anne Tran-Malone</u> Ford Representative Name and Title <u>Anne D. TRAN-MALONE.com</u> Signature <u>(313) 495-5953</u> Telephone Number Ext. <u>Los Angeles</u> Region	
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For more about Ford Fleet Care, visit www.fleetcare.ford.com or scan this code with your smartphone or tablet device.



FORD FLEET CARE



| FORD **FLEET CARE**



Ford Parts provides original equipment design and fit for your Ford and Lincoln vehicles to help restore new-vehicle-like performance and reliability. Plus, all Ford parts are backed by Ford Motor Company and built with the engineering expertise from a manufacturer with more than 100 years of experience.



The name says quality, dependability, and performance. Motorcraft® parts are designed specifically for Ford and Lincoln vehicles and have undergone extensive laboratory and on-road testing. Our comprehensive product line is built to maximize the performance of Ford and Lincoln vehicles.



A trusted relationship just got better. Omnicroft™ is the newest member of the Ford family of parts, offering affordable, reliable parts designed for non-Ford repairs. With more than a century of parts heritage to build upon, Omnicroft is a quality choice for your business. Now available along with Ford and Motorcraft® parts for one-stop shopping at your Ford Dealer.



THE FORD FLEET CARE ADVANTAGE

- Cardless/cashless convenience
- Reduced administration
- Controlled spending limits
- No enrollment fees
- Access to online business reports
- All-make billing solution

CONSOLIDATED BILLING FOR YOUR SELF-MANAGED FLEET

Ford Fleet Care is a parts and service consolidated billing program, offered without administrative fees, to commercial fleets who choose to self-manage their fleet of vehicles. The program allows you to make a single monthly payment on behalf of your entire fleet for vehicle service and part purchases - helping you reduce administrative time and cost.

The program is available through Ford and Lincoln dealerships and Quick Lane Tire and Auto Centers throughout the United States and Canada.

Cardless/Cashless Convenience

- No need for drivers to carry a credit card or cash
- Ford and Lincoln dealers able to verify vehicle enrollment in program

Reduced Administration and Cost

- Consolidated monthly invoice replaces multiple repair orders or part purchase invoices
- Ability to make a single payment on behalf of your entire fleet
- No enrollment or administrative fees
- Access to online business reports

Controlled Spending Limits

- Establish prior approval spending limit
- Ford and Lincoln dealers able to view your preset spending limit and contact you for purchase order approval

All-Make Billing Solution

- Ford and Lincoln vehicles
- Non-Ford vehicles and trailers

Additional Vehicle Service Programs*

National glass program

OEM windshield replacement and repair provided through mobile service with OEM specifications

Enhanced roadside assistance

Offers services beyond New Vehicle Limited Warranty and Ford Protect extended service plan roadside coverages

* Available in the U.S. only. Prior approval is not available.



Learn more. Apply today.

Visit the Ford Fleet Care website at fleetcare.ford.com or scan this code with your smartphone.

Message and data rates apply.

CONSOLIDATED BILLING OPTIONS

VEHICLE MAINTENANCE AND SERVICE

Consolidated service billing documents provide a summary of your vehicle maintenance and service events in an easy-to-read format.

Consolidated Invoice

Compiles total amount due for the billing period:

- Replaces multiple dealership invoices
- Helps save processing time

Repair Notification Summary

Summarizes vehicle service events charged during the billing period:

- Vehicle Identification Number (VIN)
- Fleet unit number (when provided)
- Fleet prior approval code
- Servicing location
- Repair mileage
- Dealership repair order number

Repair Notification

Provides details of individual dealership repair orders in an easy-to-read format that includes:

- Billing location
- Service provider
- Vehicle data, including VIN and your assigned unit number
- Description of performed repairs, including parts and labor
- Condition code – describes the condition of the replaced part

Consolidated Billing Program
REPAIR NOTIFICATION SUMMARY

Invoice No: 0000000000
Invoice Date: 01-01-2000
Due Date: 01-01-2000

Vehicle Data:
VIN: 000000000000
Fleet Unit: 0000000000
Fleet Prior Approval Code: 0000000000
Servicing Location: 0000000000
Repair Mileage: 000000
Dealership Repair Order Number: 0000000000

Item	Part	Qty	Unit Price	Total Price	Condition
0001	000000000000	1	0.00	0.00	0.00
0002	000000000000	1	0.00	0.00	0.00
0003	000000000000	1	0.00	0.00	0.00
0004	000000000000	1	0.00	0.00	0.00
0005	000000000000	1	0.00	0.00	0.00
0006	000000000000	1	0.00	0.00	0.00
0007	000000000000	1	0.00	0.00	0.00
0008	000000000000	1	0.00	0.00	0.00
0009	000000000000	1	0.00	0.00	0.00
0010	000000000000	1	0.00	0.00	0.00
0011	000000000000	1	0.00	0.00	0.00
0012	000000000000	1	0.00	0.00	0.00
0013	000000000000	1	0.00	0.00	0.00
0014	000000000000	1	0.00	0.00	0.00
0015	000000000000	1	0.00	0.00	0.00
0016	000000000000	1	0.00	0.00	0.00
0017	000000000000	1	0.00	0.00	0.00
0018	000000000000	1	0.00	0.00	0.00
0019	000000000000	1	0.00	0.00	0.00
0020	000000000000	1	0.00	0.00	0.00
0021	000000000000	1	0.00	0.00	0.00
0022	000000000000	1	0.00	0.00	0.00
0023	000000000000	1	0.00	0.00	0.00
0024	000000000000	1	0.00	0.00	0.00
0025	000000000000	1	0.00	0.00	0.00
0026	000000000000	1	0.00	0.00	0.00
0027	000000000000	1	0.00	0.00	0.00
0028	000000000000	1	0.00	0.00	0.00
0029	000000000000	1	0.00	0.00	0.00
0030	000000000000	1	0.00	0.00	0.00
0031	000000000000	1	0.00	0.00	0.00
0032	000000000000	1	0.00	0.00	0.00
0033	000000000000	1	0.00	0.00	0.00
0034	000000000000	1	0.00	0.00	0.00
0035	000000000000	1	0.00	0.00	0.00
0036	000000000000	1	0.00	0.00	0.00
0037	000000000000	1	0.00	0.00	0.00
0038	000000000000	1	0.00	0.00	0.00
0039	000000000000	1	0.00	0.00	0.00
0040	000000000000	1	0.00	0.00	0.00
0041	000000000000	1	0.00	0.00	0.00
0042	000000000000	1	0.00	0.00	0.00
0043	000000000000	1	0.00	0.00	0.00
0044	000000000000	1	0.00	0.00	0.00
0045	000000000000	1	0.00	0.00	0.00
0046	000000000000	1	0.00	0.00	0.00
0047	000000000000	1	0.00	0.00	0.00
0048	000000000000	1	0.00	0.00	0.00
0049	000000000000	1	0.00	0.00	0.00
0050	000000000000	1	0.00	0.00	0.00
0051	000000000000	1	0.00	0.00	0.00
0052	000000000000	1	0.00	0.00	0.00
0053	000000000000	1	0.00	0.00	0.00
0054	000000000000	1	0.00	0.00	0.00
0055	000000000000	1	0.00	0.00	0.00
0056	000000000000	1	0.00	0.00	0.00
0057	000000000000	1	0.00	0.00	0.00
0058	000000000000	1	0.00	0.00	0.00
0059	000000000000	1	0.00	0.00	0.00
0060	000000000000	1	0.00	0.00	0.00
0061	000000000000	1	0.00	0.00	0.00
0062	000000000000	1	0.00	0.00	0.00
0063	000000000000	1	0.00	0.00	0.00
0064	000000000000	1	0.00	0.00	0.00
0065	000000000000	1	0.00	0.00	0.00
0066	000000000000	1	0.00	0.00	0.00
0067	000000000000	1	0.00	0.00	0.00
0068	000000000000	1	0.00	0.00	0.00
0069	000000000000	1	0.00	0.00	0.00
0070	000000000000	1	0.00	0.00	0.00
0071	000000000000	1	0.00	0.00	0.00
0072	000000000000	1	0.00	0.00	0.00
0073	000000000000	1	0.00	0.00	0.00
0074	000000000000	1	0.00	0.00	0.00
0075	000000000000	1	0.00	0.00	0.00
0076	000000000000	1	0.00	0.00	0.00
0077	000000000000	1	0.00	0.00	0.00
0078	000000000000	1	0.00	0.00	0.00
0079	000000000000	1	0.00	0.00	0.00
0080	000000000000	1	0.00	0.00	0.00
0081	000000000000	1	0.00	0.00	0.00
0082	000000000000	1	0.00	0.00	0.00
0083	000000000000	1	0.00	0.00	0.00
0084	000000000000	1	0.00	0.00	0.00
0085	000000000000	1	0.00	0.00	0.00
0086	000000000000	1	0.00	0.00	0.00
0087	000000000000	1	0.00	0.00	0.00
0088	000000000000	1	0.00	0.00	0.00
0089	000000000000	1	0.00	0.00	0.00
0090	000000000000	1	0.00	0.00	0.00
0091	000000000000	1	0.00	0.00	0.00
0092	000000000000	1	0.00	0.00	0.00
0093	000000000000	1	0.00	0.00	0.00
0094	000000000000	1	0.00	0.00	0.00
0095	000000000000	1	0.00	0.00	0.00
0096	000000000000	1	0.00	0.00	0.00
0097	000000000000	1	0.00	0.00	0.00
0098	000000000000	1	0.00	0.00	0.00
0099	000000000000	1	0.00	0.00	0.00
0100	000000000000	1	0.00	0.00	0.00

FORD, MOTORCRAFT® AND OMNICRAFT™ PARTS PURCHASES

The Parts Purchase Billing Program extends the same consolidated billing convenience from the dealership's Service Department to the dealership's Parts Department. And can be utilized as stand-alone billing or combined with service billing.

Features include:

- A dedicated parts account code and card issued for your convenience
- Authorization by your designated company representative
- The ability to order parts on **fordparts.com** and bill to your Ford Fleet Care account

Consolidated Invoice

Compiles total amount due for the billing period:

- Replaces multiple dealership invoices
- Helps save processing time

Purchase Notification Summary

Summarizes parts purchases charged during the billing period and includes:

- Your Ford Fleet Care account code
- Prior approval code
- Purchase location

Purchase Notification

Provides details of individual dealership parts purchase orders in an easy-to-read format that includes:

- Billing location
- Service provider
- Unit price
- Service provider comments
- Part code and quantity purchased

Consolidated Billing Program
PURCHASE NOTIFICATION SUMMARY

Invoice No: 0000000000
Invoice Date: 01-01-2000
Due Date: 01-01-2000

Vehicle Data:
VIN: 000000000000
Fleet Unit: 0000000000
Fleet Prior Approval Code: 0000000000
Servicing Location: 0000000000
Purchase Mileage: 000000
Dealership Purchase Order Number: 0000000000

Item	Part	Qty	Unit Price	Total Price	Condition
0001	000000000000	1	0.00	0.00	0.00
0002	000000000000	1	0.00	0.00	0.00
0003	000000000000	1	0.00	0.00	0.00
0004	000000000000	1	0.00	0.00	0.00
0005	000000000000	1	0.00	0.00	0.00
0006	000000000000	1	0.00	0.00	0.00
0007	000000000000	1	0.00	0.00	0.00
0008	000000000000	1	0.00	0.00	0.00
0009	000000000000	1	0.00	0.00	0.00
0010	000000000000	1	0.00	0.00	0.00
0011	000000000000	1	0.00	0.00	0.00
0012	000000000000	1	0.00	0.00	0.00
0013	000000000000	1	0.00	0.00	0.00
0014	000000000000	1	0.00	0.00	0.00
0015	000000000000	1	0.00	0.00	0.00
0016	000000000000	1	0.00	0.00	0.00
0017	000000000000	1	0.00	0.00	0.00
0018	000000000000	1	0.00	0.00	0.00
0019	000000000000	1	0.00	0.00	0.00
0020	000000000000	1	0.00	0.00	0.00
0021	000000000000	1	0.00	0.00	0.00
0022	000000000000	1	0.00	0.00	0.00
0023	000000000000	1	0.00	0.00	0.00
0024	000000000000	1	0.00	0.00	0.00
0025	000000000000	1	0.00	0.00	0.00
0026	000000000000	1	0.00	0.00	0.00
0027	000000000000	1	0.00	0.00	0.00
0028	000000000000	1	0.00	0.00	0.00
0029	000000000000	1	0.00	0.00	0.00
0030	000000000000	1	0.00	0.00	0.00
0031	000000000000	1	0.00	0.00	0.00
0032	000000000000	1	0.00	0.00	0.00
0033	000000000000	1	0.00	0.00	0.00
0034	000000000000	1	0.00	0.00	0.00
0035	000000000000	1	0.00	0.00	0.00
0036	000000000000	1	0.00	0.00	0.00
0037	000000000000	1	0.00	0.00	0.00
0038	000000000000	1	0.00	0.00	0.00
0039	000000000000	1	0.00	0.00	0.00
0040	000000000000	1	0.00	0.00	0.00
0041	000000000000	1	0.00	0.00	0.00
0042	000000000000	1	0.00	0.00	0.00
0043	000000000000	1	0		



FLEETCARE.FORD.COM

- Apply for Ford Fleet Care Program
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- Download billing documents
- Access online billing reports
- Manage actively enrolled vehicles

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- Edit account information
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- Vehicle Repair Analysis Report
- Parts Purchase Report



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* Requires Fleet Identification Number (FIN). For information on obtaining a FIN, visit fleet.ford.com

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Ford Fleet Care Program Headquarters

1-800-367-3221



FORD FLEET CARE

For more information:

Phone

Ford Fleet Care Roadside Assistance (United States): **1-800-367-3221 #1**

Ford Fleet Care National Glass Program (United States): **1-800-367-3221 #2**

Ford Business Assistance Center: **1-800-34-Fleet (1-800-343-5338)**

Ford Protect Extended Service Plans: **1-800-521-4144**

Ford Powertrain Hotline: **1-800-392-7946**

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Ford Fleet: **fleet.ford.com**

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Sourcewell contract 101520-FMC gives access to the following types of goods and services:

- Ford genuine parts
- Ford Rotunda program – tools & equipment
- Ford Authorized – Motorcraft OE aftermarket parts
- Ford & Motorcraft – bulk fluids & lubricants
- Omnicraft – competitive make aftermarket parts
- Quick Lane – tire & auto service centers
- Ford quality fleet care centralized billing program
- Ford extended service plan
- Ford & Lincoln authorized repair shop service
- Parts inventory management training
- Third-party collaborations for vendor inventory
- Ford Fleet national maintenance pricing program



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: August 16, 2022

TO: Mayor and City Council

FROM: David Carmany
City Manager

SUBJECT: CONSIDERATION OF A MEMORANDUM OF UNDERSTANDING WITH THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (LACMTA) FOR COLLECTING AND REPORTING DATA FOR THE NATIONAL TRANSIT DATA BASE

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to enter into a Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (LACMTA) for collecting and reporting data for the National Transit Database (NTD), in substantially the form as attached and in such final form as approved by the City Attorney.

BACKGROUND:

After data reporting was required by Congress in 1974, the Federal Transit Administration's (FTA) NTD was set up to be the repository of data about the financial, operating and asset conditions of American transit systems. The NTD records the financial, operating, and asset conditions of transit systems helping to keep track of the industry and provide public information and statistics. The NTD is designed to support local, state and regional planning efforts and help governments and other decision-makers make multi-year comparisons and perform trend analyses. It contains a wealth of information such as agency funding sources, inventories of vehicles and maintenance facilities, safety event reports, measures of transit service provided and consumed, and data on transit employees.

FTA uses NTD data to apportion funding to urbanized and rural areas in the United States. Transit agencies report data on a number of key metrics including Vehicle Revenue Miles (VRM), Vehicle Revenue Hours (VRH), Passenger Miles Traveled (PMT), Unlinked Passenger Trips (UPT), and Operating Expenses (OE).

On November 14, 1980, the voters of the County of Los Angeles approved Proposition A, an ordinance establishing a one-half percent sales tax for public transit purposes. At its September 26, 2001 meeting, the LACMTA authorized payment of Proposition A Discretionary Incentive funds to each participating agency in an amount equal to the Federal funds generated for the region by each agency's reported data. Annually, City staff report data collected by its transit contractor into the NTD.

DISCUSSION:

At its September 24, 2020 Board meeting, LACMTA approved the Fiscal Year (FY) 2020-21 transit fund allocations, which included funds to make payments to all cities that voluntarily reported NTD data for FY 2018-19. It also included supplemental funding as Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) Equivalent funds to support transportation programs that are impacted by the COVID-19 crisis.

Based on its participation in the program, West Covina may invoice LACMTA in the amount \$144,264.

This amount is determined by the amount of Vehicle Revenue Miles and the FTA Unit Rate of \$0.434030161. Vehicle Revenue Miles are the miles a vehicle travels while in revenue service. This excludes travel to and from storage facilities, training operators prior to revenue service, road tests and deadhead travel, as well as school bus and charter services. The City was allocated an additional \$46,485 through CARES Act funding to address impacts of COVID-19.

Except for Fund Exchange, these funds may be used for all other regular Proposition A-eligible transportation activities. In FY 2022-23, funds were budgeted for professional services in anticipation of procurement of transit services.

OPTIONS:

The City Council has the following options:

1. Approve the recommendation; or
2. Provide alternative direction.

Prepared by: Kelly McDonald, Public Services Manager

Fiscal Impact

FISCAL IMPACT:

Once the memorandum of understanding is executed, the City may invoice for payment in the amount of \$144,246. The funds will be deposited in Fund 121 - Proposition A.

Attachments

Attachment No. 1 - MOU with LACMTA - Prop A Incentive NTD Voluntary

CITY COUNCIL GOALS & OBJECTIVES: Enhance City Image and Effectiveness
Maintain Good Intergovernmental Relations
Achieve Fiscal Sustainability and Financial Stability

**PROPOSITION A DISCRETIONARY INCENTIVE GRANT PROGRAM
MEMORANDUM OF UNDERSTANDING
FOR COLLECTING AND REPORTING DATA FOR THE
NATIONAL TRANSIT DATABASE
FOR REPORT YEAR 2019**

This Memorandum of Understanding (MOU) is entered into as of March 1, 2021 by and between Los Angeles County Metropolitan Transportation Authority ("LACMTA") and the City of West Covina (the "City").

WHEREAS, on November 14, 1980, the voters of the County of Los Angeles approved by majority vote Proposition A, an ordinance establishing a one-half percent sales tax for public transit purposes; and

WHEREAS, at its September 26, 2001 meeting, the LACMTA authorized payment of Proposition A Discretionary Incentive funds to each participating agency in an amount equal to the Federal funds generated for the region by each agency's reported data; and

WHEREAS, at its September 24, 2020 Board meeting, LACMTA approved the Fiscal Year FY 2020-21 transit fund allocations, which included funds to make payments to all cities that voluntarily reported NTD data for FY 2018-19. It also included supplemental funding for the City as CARES Act Equivalent funds to support transportation programs that are impacted by the COVID-19 crisis; and

WHEREAS, the City has voluntarily submitted their FY2018-19 data to the National Transit Database (NTD) and have successfully met all NTD and Federal Transit Administration (FTA) requirements in order to generate Federal 5307 funds for the Los Angeles County region; and

WHEREAS, the City has requested funds under the Proposition A Discretionary Incentive Program for collecting and reporting data for the NTD from the FY 2018-19 Report Year (the "Project"); and

WHEREAS, on December 27, 2020, the Federal Transit Administration (FTA) published in the Federal Register the FY 2020-21 Apportionments, Allocations, and Program Information including unit values for the data reported to the NTD; and

WHEREAS, the parties desire to agree on the terms and conditions for payment for the Project.

NOW, THEREFORE, LACMTA and the City hereby agree to the following terms and procedures:

ARTICLE 1. TERM

- 1.0 This Memorandum of Understanding (“MOU”) will be in effect from **March 1, 2021**, through **June 30, 2024** at which time all unused funds shall lapse.

ARTICLE 2. STANDARDS

- 2.0 To receive payment for the submittal of the FY 2018-19 NTD statistics, the City warrants that it:
- A. Adhered to the Federal Guidelines for collecting and Reporting NTD statistics including all audit requirements;
 - B. Prepared and submitted the FY 2018-19 **ANNUAL NTD REPORT** of the City’s fixed-route and/or demand response transit service to the LACMTA on or before **October 31, 2019**;

ARTICLE 3. PAYMENT OF FUNDS TO CITY

- 3.0 LACMTA shall pay the City for collecting and reporting FY 2018-19 NTD statistics. LACMTA shall pay the City for submitting the FY 2018-19 **ANNUAL NTD REPORT** for the applicable transit services as follows:

MOTOR BUS SERVICE

For City’s motor bus service, LACMTA shall pay an amount equal to the 164,469 revenue vehicle miles reported by the City multiplied by the FTA unit value of \$ 0.434030161 per revenue vehicle mile. See Attachment A for detail.

DIAL-A-RIDE SERVICE

For City’s dial-a-ride service, LACMTA shall pay an amount equal to the 60,810 revenue vehicle miles reported by the City multiplied by the FTA unit value of \$ 0.434030161 per revenue vehicle mile. See Attachment A for detail.

CARES ACT EQUIVALENT SUPPLEMENTAL FUNDING

LACMTA shall pay up to \$ 46,486 in CARES Act equivalent Program Funds to support transit programs that are impacted by the COVID-19 pandemic.

- 3.1 The City shall submit one invoice to LACMTA prior to **June 30, 2024**, in the amount of **\$144,264** in order to receive its payment described above.

- 3.2 INVOICE BY CITY:

Send invoice with supporting documentation to:

Los Angeles County Metropolitan Transportation Authority
Accounts Payable
P. O. Box 512296
Los Angeles, CA 90051-0296
accountspayable@metro.net

Re: LACMTA MOU# MOUPAIWECO21000 M.S. Chelsea Meister (99-4-3)

ARTICLE 4. CONDITIONS

- 4.0 The City agrees to comply with all requirements specified by the FTA guidelines for reporting NTD statistics.
- 4.1 The City understands and agrees that LACMTA shall have no liability in connection with the City's use of the funds. The City shall indemnify, defend, and hold harmless LACMTA and its officers, agents, and employees from and against any and all liability and expenses including defense costs and legal fees and claims for damages of any nature whatsoever, arising out of any act or omission of the City, its officers, agents, employees, and subcontractors in performing the services under this MOU.
- 4.2 The City is not a contractor, agent or employee of LACMTA. The City shall not represent itself as a contractor, agent or employee of LACMTA and shall have no power to bind LACMTA in contract or otherwise.
- 4.3 The City agrees that expenditure of the Proposition A Discretionary Incentive funds will be used for projects that meet the eligibility, administrative, audit and lapsing requirements of the Proposition A and Proposition C Local Return guidelines most recently adopted by the LACMTA Board.
- 4.4 These expenditures will be subject to **AUDIT** as part of LACMTA's annual Consolidated Audit.

ARTICLE 5. REMEDIES

- 5.0 LACMTA reserves the right to terminate this MOU and withhold or recoup funds if it determines that the City has not met the requirements specified by the FTA for collecting and submitting NTD statistics through LACMTA.

ARTICLE 6. MISCELLANEOUS

- 6.0 This MOU constitutes the entire understanding between the parties, with respect to the subject matter herein.

- 6.1 The MOU shall not be amended, nor any provisions or breach hereof waived, except in writing signed by the parties who agreed to the original MOU or the same level of authority.

ARTICLE 7. CONTACT INFORMATION

- 7.0 LACMTA's Address:
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012
Attention: Chelsea Meister (99-4-3)

- 7.1 City's Address:
West Covina
1444 W. Garvey Ave. South
West Covina, CA 91790
Attn: Kelly McDonald
KMcdonald@westcovina.org

IN WITNESS WHEREOF, the City and LACMTA have caused this MOU to be executed by their duly authorized representatives on the date noted below:

CITY:

City of West Covina

Los Angeles County Metropolitan
Transportation Authority

Mayor/City Manager

By: _____

STEPHANIE N. WIGGINS
Chief Executive Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA
County Counsel

By: _____

Legal Counsel

By: _____

Deputy

Date: _____

Date: _____

ATTACHMENT A
LACMTA Voluntary NTD Reporting Program for FY19
Using FY21 FTA Formula Programs Apportionment Data Values

Jurisdiction	MODE	Number of Vehicles in Operation	Total Vehicle Revenue Miles	\$ from VRM	Tier II Operator Deduction	CARES Allocation Amount	Total (\$)Due to Jurisdiction	
Alhambra	MB	9	163,365	70,905.34		55,520	126,425	
Alhambra	DR	8	105,693	45,873.95			45,874	
Artesia	DR (DT)	5	12,365	5,366.78		2,552	7,918	
Azusa	DR	6	93,057	40,389.54		19,202	59,592	
Baldwin Park	MB	6	197,853	85,874.17		48,244	134,118	
Baldwin Park	DR	2	35,944	15,600.78			15,601	
Bell	MB	1	33,682	14,619.00		11,416	26,035	
Bell	DT	5	9,571	4,154.10			4,154	
Bell	DR	3	12,288	5,333.36			5,333	
Bellflower	MB	2	70,606	30,645.13		30,268	60,913	
Bellflower	DR	2	24,073	10,448.41			10,448	
Bell Gardens	MB	3	98,467	42,737.65		19,537	62,275	
Bell Gardens	DR	3	48,214	20,926.33			20,926	
Burbank	MB	14	304,648	132,226.42	(19,585)	54,053	166,694	
Calabasas	MB	11	107,286	46,565.36		25,220	71,785	
Calabasas	DR	1	14,932	6,480.94			6,481	
Carson	MB	7	341,180	148,082.41		89,908	237,990	
Carson	DT	8	94,528	41,028.00			41,028	
Cerritos	MB	5	175,292	76,082.02		48,993	125,075	
Cerritos	DR	10	62,137	26,969.33			26,969	
Compton	MB	5	129,101	56,033.73		26,640	82,674	
Compton	DR	2	23,215	10,076.01			10,076	
Covina	DR	4	61,104	26,520.98		12,609	39,130	
Cudahy	MB	1	34,209	14,847.74		11,468	26,316	
Cudahy	DT	5	21,369	9,274.79			9,275	
Downey	MB	7	118,397	51,387.87		41,408	92,796	
Downey	DR	16	84,689	36,757.58			36,758	
Duarte	MB	2	59,411	25,786.17		12,259	38,046	
El Monte	MB	7	218,362	94,775.69		61,476	156,251	
El Monte	DR	6	79,558	34,530.57			34,531	
Glendora	MB	3	79,982	34,714.60		37,227	71,942	
Glendora	DR	10	100,427	43,588.35			43,588	
Huntington Park	MB	5	146,581	63,620.58		51,501	115,122	
Huntington Park	DT	13	103,002	44,705.97			44,706	
LACDPWAvocado	MB	1	38,830	16,853.39		8,013	24,866	
LACDPWELA	MB	6	245,575	106,586.96		65,330	171,917	
LACDPWELA	DR	7	71,025	30,826.99			30,827	
LACDPWEast Valinda	MB	1	43,730	18,980.14		9,024	28,004	
LACDPWKing Medical	MB	1	35,115	15,240.97		7,246	22,487	
LACDPWWillowbrook Shuttle	MB	2	82,222	35,686.83		16,966	52,653	
LACDPWS.Whittier	MB	4	201,891	87,626.78		41,660	129,287	
LACDPWAthens	MB	1	36,503	15,843.40		7,532	23,376	
LACDPWLennox	MB		28,372	12,314.30		5,855	18,169	
LACDPWFloranceFirestone	MB	2	55,886	24,256.21		11,532	35,788	
Lakewood	DR	12	72,437	31,439.84		14,947	46,387	
Lawndale	MB	2	78,009	33,858.26		16,097	49,955	
Lynwood	MB	4	135,363	58,751.62		27,932	86,684	
Malibu	DT	9	8,341	3,620.25		1,721	5,341	
ManhattanBeach	DR	4	49,661	21,554.37		10,248	31,802	
Maywood	MB	2	32,141	13,950.16		11,775	25,725	
Maywood	DR	2	24,921	10,816.47			10,816	
MontereyPark	MB	6	216,113	93,799.56		49,674	143,473	
MontereyPark	DR	3	24,613	10,682.78			10,683	
Pico Rivera	DR	3	20,407	8,857.25		4,211	13,068	
Rosemead	MB	2	116,781	50,686.48		36,069	86,755	
Rosemead	DR	3	42,075	18,261.82			18,262	
Santa Fe Springs	DR	2	21,042	9,132.86		4,342	13,475	
South Gate	MB	5	165,760	71,944.84		72,143	144,088	
South Gate	DT	9	183,856	79,799.05			79,799	
SouthPasadena	DR	5	35,287	15,315.62		7,281	22,597	
WestCovina	MB	4	164,469	71,384.51		46,486	117,871	
WestCovina	DR	4	60,810	26,393.37			26,393	
West Hollywood	MB	4	104,163	45,210		23,765	68,975	
Total		307	5,555,823	2,411,395	(19,585)		3,527,393	
FY21 Revenue Mile Rate		0.434030161						



AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: August 16, 2022

TO: Mayor and City Council

FROM: David Carmany
City Manager

**SUBJECT: CONSIDERATION OF TRANSPORTATION AND LEASE AGREEMENTS WITH MV
TRANSPORTATION, INC.**

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve a one (1) year extension to both the Transportation Services Agreement and the Lease Agreement with MV Transportation, Inc., extending the terms of both agreements through September 2, 2023; and
2. Authorize the City Manager to negotiate and execute all necessary documents, in such final form as approved by the City Attorney, to carry out the City Council's direction.

BACKGROUND:

Fixed-route transportation systems use buses, vans, light rail, and other vehicles to operate on a predetermined route according to a predetermined schedule. These types of systems have printed or posted timetables and designated stops where riders are picked up and dropped off. The City of West Covina is conducting an evaluation of its current transit services to define the future of transit/mobility in the community.

On December 17, 2013, the City Council approved a Transportation Services Agreement with MV Transportation, Inc. (MVT), to provide fixed route and dial a-ride transit services that began on March 3, 2014. Separate, but concurrent and related to the Transportation Services Agreement, the City entered into a Lease Agreement with MVT on January 22, 2014 to use space at the City Yard for a mobile office and vehicle parking.

The Transportation Services Agreement had an initial term of five (5) years with a provision for two (2) one (1)-year extension options. Both options were exercised, extending the term through March 2, 2021. MVT's compensation during the initial five-year term for the Transportation Services Agreement totaled \$4,953,125.

Pursuant to the Lease Agreement, MVT agreed to pay the City \$2,700 per month. The Lease Agreement was subsequently amended twice. Pursuant to the Second Amendment in 2019, the monthly rent was increased to \$3,000 due to additional parking spaces requested by MVT and the term was extended term through March 2, 2021 to coincide with the term of the Transportation Services Agreement.

On March 2, 2021, the City Council approved additional extensions of both the transit service and lease agreements with MVT, on a month-to-month basis, for up to 12 months, to enable the City to conduct a formal solicitation for transportation services. The transit service amendment included a provision for the parties to promptly meet to negotiate revised rates if volume fluctuated by more than 20%. It also allowed either party to terminate the agreement with a 30-day notice to the other party.

MVT has staffed and managed the City of West Covina's Fixed Route Shuttle (Shuttle) and Dial A-Ride (DAR) services with oversight by the Public Services Department. The Shuttle service consists of three alignments (Red, Blue, and Green) that operate Monday-Friday. The estimated annual hours of operation for the Shuttle service are 11,600. In October 2021, service reductions were made to the Red and Blue lines as a cost saving measure. Currently, the lines run as follows:

- Red runs 6:30am to 5:52pm (No Service 9:10a to 10:06a and 2:46pm to 3:42pm)
- Blue runs 7:07am to 4:47pm
- Green runs 6:30am to 6:25pm (North) and 6:30am to 6:30pm (South)

The DAR operates Monday-Friday from 8:00 a.m. to 5:30 p.m., and Sunday from 8:00 a.m. to 2:30 p.m. The estimated annual hours of operation for the DAR service are 7,600.

On May 4, 2021, the transit service agreement with MVT was amended to include a six-month "On-Demand Ride-Hailing" Pilot Program to be carried out by Uber that would supplement the current Dial-A-Ride program. The City budgeted \$50,000 for the pilot program. MVT was to receive 10% for administering the program, including arranging rides for those without the app.

On March 1, 2022, City Council approved extending the transit service and lease agreements on a month-to-month basis for no more than six months and provided direction for staff to contract directly with Uber or Lyft for the Pilot Program.

DISCUSSION:

With the City's transportation evaluation expected to conclude at the end of September 2022, City Council direction following the evaluation will serve as a basis for the scope of work for a Request for Proposals (RFP) for transit services. The process to develop specifications, request and evaluate proposals, award contract, and phase in a launch of service is expected to take up to a year. As the extensions are set to expire on September 2, 2022, further extensions of the agreements with MVT are needed to allow continued shuttle services to our residents.

To ensure service until the City completes the process, staff requested a proposal from MVT. MVT provided a proposal (Attachment No. 1) to provide a status quo service level for a term of one (1) year. Pursuant to Article 11 of the Agreement, as amended, party can terminate the Agreement at any time with thirty (30) days' written notice to the other party. This termination clause will allow the City the opportunity to continue to pursue alternative transit service.

Recent labor negotiations and wage increases have resulted in higher rates. The proposal delineates variable costs by service and overall fixed costs. With fixed costs met, service modifications, i.e., reductions, may be implemented if desired. As an optional add-on, a cost was included for in-vehicle tracking technology to improve ridership data collection.

OPTIONS:

The City Council has the following options:

1. Approve not to exceed one (1) year extensions of the existing agreements for transit services and lease; or
2. Provide alternative direction.

Prepared by: Kelly McDonald, Public Services Manager

Fiscal Impact

FISCAL IMPACT:

The proposal from MVT, for the term September 2022 - September 2023 is for an amount not to exceed \$1,549,709. This increase is due to a recent collective bargaining agreement which resulted in an increase in driver wages.

Transit services are funded from the Public Services Transportation Operating Budget (Proposition C and Measure R Local Returns). The approved FY 2022-2023 budget for the shuttle and dial-a-ride services is summarized in the table below.

Program	Account	Amount
Shuttle	122.61.5142.6120	\$ 290,500
	122.61.5148.6120	484,000
	224.61.5142.6120	193,200
Subtotal - Shuttle		\$ 967,700
Dial-A-Ride	122.61.5143.6120	\$ 530,500
Subtotal - Dial A Ride		\$ 530,500
Total		\$ 1,498,200

The months of July and August will be billed at rates under the prior amendment. At this time, it is expected the budget will be sufficient to cover costs in Fiscal Year 2022-2023. Staff will return with a budget amendment later in the fiscal year, if necessary. There is no impact to the General Fund.

Extension of the lease agreement will result \$3,000 per month in General Fund revenue.

Attachments

Attachment No. 1 -2022-08-03 MVT 1-Yr Extension Cost Proposal

CITY COUNCIL GOALS & OBJECTIVES: Enhance City Image and Effectiveness

APPENDIX E
COST SUMMARY MARTRIX

	Fiscal Year 2022-2023
Fixed-route Cost per Revenue Hour	\$ 57.34
Multiplied by Estimated Revenue Hours x 11,600	11,600
Fixed-route TOTAL	\$ 665,091
Dial-A-Ride Cost per Revenue Hour	\$ 47.03
Multiplied by Estimated Revenue Hours x 7,600	7,600
DAR TOTAL	\$ 357,444
Multiplied by Estimated Revenue Hours x 19,200	\$ 1,022,535
Annual Fixed Cost	\$ 527,174
Monthly Fixed Cost	\$ 43,931
GRAND TOTAL BY FISCAL YEAR	\$ 1,549,709

In-Vehicle Technology Tracking Option		\$ 35,578.93
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AGENDA STAFF REPORT

City of West Covina | Office of the City Manager

DATE: August 16, 2022

TO: Mayor and City Council

FROM: David Carmany
City Manager

**SUBJECT: CONSIDERATION OF SECOND AMENDMENT MAINTENANCE SERVICES
AGREEMENT WITH WEST COAST ARBORISTS, INC. FOR CITYWIDE TREE
MAINTENANCE SERVICES**

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Ratify invoices paid to West Coast Arborists, Inc for services provided through June 30, 2022.
2. Authorize the City Manager to execute the Second Amendment to the Maintenance Services Agreement with West Coast Arborists, Inc. for tree trimming and maintenance services for City trees.

BACKGROUND:

The Public Services Department is responsible for maintenance of all City-owned facilities and public infrastructure. One component of these maintenance responsibilities is establishing and maintaining an efficient and cost-effective tree maintenance program. These regular maintenance services vary in scope and frequency depending on the sizes, species and condition of trees.

West Coast Arborists, Inc. (WCA) has been providing tree maintenance services to the City of West Covina since 1997. On July 7, 2020, Council awarded a bid for Trimming and Tree Maintenance Services to WCA and authorized the execution of the Maintenance Services Agreement (Agreement) with an initial term through June 30, 2023, with two (2) one (1)-year extension options. On January 19, 2021, Council authorized amending the Scope of Services and increasing WCA's compensation for Fiscal Year (FY) 2020-2021.

DISCUSSION:

In addition to the annual tree trimming cycle services, staff has utilized the WCA to address public safety concerns for emergency tree removal and necessary hillside slope maintenance services, in parks and along right of ways. This has resulted in year-to-date costs of approximately \$620,000, which is over the annual compensation limit of \$485,000 specified in the Agreement.

Annual Contract Limit	\$485,000
Estimated Cost of Services through 6-30-22	\$620,000
Estimated Overage	\$135,000

The City went over the annual limit last year as well which prompted the First Amendment approved by Council. Rather than continuing to amend the agreement each year, staff recommends removing the compensation limit. WCA is paid according to a fee schedule that is based on the City's demand for tree trimming and maintenance services for City trees. As services are based on the City's demand, the proposed amendment would remove the compensation limit so it will not impede the City's ability to respond to maintenance issues. With the removal of the limitation, WCA will continue to be paid in accordance with the established fee schedule.

LEGAL REVIEW:

The City Attorney's Office has reviewed the amendment and approved it as to form.

Prepared by: Maria Delira, Purchasing Manager

Fiscal Impact

FISCAL IMPACT:

These services are paid from various funds based on the location. Despite the increase in services, there are sufficient balances within the FY 2021-22 budget to accommodate the overages.

Account No.	Account Name	FY2021-22 Budget	Current Balance
110.61.4142.6130	Service Contracts	983,600	151,948
124.61.4141.6130	Service Contracts	261,700	32,030
181.61.4145.6130	Service Contracts	145,800	56,223
182.61.4145.6130	Service Contracts	68,100	50,189
183.61.4145.6130	Service Contracts	36,100	300
184.61.4145.6130	Service Contracts	286,900	35,345
186.61.4145.6130	Service Contracts	75,000	14,849
187.61.4145.6130	Service Contracts	65,400	14,849
188.61.4141.6130	Service Contracts	499,100	149,136
Total		\$2,421,700	\$504,869

Attachments

Attachment No. 1 - Second Amendment

CITY COUNCIL GOALS & OBJECTIVES: Protect Public Safety
Enhance City Image and Effectiveness

**SECOND AMENDMENT
TO
CITY OF WEST COVINA
MAINTENANCE SERVICES AGREEMENT
WITH
WEST COAST ARBORISTS, INC.
FOR
TREE TRIMMING AND MAINTENANCE SERVICES**

THIS SECOND AMENDMENT ("Amendment") is made and entered into as of August 16, 2022 ("Effective Date") by and between the CITY OF WEST COVINA, a municipal corporation ("City"), and WEST COAST ARBORISTS, INC., a California corporation ("Contractor").

WHEREAS, City and Contractor entered into a Maintenance Services Agreement dated July 1, 2020 for Contractor to trim and maintain City trees ("Original Agreement"); and

WHEREAS, City and Contractor amended the Scope of Services and increased Contractor's compensation for Fiscal Year 2020-2021 through the First Amendment to the Agreement, dated January 19, 2021; and

WHEREAS, City and Contractor now desire to amend Section 2.1 of the Original Agreement as set forth herein.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 2.1 of the Original Agreement shall be amended to read as follows:
 - 2.1. Compensation. Contractor shall be paid in accordance with the fee schedule set forth in Exhibit "B," attached hereto and made a part of this Agreement (the "Fee Schedule").
2. All terms not defined herein shall have the same meaning and use as set forth in the Original Agreement.
3. All other terms, conditions, and provisions of the Original Agreement not in conflict with this Amendment shall remain in full force and effect.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, City and Contractor have executed this Amendment as of the date set forth above.

CITY OF WEST COVINA

CONTRACTOR

David Carmany
City Manager

Patrick Mahoney
President

ATTEST:

Richard Mahoney
Vice President/Secretary

Lisa Sherrick
Assistant City Clerk

APPROVED AS TO FORM:

Thomas P. Duarte
City Attorney

APPROVED AS TO INSURANCE:

Helen Tran
Human Resources and Risk
Management Director